

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

**NEW ISSUE
BANK QUALIFIED
BOOK-ENTRY-ONLY**

**S&P RATING: “AA”
See “RATING” herein.**

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

OFFICIAL STATEMENT

\$8,500,000* SOUTH METROPOLITAN FIRE PROTECTION DISTRICT OF CASS COUNTY, MISSOURI GENERAL OBLIGATION BONDS SERIES 2025

Dated: Date of Issuance

**Due: March 1, as shown on
the inside cover page**

The General Obligation Bonds, Series 2025 (the “**Bonds**”) will be issued by South Metropolitan Fire Protection District of Cass County, Missouri (the “**District**”), for the purpose of providing funds (1) to pay the costs of the Project (defined herein), and (2) to pay the costs of issuing the Bonds, as further described herein under the caption “**PLAN OF FINANCING – Authorization and Purpose of the Bonds.**”

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

The Bonds are not subject to redemption prior to maturity as described herein under the caption “**THE BONDS - Redemption Provisions.**”

THE BONDS AND INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES WHICH MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE DISTRICT. See the caption “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

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

THE BONDS ARE SUBJECT TO CERTAIN RISKS. SEE THE CAPTION “RISK FACTORS” IN THIS OFFICIAL STATEMENT.

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

Bids for the Bonds will only be received electronically through PARITY electronic bid submission system until 10:30 A.M., Central Time, on Tuesday, October 14, 2025.

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

* Preliminary; subject to change.

\$8,500,000*
SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
OF CASS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2025

MATURITY SCHEDULE*

Serial Bonds

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
2026	\$1,085,000			
2027	1,330,000			
2028	1,440,000			
2029	1,335,000			
2030	1,180,000			
2031	495,000			
2032	520,000			
2033	545,000			
2034	570,000			

[Term Bonds]

<u>Maturity</u> <u>March 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u> ⁽¹⁾
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⁽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 Bondowners. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

* Preliminary; subject to change.

**SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
OF CASS COUNTY, MISSOURI**

341 N. Conway
Raymore, MO 64083
(816) 331-3008

BOARD OF DIRECTORS

Wayne Emery, Chairman, President and Director
Steve Trautman, Vice Chairman and Director
Steve Phillips, Secretary and Director
Mary Lacy, Treasurer and Director
Mike VanAken, Director

ADMINISTRATIVE

Lee Stevens, Fire Chief
Stephanie Hicks, Business Manager/Controller

CERTIFIED PUBLIC ACCOUNTANT

Dickey & Humbard, LLC
Harrisonville, Missouri

MUNICIPAL ADVISOR

Piper Sandler & Co.
Leawood, Kansas

BOND COUNSEL

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

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

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OFFICIAL STATEMENT
\$8,500,000*
SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
OF CASS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2025

INTRODUCTION

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

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to (1) the South Metropolitan Fire Protection District of Cass County, Missouri (the “District”) and (2) the District’s General Obligation Bonds, Series 2025 (the “Bonds”), to be issued in the aggregate principal amount of \$8,500,000* to acquire, renovate, construct, improve and install buildings, vehicles and equipment to serve the District, including without limitation, to (1) acquire and install fire/rescue or emergency medical service equipment or apparatus, (2) renovate and improve existing buildings, (3) acquire and install technology infrastructure and equipment, and (4) acquire land for, and construct, furnish and equip a new fire station (collectively, the “Project”).

The District

The District is a fire protection district and political subdivision organized and existing under the laws of the State of Missouri. See the caption “**THE DISTRICT**” herein.

The Bonds

The Bonds are being issued pursuant to a resolution (the “Bond Resolution”) adopted by the governing body of the District for the purpose of paying costs of the Project and costs related to the issuance of the Bonds. The Bonds represent the second installment of the \$25,000,000 of general obligation bonds (the “Voted Authority”) authorized by the required majority of the voters of the District at an election held April 2, 2024 (the “Election”). The District previously issued \$1,500,000 of the Voted Authority in 2024. See the caption “**THE BONDS**” herein.

Security and Source of Payment

The Bonds will constitute general obligations of the District and will be payable as to principal of and interest on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable tangible property, real and personal, within the territorial limits of the District. See the section captioned “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — General**” in this Official Statement.

Other Outstanding Obligations Payable

In addition to the Bonds, the District is obligated to meet from ad valorem property taxes the principal and interest requirements on the District’s other outstanding general obligation bonds as set forth in *Appendix A* to this Official Statement under the section captioned “**DEBT STRUCTURE OF THE DISTRICT – Current Long-Term General Obligation Indebtedness.**”

* Preliminary; subject to change.

Financial Statements

Audited financial statements of the District, as of and for the year ended December 31, 2024 are included in **Appendix B** to this Official Statement. These financial statements have been audited by Dickey & Humbard, LLC, Harrisonville, Missouri, independent certified public accountants, to the extent and for the periods indicated in their report, which is also included in **Appendix B** to this Official Statement.

Continuing Disclosure

The District will enter into a Continuing Disclosure Undertaking dated as of the date of issuance of the Bonds (the “Continuing Disclosure Undertaking”), to provide certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events relating to the Bonds. The financial information, operating data and notice of events will be filed in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section herein captioned “**CONTINUING DISCLOSURE**” and the form of Continuing Disclosure Undertaking included as **Appendix C** to this Official Statement.

Bond Ratings

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

Description of Documents

Brief descriptions of the Bonds, the security for the Bonds and certain other matters are included in this Official Statement. Such information, summaries and descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and the Bond Resolution are qualified in their entirety by reference to such documents.

THE DISTRICT

The District is a political subdivision formed with voter approval in 1968, duly created and existing under the provisions of Chapter 321 of the Revised Statutes of Missouri, as amended (the “Act”). The District is approximately 52 square miles in area and is located in Cass County, Missouri, in the west central part of the State. Additional information regarding the District may be obtained from the District office at 341 N. Conway Street, Raymore, MO 64083. See “**APPENDIX A: THE DISTRICT**” and “**APPENDIX B: ACCOUNTANT’S REPORT AND AUDITED FINANCIAL STATEMENTS.**”

PLAN OF FINANCING

Authorization and Purpose of the Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution, the Act and the Bond Resolution.

At the Election, the qualified voters of the District voting on the general obligation bond question approved by 74.12% (1,693 voting “yes” to 591 voting “no”) the question authorizing the District to issue general

obligation bonds in the amount of \$25,000,000 for the purpose of paying costs of the Project. The District has previously issued \$1,500,000 of the general obligation bonds authorized by the voters at the Election. The principal amount of the Bonds will constitute the second installment of general obligation bonds approved by the voters at the Election and will be used by the District to finance costs of the Project and leaving \$15,000,000* in Voted Authority.

The Project

As part of the Project, the District will use proceeds of the Bonds to acquire, renovate, construct, improve and install buildings, vehicles and equipment to serve the District, including without limitation, to (1) acquire and install fire/rescue or emergency medical service equipment or apparatus, (2) renovate and improve existing buildings, (3) acquire and install technology infrastructure and equipment, and (4) acquire land for, and construct, furnish and equip a new fire station. The District will deposit \$_____ of the proceeds of the Bonds in the Project Fund established under the Bond Resolution to pay costs of the Project, in accordance with the plans and specifications of the Project. The estimated completion date of the improvements and acquisitions of new equipment is fall 2028.

Sources and Uses of Funds

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

Sources of Funds:

Principal Amount of the Bonds	\$8,500,000.00*
[Net] Original Issue Premium	_____
Total.....	<u><u>\$_____</u></u>

Uses of Funds:

Deposit for Project Costs	\$_____
Costs of Issuance including Underwriter's Discount.....	_____
Total.....	<u><u>\$_____</u></u>

THE BONDS

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

General

The Bonds are being issued in the principal amount of \$8,500,000*. The Bonds are dated as of the date of original delivery of and payment for such Bonds. Principal is payable on March 1 in the years and in the principal amount set forth on the inside cover page of this Official Statement, subject to redemption and payment prior to maturity upon the terms and conditions described under the section below captioned **“Redemption Provisions.”** Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which interest has been paid and is payable semiannually on March 1 and September 1 (each an “Interest Payment Date”), beginning March 1, 2026.

The interest payable on each Bond on any Interest Payment Date will be paid to the person in whose name such Bond is registered (the “Registered Owner”) as shown on the registration books (the “Bond

* Preliminary; subject to change.

Register”) at the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date (the “Record Date”) for such interest (a) by check or draft mailed by BOKF, N.A., Kansas City, Missouri (the “Paying Agent”), to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner, or (b) by electronic transfer to such Registered Owner upon written notice given to the Paying Agent by such Registered Owner, not less than 15 days prior to the Record Date for such interest payment, containing the electronic transfer instructions including the name and address of the bank, its ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed, and an acknowledgement that an electronic transfer fee may be applicable.

The principal or Redemption Price (as defined herein) of each Bond will be paid by check or draft to the Registered Owner at the Maturity thereof, upon presentation and surrender of such Bond at the payment office of the Paying Agent, or such other office designated by the Paying Agent.

While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in **Appendix D** to this Official Statement. If DTC ceases to act as securities depository for the Bonds, payment may be made as described in the Bond Resolution. See also the caption “Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System.”

Book-Entry Only System

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

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

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

The Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate or principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner’s duly authorized agent. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of the Bond Resolution. The District shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by the Bond Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. The District and the Paying Agent shall not be required (i) to register the transfer or exchange of any Bond after notice calling such bond or portion thereof for redemption has been mailed by the Paying Agent in accordance with the Bond Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (ii) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Bond Resolution.

Redemption Provisions

No Optional Redemption. The Bonds are not subject to optional redemption.

[Mandatory Redemption.] The Bonds maturing in the years 20__ and 20__ (the “Term Bonds”) shall be subject to mandatory redemption by the District at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, in the following principal amounts on March 1 of the following years:

Term Bonds Maturing March 1, 20__

<u>Year</u>	<u>Principal Amount</u>
20__	\$_____
20__*	_____

*Final Maturity Date

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

In the case of a partial redemption of Bonds at the time Outstanding in denominations greater than \$5,000, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner’s duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the price which such Bonds are to be redeemed (the “**Redemption Price**”) and interest to the date fixed for redemption (the “**Redemption Date**”) of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Notice of Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail at least 20 days prior to the Redemption Date to the State Auditor of Missouri and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

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

Effect of Call for Redemption. Official notice of redemption having been given as provided in the Bond Resolution, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless

the District defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as provided in the Bond Resolution for payment of interest. Upon surrender for any partial redemption of any Bond, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided in the Bond Resolution. All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent pursuant to the Bond Resolution and shall not be reissued.

The failure of any Registered Owner to receive the foregoing notice or any immaterial defect therein shall not invalidate any redemption.]

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds, 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 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General Obligations

The Bonds will constitute general obligations of the District and will be payable as to both principal and interest from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

Pledge of Full Faith and Credit. The full faith, credit and resources of the District are irrevocably pledged under the Bond Resolution for the prompt payment of the Bonds as the same become due.

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

All references herein to the Bond Resolution are qualified in their entirety by reference to the Bond Resolution. Copies of the Bond Resolution and the Official Statement may be viewed at the office of Piper Sandler & Co., 11635 Rosewood Street, Leawood, Kansas 66211, or will be provided to any prospective purchaser requesting the same, upon payment by such prospective purchaser of the cost of complying with such request.

RISK FACTORS

General

The following is a discussion of certain risks that could affect the payments to be made by the District with respect to the Bonds. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including its appendices) in order to make a judgment as to whether the Bonds are an appropriate investment. Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds, a determination that the interest on the Bonds might be deemed taxable for purposes of federal and

Missouri income taxation, or that may affect the market price or liquidity of the Bonds. This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.

Ad Valorem Property Taxes

The Bond Resolution levies a direct annual tax on all taxable tangible property within the District sufficient to produce amounts necessary for the payment of the principal of and interest on the Bonds each year. Declining property values in the District, whether caused by national or global financial crises, natural disasters, local economic downturns, or other reasons, may require higher levy rates, which may increase the burden on local taxpayers and affect certain taxpayers' willingness or ability to continue timely paying property taxes. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Property Valuations – History of Property Valuation"** in *Appendix A* of this Official Statement. In addition, the issuance of additional general obligation bonds by the District or other indebtedness by other political subdivisions in the District would increase the tax burden on taxpayers in the District. See **"DEBT STRUCTURE OF THE DISTRICT – Overlapping Indebtedness"** in *Appendix A* of this Official Statement. Missouri law limits the amount of general obligation debt issuable by the District to 5% of the assessed valuation of taxable tangible property in the District. See **"DEBT STRUCTURE OF THE DISTRICT – Legal Debt Capacity"** in *Appendix A* of this Official Statement. Other political subdivisions in the District are subject to similar limitations on general obligation debt imposed by Missouri law, including cities, school districts, counties and certain other districts, which are limited to general obligation debt of 20%, 15%, 10% and 5% of assessed valuation of taxable tangible property, respectively.

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

The Hancock Amendment

An amendment to the Missouri Constitution limiting taxation and government spending was approved by Missouri voters on November 4, 1980. This amendment limits the ability of the District to impose new or increased taxes without voter approval. The amendment (commonly known as the Hancock Amendment) limits the rate of increase and the total amount of taxes which may be imposed in any fiscal year, and the limit may not be exceeded without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly assessed valuation of the District 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 5% or the Consumer Price Index, whichever is lower. The limitation on local governmental units does not apply to taxes imposed for the payment of principal of and interest on general obligation bonds approved by the requisite percentage of voters.

The Hancock Amendment also requires political subdivisions of the State to obtain voter approval in order to increase any *"tax, license or fee."* The precise meaning and application of the phrase *"tax, license or fee"* is unclear, but decisions of the Missouri Supreme Court have indicated that it does not apply to traditionally set user fees. The limitations imposed by the Hancock Amendment restrict the District's ability to increase many but not all taxes, licenses and certain fees without obtaining voter approval.

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 political subdivision such as the District. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of the District's property 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. The property tax levy is the levy actually imposed by a political subdivision while the tax rate ceiling is the maximum levy the political subdivision may impose under the provisions of the Hancock Amendment. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a political subdivision's actual property tax levy, regardless of whether that levy is at the political subdivision's tax levy ceiling. This further reduction is sometimes referred to as an "SB 711 rollback." In non-reassessment years (even-numbered years), the

property tax levy may be increased to the political subdivision'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.

On March 2, 2021, the Missouri Court of Appeals, Eastern Division, held in *Blankenship v. Franklin County Collector* (619 S.W. 3d 491) that an increase in the operating levy by political subdivisions pursuant to the provisions of Section 137.073.5(2), which allows political subdivisions to increase the operating levy to account for inflation in certain situations, cannot result in a levy that exceeds the highest voter-approved levy in violation of the Hancock Amendment. Approximately 600 taxing authorities were notified by the Missouri State Auditor's Office that their 2020 tax rates did not comply with the Blankenship decision and would need to be recalculated to determine their 2021 tax rates. To the extent a taxing authority levied taxes in violation of the Blankenship decision, refunds of such taxes are permitted if (1) a taxpayer files for injunctive relief before such taxes become payable, which is December 31 of the tax year, or (2) a taxpayer pays such taxes under protest and files suit against the tax collector within ninety days. The District did not receive a letter from the Missouri State Auditor's Office and will not need to adjust revenues because of the Blankenship decision.

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

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

Rating

S&P Global Ratings has assigned the Bonds the rating set forth under "**RATING**" in this Official Statement. Such ratings reflect only the views of such rating agency, and an explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in their judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. See the caption "**RATINGS**" herein.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Resolution, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. The District, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of

the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Pensions and Other Postemployment Benefits

The District contributes to the Missouri Local Government Employees Retirement System (“LAGERS”), an agent multi-employer, statewide public employee retirement plan for entities of local government which is legally separate and fiscally independent of the State of Missouri. The District also provides other postemployment benefits (“OPEB”) as part of the total compensation offered to attract and retain the services of qualified employees. 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.

For more information specific to the District’s participation, including the District’s past contributions, net pension liability, and pension expense, see Note 6 to the District’s financial statements included in *Appendix B* to this Official Statement.

Amendment of the Bond Resolution

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

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

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

The Internal Revenue Service (the “**IRS**”) has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, the IRS, in accordance with its current published procedures, is likely to treat the District as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Adverse Tax Legislation

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

Defeasance Risks

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

Cybersecurity Risks

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

Senior Property Tax Credit Program

In 2024, the Missouri General Assembly passed Senate Bill 756 (further amending Section 137.1050 of the Revised Statutes of the State of Missouri, as amended, originally enacted by the Missouri General Assembly in 2023 by Senate Bill 190), which authorizes counties to grant property tax credits to residential property owners who have attained the age of 62 years or older equal to the difference between the real property tax liability on the homestead in the current year minus the real property tax liability on such homestead in the year in which the taxpayer became eligible to receive the tax credit (the "**Senior Property Tax Credit Program**"). Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by the county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. In March 2024, the Cass County Commission adopted a resolution authorizing the Cass County Collector to begin accepting applications for the Senior Property Tax Credit Program.

The potential financial impact of the Senior Property Tax Credit Program implemented within Cass County is not yet ascertainable. If the District's property tax revenues are reduced in a given year as a result of the Senior Property Tax Credit Program implemented in Cass County, there may be less property tax revenues available to pay principal of and interest on the Bonds and the District's other outstanding general obligation bonds. In addition, the District is permitted to retain in its Debt Service Fund up to one year's debt service payments and can increase the debt service levy for future years to address the potential decrease from implementation of the Senior Property Tax Credit Program and to ensure continued payment of the principal of and interest on the Bonds and the District's other outstanding general obligation bonds. See the section captioned **"PROPERTY TAX INFORMATION"** in *Appendix A* to this Official Statement.

Missouri Property Tax Cap

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

Potential Impact of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus in December 2019 ("**COVID-19**" or the "**Pandemic**"), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The District cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the District associated with operating during any public health emergencies including, but not limited to, the amount of (1) increases in required services of the District, (2) costs to clean, sanitize and maintain its facilities, (3) costs to hire additional and/or substitute employees, (4) costs to acquire supporting goods and services, or (5) costs to operate remotely and support the employees of the District. Accordingly, the District cannot predict the effect any public health emergencies will have on the finances or operations of the District.

The District receives a large percentage of its revenue from property taxes, and the District did not experience a significant decrease in revenues due to COVID-19. Historical property tax revenues for the District for the fiscal years ended December 31, 2020 through 2024 are set forth under the caption **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Collection Record"** in *Appendix A* hereto.

LEGAL MATTERS

Legal Proceedings

As of the date hereof, there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any

way the legal organization of the District or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the District's ability to meet its obligations to pay the Bonds.

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, as Bond Counsel to the District, whose approving opinion will be available at the time of delivery of the Bonds. Gilmore & Bell, P.C., will also pass upon certain legal matters relating to this Official Statement, as disclosure counsel to the District.

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

TAX MATTERS

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

Opinion of Bond Counsel

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

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

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

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

Bond Counsel's opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for

federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds, but has reviewed the discussion under the section captioned “**TAX MATTERS**” in this Official Statement.

Other Tax Consequences

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

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

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations

subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

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

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Undertaking to be entered into by the District in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”), the District has agreed to provide to the Municipal Securities Rulemaking Board (the “**MSRB**”), *via* the EMMA system, not later than **June 30th** after the end of each fiscal year, commencing with the fiscal year ending December 31, 2025, (1) the audited financial statements of the District for that fiscal year and (2) certain operating data of the District (the “**Annual Report**”). The financial statements of the District are audited by the District’s independent certified public accountants. The District has also agreed to provide prompt notice of the occurrence of certain enumerated events with respect to the Bonds. See “**FORM OF CONTINUING DISCLOSURE UNDERTAKING**” attached as *Appendix C* to this Official Statement.

The District has engaged in undertakings similar to the Continuing Disclosure Undertaking with respect to several series of obligations previously issued by the District to provide to the national information repositories (presently, only the MSRB) the audited financial statements of the District and updates of certain operating data of the District. Over the last five years, the District has been in material compliance with filing its audited financial statements and operating data in a timely manner. In order to promote compliance with the District’s obligations under the Continuing Disclosure Undertaking and the District’s prior undertakings, the District has engaged the law firm of Gilmore & Bell, P.C. to assist the District in determining the required content of the Annual Reports and in submitting such Annual Reports to the MSRB via EMMA.

RATING

Standard & Poor’s Rating Service is expected to give the Bonds a rating of “AA,” which reflects its evaluation of the investment quality of the Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by said rating agency if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

The District has furnished the rating agency with certain information and materials relating to the Bonds 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 has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the District is required to bring to the attention of the holders of the Bonds any revision or withdrawal of the ratings of the Bonds but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned “**CONTINUING**

DISCLOSURE.” Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds.

MISCELLANEOUS

Municipal Advisor

Piper Sandler & Co. (the “Municipal Advisor”) has acted as Municipal Advisor to the District in connection with the sale of the Bonds. The Municipal Advisor has assisted the District in matters relating to the planning, structuring and issuance of the Bonds and various other debt related matters. The Municipal Advisor will not be a manager or a member of any purchasing group submitting a proposal for the purchase of the Bonds.

Underwriting

Based upon bids received by the District on _____, 2025 pursuant to the Notice of Sale dated September 30, 2025, the Bonds were awarded to _____ (the “Underwriter”). The Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Bonds from the District at a price equal to \$_____ (representing the par amount of the Bonds less an underwriter’s discount of \$_____ and plus a [net] original issue premium of \$_____). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter’s business activities. The Underwriter may sell certain of the Bonds at a price greater than such purchase price, as shown on the inside cover page hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

Certification and Other Matters Regarding Official Statement

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

The Preliminary Official Statement has been “deemed final” by the District except for the omission of certain information as provided by Securities and Exchange Commission Rule 15c2-12. Simultaneously with the delivery of the Bonds, the Chairman of the Board of Directors of the District, acting on behalf of the District, will furnish to the Underwriter a certificate that shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

[Remainder of page left intentionally blank.]

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

**SOUTH METROPOLITAN FIRE PROTECTION
DISTRICT OF CASS COUNTY, MISSOURI**

By: _____
Chairman of the Board of Directors

APPENDIX A

THE DISTRICT

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GENERAL AND DEMOGRAPHIC INFORMATION

General

The District is a political subdivision formed with voter approval in 1968, duly created and existing under the provisions of Chapter 321 of the Revised Statutes of the State of Missouri, as amended. The District covers approximately 52 square miles in area and is located in Cass County, Missouri, in the west central part of the State of Missouri. Additional information regarding the District may be obtained from the District office at 341 N. Conway, Raymore, Missouri 64083.

The District operates under the direction of a five-member elected Board of Directors. The directors are elected at large and serve six-year staggered terms. The Board of Directors sets policy for the District. The Fire Chief is responsible for administering this policy in the day-to-day activities of District operations.

The Chairman/President and current members of the Board of Directors are as follows:

<u>Office</u>	<u>Name</u>	<u>Term Expires</u>
Chairman/President	Wayne Emery	April 2029
Vice Chairman/Director	Steve Trautman	April 2031
Director/Treasurer	Mary Lacy	April 2027
Director/Secretary	Steve Phillips	April 2027
Director	Mike VanAken	April 2028

The Chairman presides over meetings of the Board of Directors. Tax rates are established by the Board of Directors to support the budget adopted each year. As required by state law, the aggregate District budget may not include any expenditures in excess of anticipated revenues. The District's fiscal year ends on December 31.

Lee Stevens became Fire Chief of the District in 2016 following the retirement of former Chief Randy Adams. Chief Stevens has been with the District for over 19 years, serving as Deputy Chief of Operations for the previous 13 years. Prior to working for the District, Chief Stevens worked for the City of Lee's Summit, Missouri. While at the District, Chief Stevens has been influential in helping pass previous bond issues and instrumental in establishing a county-wide radio system and helping to lower the District's ISO to a Class 1 rating.

A standard Emergency Medical Support response includes an Advanced Life Support (ALS) Ambulance and an ALS Engine company, each staffed with at least one paramedic. This ensures sufficient personnel to handle serious medical calls. The District currently has a staff of 54 operational personnel that are divided into three shifts (each person works a 48-hour shift and then has four days off), five chief officers, a Fire Marshal, two administrative support staff members and one fleet manager. Approximately 51 of the operational personnel are subject to an employment agreement with the fire union that will be up for renewal after its expiration in December 2028. The District has always renewed this agreement in the past.

ISO Rating

The District provides its residents an Insurance Services Office (ISO) rating of 1 throughout the area of the District.

Economy

The District is located in Cass County, Missouri, approximately twenty miles south of Kansas City, Missouri, and serves the City of Raymore, Missouri, the City of Lake Winnebago, Missouri, and north central Cass County. From 2000 to 2010, the population of the City of Raymore increased by 72%, the population of the City of Lake Winnebago by 25% and the population of Cass County by 21%. From 2010 to 2020, the population

of the City of Raymore increased by 17%, the population of the City of Lake Winnebago by 27% and the population of Cass County by 1%.

The District benefits from modern, efficient transportation systems, facilities and services as part of Cass County and the greater Kansas City metropolitan area. Major railroads serve Cass County and at least three major highway systems cross Cass County providing further accessibility. Kansas City International Airport is located approximately 35 miles northwest of the District and is served by major airlines and commuter carriers. Cass County is served by numerous television, radio stations and telecable systems. Local news coverage is provided by a number of local newspapers and *The Kansas City Star* newspaper published daily.

General and Demographic Information

The following tables set forth certain population information.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
City of Raymore	11,146	19,206	22,491	23,849
City of Lake Winnebago	902	1,131	1,433	1,401
Cass County	82,092	99,478	107,824	109,393
State of Missouri	5,595,211	5,988,927	6,154,913	6,168,181

Source: U.S. Bureau of the Census, 2023 American Community Survey 5-Year Estimates.

Population Distribution by Age

<u>Age</u>	<u>City of Raymore</u>	<u>City of Lake Winnebago</u>	<u>Cass County</u>	<u>State of Missouri</u>
Under 5	1,280	27	6,238	359,915
5-19 years	5,490	247	22,095	1,187,955
20-44 years	6,962	306	33,059	1,999,311
45-54 years	2,750	249	13,671	723,910
55-64 years	3,056	255	15,222	817,961
65 years and older	<u>4,311</u>	<u>316</u>	<u>19,108</u>	<u>1,079,129</u>
Total	<u>23,849</u>	<u>1,401</u>	<u>109,393</u>	<u>6,168,181</u>
Median Age	40.1	49.7	40.1	38.9

Source: U.S. Bureau of the Census, 2023 American Community Survey 5-Year Estimates.

Unemployment

The following table sets forth unemployment figures for the last five years for Cass County and the State of Missouri.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025*</u>
<i>Cass County</i>					
Total Labor Force	56,096	56,910	58,544	59,435	59,982
Unemployed	2,035	1,393	1,723	2,025	2,332
Unemployment Rate	3.6%	2.4%	2.9%	3.4%	3.9%
<i>State of Missouri</i>					
Total Labor Force	3,031,845	3,042,699	3,096,018	3,131,182	3,170,327
Unemployed	126,113	79,757	95,951	114,296	134,911
Unemployment Rate	4.2%	2.6%	3.1%	3.7%	4.3%

Source: Missouri Economic Research and Information Center.

*January through July average.

Income Statistics

Per capita and median family income estimates in the area of the District and related areas were as follows:

	<u>Per Capita</u>	<u>Median Family</u>
City of Raymore	\$43,723	\$122,197
City of Lake Winnebago	78,719	178,942
Cass County	41,075	103,801
State of Missouri	38,497	88,759

Source: U.S. Bureau of the Census, 2023 American Community Survey 5-Year Estimates.

Housing

The median value of owner-occupied housing units in the area of the District and related areas was as follows:

	<u>Median Value</u>
City of Raymore	\$318,000
City of Lake Winnebago	646,200
Cass County	269,000
State of Missouri	215,600

Source: U.S. Bureau of the Census, 2023 American Community Survey 5-Year Estimates.

Major Employers

Some major employers in or near the City of Raymore, Missouri, include:

1. Nuuly	Clothing Subscription	1,030
2. Wal-Mart	Retail	405
3. Raymore-Peculiar School District	Education	344
4. Foxwood Springs	Senior Care/Living	274
5. Compass Health Network	Medical	218
6. Cosentino's Price Chopper	Grocery	152
7. Southern Glazer's Wine & Spirits	Distributor	150
8. Sam's Club	Retail	150
9. Lowe's Home Improvement	Home Improvement	136
10. City of Raymore	Municipal	108

Source: City of Raymore.

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DEBT STRUCTURE OF THE DISTRICT

Current Indebtedness of the District

The following table sets forth as of September 1, 2025, all of the outstanding general obligation indebtedness of the District:

<u>Name of Issue</u>	<u>Issue Date</u>	<u>Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Bonds	10/27/2016	\$3,500,000	\$150,000
General Obligation Bonds	09/15/2020	9,000,000	7,580,000
General Obligation Bonds	12/15/2021	1,000,000	205,000
General Obligation Bonds	07/02/2024	1,500,000	<u>800,000</u>
	Total		<u>\$8,735,000</u>

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the District as of the end of each of the last five fiscal years:

<u>As of December 31</u>	<u>Total Outstanding Debt</u>	<u>Debt as Percentage of Assessed Value</u>
2024	\$10,605,000	1.58%
2023	10,260,000	1.56
2022	12,065,000	2.15
2021	13,230,000	2.49
2020	13,435,000	2.70

Debt Summary (as of 9/1/25)

2025 Assessed Valuation:	\$754,144,660
2025 Estimated Actual Valuation:	\$3,602,045,464
2024 Estimated Population of the District:	27,742
Total General Obligation Debt: ⁽¹⁾	\$17,235,000
Overlapping Debt: ⁽²⁾	\$137,801,947
Direct and Overlapping General Obligation Debt:	\$155,036,947
Ratio of General Obligation Debt to Assessed Valuation:	2.29%
Ratio of General Obligation Debt to Estimated Actual Valuation:	0.48%
Per Capita General Obligation Debt:	\$641.26
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation:	20.56%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Valuation:	4.30%
Per Capita Direct and Overlapping General Obligation Debt:	\$5,588.53

⁽¹⁾ Includes the Bonds. Preliminary, subject to change.

⁽²⁾ Includes only general obligation debt of political subdivisions with boundaries overlapping the District. See “**DEBT STRUCTURE OF THE DISTRICT – Overlapping Indebtedness**” below.

Overlapping Indebtedness

The following table sets forth the approximate overlapping indebtedness of political subdivisions with boundaries overlapping the District as of September 1, 2025 and the percent attributable (on the basis of current assessed valuation) to the District. The table was compiled from information furnished by the jurisdictions responsible for the debt, the Cass County Assessor's office, the Jackson County Assessment Department and the State Auditor's office. The District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds, the amounts of which cannot be determined at this time.

<u>Taxing Jurisdiction</u>	<u>Approximate Outstanding General Obligation Indebtedness</u>	<u>Approximate % Applicable to District</u>	<u>Approximate Amount Applicable to District</u>
City of Lake Winnebago	\$1,757,000	100.00%	\$1,757,000
City of Raymore	31,970,000	100.00	31,970,000
Pleasant Hill R-III	36,655,000	1.60	586,480
Raymore-Peculiar R-II	86,805,000	90.40	78,471,720
Lee's Summit R-VII	264,392,000	8.00	21,151,360
Cass County	14,179,704	27.26	<u>3,865,387</u>
			<u>\$137,801,947</u>

Legal Debt Capacity

Article VI, Section 26(b) of the Constitution of the State of Missouri limits the net outstanding amount of authorized general obligation indebtedness for the District to 5 percent of the assessed valuation of the District by a two-thirds (four-sevenths at certain elections) vote of the qualified voters. The legal debt limit of the District is \$37,707,233. The current outstanding indebtedness of the District (including the Bonds and authorized but unissued general obligation bonds) is \$32,235,000, which leaves a legal debt margin of \$5,472,233.

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

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District currently produces financial statements that are in conformity with accounting principles generally accepted in the United States of America as applied to government units. The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses as appropriate.

An annual budget is prepared under the direction of the Fire Chief and submitted to the Board of Directors for consideration prior to the fiscal year commencing on January 1. The operating budget includes proposed expenditures and revenue sources. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through the adoption of a resolution.

The financial records of the District are audited annually by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The annual audit for the fiscal year ended December 31, 2024 was performed by Dickey & Humbard, LLC, Certified Public Accountants, Harrisonville, Missouri. A copy of the annual audit for the fiscal year ended December 31, 2024 is 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.

Sources of Revenue

The District finances its general operations through the following taxes and other miscellaneous sources as indicated below for the fiscal year ended December 31, 2024, the last fiscal year for which audited financial statements are available:

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Property Taxes	\$8,618,590	66.1%
Sales Tax	2,077,502	15.9
Charges for Services	1,525,232	11.8
Interest Income	373,865	2.9
Grants	298,483	2.3
Miscellaneous	<u>137,325</u>	<u>1.0</u>
	<u>\$13,030,997</u>	<u>100.0%</u>

Pursuant to authorization granted by Missouri statutes, the voters of the District approved a ½% sales tax at an election in April of 2004. In connection with the authorization and collection of the sales tax, Missouri law requires that the total property tax levy of the District be reduced by 50% of the sales tax revenues collected in the previous fiscal year.

Pension and Employee Retirement Plan

The District participates in the Missouri Local Government Employees' Retirement System ("LAGERS"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS was created and is governed by state statute, and is a defined-benefit pension plan that provides retirement, disability and death benefits. The plan is qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended, and is tax-exempt. LAGERS is governed by a seven-member Board of Trustees consisting of three trustees elected by participating employees, three trustees elected by participating employers and one trustee appointed by the Missouri Governor.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. The LAGERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 (the "2024 LAGERS ACFR") is available at <http://www.molagers.org/financial-reports>. The link to the 2024 LAGERS ACFR is provided for general background information only, and the information in the 2024 LAGERS ACFR is not incorporated by reference into this Official Statement. The 2024 LAGERS ACFR provides detailed information about LAGERS, including its financial position, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plan.

All full-time general employees of the District are eligible to participate in LAGERS. As permitted by LAGERS, the District has elected the non-contributory plan, meaning its participating employees do not contribute to the pension plan. The District is required by statute to contribute at an actuarially determined rate for its participating employees. For the December 31, 2024 fiscal year, the District contributed \$784,486 to LAGERS on behalf of participating employees. The District's actuarially determined contribution rate for the period ended December 31, 2024 was 17.77% of covered payroll. In the fiscal year ended December 31, 2024, the District's contribution to LAGERS on behalf of its employees represented approximately 8.4% of the District's total expenditures during the fiscal year.

For additional information regarding the District's participation in LAGERS, see Note 6: Pension Plan in the District's audited financial statements attached as **Appendix B**, and for additional information regarding LAGERS, see the 2024 LAGERS ACFR.

Property Valuations

Assessment Procedure:

All taxable real and personal property within the District is assessed annually by the County Assessor. Missouri law requires that real property be assessed at the following percentages of true value:

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

A general reassessment of real property occurred statewide in 1985. In order to maintain equalized assessed valuations following this reassessment, the Missouri General Assembly adopted a maintenance law in 1986. Beginning January 1, 1987, and every odd-numbered year thereafter, each County Assessor must adjust the assessed valuation of all real property located within his or her county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

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

Current Assessed Valuation:

The following table shows the total assessed valuation, by category, of all taxable tangible property situated in the District according to the 2025 assessment:

	<u>Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate:			
Residential	\$585,721,680	19%	\$3,082,745,684
Commercial	51,664,803	32	161,452,509
Agricultural	<u>1,413,400</u>	12	<u>11,778,333</u>
Sub-Total	638,799,883		3,255,976,526
Personal Property	<u>115,344,777</u>	33 1/3*	<u>346,068,938</u>
Total	<u>\$754,144,660</u>		<u>\$3,602,045,464</u>

* 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.

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History of Property Valuation:

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

<u>Year</u>	<u>Assessed Valuation</u>	<u>Percent Change</u>
2025	\$754,144,660	12.5%*
2024	670,393,914	2.0
2023	657,477,941	17.1*
2022	561,458,917	5.5
2021	532,085,216	7.0

Source: County Clerk

* Increase in assessed valuation is attributable to routine reassessment.

Property Tax Levies and Collections

Tax Collection Procedure:

Property taxes are levied and collected by Cass County. The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The District must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

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

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.

Tax Rates

Debt Service Levy. The District's current debt service levy (2025) is \$0.3830 per \$100 of assessed valuation to pay debt service on its outstanding general obligation bonds. Once indebtedness has been approved by the constitutionally required percentage of the 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 Directors 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 current operating levy of the District (2025) is \$0.8684 per \$100 of assessed valuation. The operating levy (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 which, when charged against the newly assessed valuation of the District 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 5% or the Consumer Price Index, whichever is lower. 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. 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. The current tax rate ceiling for the District's operating levy (2025) is \$0.9894 per \$100 of assessed valuation and the current operating levy of the District is \$0.8684 per \$100 of assessed valuation. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT - Sources of Revenue" above for a discussion of the requirement that the District reduce its property tax levy by 50% of the sales tax revenues collected from its ½% sales tax.

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 political subdivision's actual operating tax levy if its current tax levy was less than its current tax levy ceiling, due to the political subdivision'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 political subdivision's actual operating tax levy, regardless of whether that levy is at the political subdivision'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 political subdivision'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.

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

<u>Year</u>	<u>General Fund</u>	<u>Ambulance Service</u>	<u>Debt Service</u>	<u>Dispatch</u>	<u>Total</u>
2025	\$0.5255	\$0.3100	\$0.3830	\$0.0329	\$1.2514
2024	0.5521	0.3257	0.3390	0.0346	1.2514
2023	0.5574	0.3289	0.3390	0.0350	1.2603
2022	0.5787	0.3416	0.2819	0.0363	1.2385
2021	0.5795	0.3420	0.2819	0.0364	1.2398
2020	0.6115	0.3545	0.2456	0.0376	1.2492

Tax Collection Record

The following table sets forth tax collection information for the District for the last five fiscal years.

<u>Year Ended December 31</u>	<u>Total Levy</u>	<u>Taxes Levied</u>	<u>Current and Delinquent Taxes Collected</u>	
			<u>Amount</u>	<u>%</u>
2024	\$1.2514	\$8,389,309	\$8,618,590	102.7%
2023	1.2603	8,286,194	8,230,380	99.3
2022	1.2385	6,953,669	7,316,493	105.2
2021	1.2398	6,542,333	6,742,312	103.1
2020	1.2492	6,208,816	6,316,605	101.7

Source: The District.

Sales Tax Collections

The following table sets forth the last five fiscal years of sales tax collections of the District.

<u>Year</u>	<u>Sales Tax</u>
2024	\$2,077,502
2023	1,958,917
2022	1,879,288
2021	1,797,190
2020	1,661,274

Source: The District.

Note: The District is required to reduce its property tax levy by 50% of the sales tax revenues collected from its ½% sales tax in the previous fiscal year. See “FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue” herein.

Major Property Taxpayers

The following table sets forth the ten largest real property taxpayers in the District based upon the 2025 assessed valuation.

<u>Firm</u>	<u>Local Assessed Valuation</u>	<u>% of Total Local Assessed Valuation</u>
1. Wal-Mart/Sam’s Real Estate	\$8,277,440	1.10%
2. MCI Eagle Glen Apartments LLC	4,130,230	0.55
3. Raymore Healthcare Investors LLC	3,706,200	0.49
4. Spire Missouri Inc.	3,465,150	0.46
5. Lowe’s Home Centers, Inc.	2,990,970	0.40
6. Southern Glazer’s Wine & Spirits	2,858,890	0.38
7. Randy Spalding Excavating Inc.	2,367,300	0.31
8. Comcast of MO LLC	1,766,790	0.23
9. Raymore SLP LLC	1,365,410	0.18
10. LDR Missouri I LLC	1,336,050	0.17

Source: Cass County Assessor’s Office.

* * *

APPENDIX B

ACCOUNTANT'S REPORT AND AUDITED FINANCIAL STATEMENTS

[Attached.]

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

FINANCIAL STATEMENTS FOR THE YEAR ENDED

DECEMBER 31, 2024

TOGETHER WITH

INDEPENDENT AUDITORS' REPORT

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

DECEMBER 31, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
South Metropolitan Fire Protection District
Raymore, MO

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of South Metropolitan Fire Protection District (a Missouri Public Corporation) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of South Metropolitan Fire Protection District as of December 31, 2024, and the respective changes in financial position, and the respective budgetary comparison for the General Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 South Metropolitan Fire Protection District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Metropolitan Fire Protection District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 8, Schedule of Changes in Net Pension Liability and Related Ratios on pages 45 through 52, and Schedule of Contributions on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Schedule of Insurance Coverages on page 54 and Schedule of Property Tax Levies on page 55 are presented for the purposes of additional analysis and are not a required part of the financial statements of the South Metropolitan Fire Protection District. 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.

Board of Directors
South Metropolitan Fire Protection District
Raymore, MO
Page Four

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dickey & Humbard, LLC

DICKEY & HUMBARD, LLC
Certified Public Accountants

Harrisonville, MO
May 15, 2025

South Metropolitan Fire Protection District

Management's Discussion and Analysis

Overview of the Financial Statements

This annual report consists of three parts - Management's Discussion and Analysis, the basic financial statements and supplementary information. The basic financial statements include two kinds of statements that present different views of South Metropolitan Fire Protection District. The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the District's government, reporting the District's operations in more detail than the government-wide statements.

Effective December 31, 2015, the District implemented the provisions of Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*- which replaces the requirements of GASB Statements Nos. 27 and 50 as they related to pensions that are provided through pension plans administered by as trusts or equivalents arrangements that meet certain criteria.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

The government-wide financial statements of the District consist of the following:

- Governmental activities -
Fire Protection, Paramedical-Ambulatory Services and Fire Code Compliance.
Property taxes and charges for services provide most of the funding.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and bond covenants.

South Metropolitan Fire Protection District

Management's Discussion and Analysis

The District has one type of fund:

- **Governmental funds -**
The District's basic services are included in governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out, and the balances left at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's operations.

Financial Overview

The District has a net position of \$32.70 million. In a condensed format, the table below shows a comparison of the net position as of the current date to the prior year:

	Governmental Activities	
	2024	2023
Current assets	\$ 19,188,722	\$ 17,874,050
Restricted assets	4,490,945	4,402,559
Net pension asset	1,202,558	2,197,865
Capital assets	17,131,264	14,922,214
Total Assets	42,013,489	39,396,688
Deferred Outflows	2,706,758	1,890,769
Current liabilities	465,221	357,857
Long-term liabilities	11,337,902	11,048,484
Total Liabilities	11,803,123	11,406,341
Deferred Inflows	208,587	324,476
Net position:		
Invested in capital assets -		
Net of related debt	5,598,236	3,784,986
Restricted	4,555,395	4,466,765
Unrestricted	22,554,906	21,304,889
Total Net Position	\$ 32,708,537	\$ 29,556,640

South Metropolitan Fire Protection District

Management's Discussion and Analysis

The net position increased by \$3,151,897 or 11 percent.

The following table shows the changes in net position for 2024 and 2023:

	Governmental Activities	
	2024	2023
Revenue		
Program revenue:		
Charges for services	\$ 1,525,232	\$ 1,389,553
General revenue:		
Sales tax	2,077,502	1,958,917
Property taxes	8,618,590	8,230,380
Interest on investments	373,865	288,629
Grants	298,483	339,019
Contribution of Capital Assets		-
Gain (Loss) on Disposal of Assets	133,500	43,940
Other	3,825	15,434
Total Revenue	13,030,997	12,265,872
Program Expenses:		
General government	9,879,100	8,738,225
Total Program Expenses	9,879,100	8,738,225
Change in Net Position	3,151,897	3,527,647
Net Position, Beginning of year	29,556,640	26,028,993
Net Position, End of year	\$ 32,708,537	\$ 29,556,640

Governmental Activities

Revenues from governmental activities totaled approximately \$13 million in 2024. A total of approximately \$8.6 million was in the form of property tax collections that reflects an increase in the total tax levy rate of 11 percent and an increase of \$49,100,240 in taxable value or 7.9 percent. Charges for services generated \$1,525,232.

South Metropolitan Fire Protection District

Management's Discussion and Analysis

During October 2016, the District issued General Obligation Bonds 2016 in the amount of \$3,500,000, which mature in the years 2017 through 2026, for the purpose of acquiring, improving, and installing vehicles and equipment. As of December 31, 2024, the District had expended \$3,500,000.

During September 2020, the District issued General Obligation Bonds 2020 in the amount of \$9,000,000, which mature in the years 2021 through 2040, for the purpose of acquiring, constructing improving, and installing building, vehicles and equipment to serve the District, including without limitation to (1) acquire land for, and construct, furnish and equip a new fire station, (2) acquire land for, and construct, furnish and equip a new administration building, and (3) acquire and install other fire/rescue or emergency equipment or apparatus (the "Project"). As of December 31, 2024, the District had expended \$9,000,000.

During December 2021, the District issued General Obligation Bonds 2021 in the amount of \$1,000,000, which mature in the years 2022 through 2026, for the purpose of additional funding for (the "Project"). As of December 31, 2024, the District had expended \$1,000,000.

During July 2024, the District issued General Obligation Bonds 2024 in the amount of \$1,500,000, which mature in the years 2025 through 2026, for the purpose of additional funding foccr (the "Project"). As of December 31, 2024, the District had expended \$1,500,000.

For more information on long-term debt and capital asset activity, please refer to Notes 3 and 5 on pages 27 through 33.

Financial Analysis of District Funds and Budgets

The General Fund ended 2024 with an unassigned fund balance of \$18,494,163 (compared to \$17,275,164 in 2023). Several factors affected operating results. Revenue was over budget by \$808,345. Expenses were under budget by \$348,844. Other financing sources were over budget by \$133,500.

The General Fund budget is amended throughout the year as deemed necessary. This is primarily done to prevent over expenditures.

Contact Us

This report is intended to aid our residents and other interested parties in understanding the District's financial condition. Should you have further questions, please contact Chief Lee Stevens, District Manager, at 341 N. Conway, Raymore, MO 64083 or call (816) 331-3008.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2024

ASSETS:

Cash and Investments (Note 2)	\$ 13,058,312
Interest Receivable	13,414
Receivables (Note 1)	5,238,688
Receivable - Other (Note 1)	103,530
Ambulance Fees Receivable, Net (Note 1)	700,410
Inventory (Note 1)	2,400
Prepaid Insurance	71,968
Restricted Assets (Notes 1 and 2)	4,490,945
Net Pension Asset (Note 6)	1,202,558
Capital Assets (Notes 1 and 3)	
Land	961,968
Other Assets, Net of Accumulated Depreciation of \$7,375,096	<u>16,169,296</u>

Total Assets	<u>42,013,489</u>
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DEFERRED OUTFLOWS OF RESOURCES:

Deferred Pension Charges (Note 6)	<u>2,706,758</u>
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LIABILITIES:

Accounts Payable and Accrued Liabilities	348,688
Accrued Interest Payable	116,533
Noncurrent Liabilities (Note 5)	
Due within One Year	1,870,000
Due in more than One Year	<u>9,467,902</u>

Total Liabilities	<u>11,803,123</u>
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DEFERRED INFLOWS OF RESOURCES:

Deferred Pension Credits (Note 6)	<u>208,587</u>
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NET POSITION:

Invested in Capital Assets, Net of Related Debt	5,598,236
Restricted	4,555,395
Unrestricted	<u>22,554,906</u>

Total Net Position	<u>\$ 32,708,537</u>
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See Notes to Financial Statements and Independent Auditors' Report.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024

<u>Function/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Total</u>
Governmental Activities:			
Public Safety	\$ 8,415,199	\$ 1,525,232	\$ 6,889,967
Interest on Long-Term Debt	276,927	-	276,927
Depreciation	1,186,974	-	1,186,974
Total Governmental Activities	<u>\$ 9,879,100</u>	<u>\$ 1,525,232</u>	<u>8,353,868</u>
		General Revenues:	
		Sales Taxes	2,077,502
		Property Taxes	8,618,590
		Interest on Investments	373,865
		Operating Grants	298,483
		Gain on Disposition of Assets	133,500
		Other	3,825
		Total General Revenues	<u>11,505,765</u>
		Changes in Net Position	3,151,897
		Net Position, Beginning of Year	<u>29,556,640</u>
		Net Position, End of Year	<u>\$ 32,708,537</u>

See Notes to Financial Statements and Independent Auditors' Report.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
GOVERNMENTAL FUND
RECONCILIATION OF FUND BALANCES TO
THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024

Total Fund Balance for Governmental Fund	\$ 23,330,978
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources, and are not reported in the funds	
Capital Assets	17,131,264
Government Funds reported pension payments as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and Inflows related to pensions.	2,498,172
Government funds report the issuance of long-term debt as financial resources and principal payments as expenditures. In contrast, the Statement of Activities treats long-term debt issuance and principal payments as increases and reductions to long-term liabilities	
Accrued Interest Payable	(116,533)
General Obligation Debt, current	(1,870,000)
General Obligation Debt, long-term	(9,467,902)
Net Pension Assets	<u>1,202,558</u>
Net Position of Governmental Activities	<u>\$ 32,708,537</u>

See Notes to Financial Statements and Independent Auditors' Report.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

BALANCE SHEETS

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>GOVERNMENTAL FUNDS</u>			
	<u>General</u>	<u>Debt Service</u>	<u>Capital Project Fund</u>	<u>Total</u>
ASSETS:				
Cash and Investments	\$ 13,058,312	\$ 1,744,986	\$ 866,260	\$ 15,669,558
Property Tax Receivable	5,059,107	1,879,699	-	6,938,806
Interest Receivable	13,414	-	-	13,414
Sales Tax Receivable	179,580	-	-	179,580
Ambulance Fees Receivable, net	700,410	-	-	700,410
Receivable - Other	103,530	-	-	103,530
Inventories	2,400	-	-	2,400
Prepaid Insurance	71,968	-	-	71,968
TOTAL ASSETS	\$ 19,188,721	\$ 3,624,685	\$ 866,260	\$ 23,679,666
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts Payable and Accrued Liabilities	\$ 310,095	\$ -	\$ 38,593	\$ 348,688
Total Liabilities	310,095	-	38,593	348,688
FUND BALANCES:				
Nonspendable	74,368	-	-	74,368
Restricted	-	3,624,685	789,074	4,413,759
Committed	310,095	-	38,593	348,688
Unassigned	18,494,163	-	-	18,494,163
Total Fund Balances	18,878,626	3,624,685	827,667	23,330,978
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,188,721	\$ 3,624,685	\$ 866,260	\$ 23,679,666

See Notes to Financial Statements and Independent Auditors' Report.

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

Net Change in Fund Balance - Total Governmental Funds	\$ 1,323,482
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Governmental Funds report capital outlays as expenditures. However, for the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Asset Additions	3,396,025
Depreciation Expense	(1,186,974)

Government Funds report pension payments as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the net change in pension related amounts.

(63,429)

Governmental funds report the entire sales price (proceeds) from the sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.

-

Governmental funds report the issuance of long-term debt as financial resources and principal payments as expenditures. In contrast, the Statement of Activities treats long-term debt issuance and principal payments as increases and reductions to long-term liabilities.

Issuance of Debt	(1,500,000)
Repayments of Principal	1,155,000

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.

Changes in accrued interest	(27,789)
Changes in amortized premium	55,582

Change in Net Position of Governmental Activities	<u>\$ 3,151,897</u>
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See Notes to Financial Statements and Independent Auditors' Report.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>GOVERNMENTAL FUNDS</u>			
	<u>General</u>	<u>Debt Service</u>	<u>Capital Project Fund</u>	<u>Total</u>
REVENUES:				
Property Taxes	\$ 6,294,271	\$ 2,324,319	\$ -	\$ 8,618,590
Sales Tax	2,077,502	-	-	2,077,502
Charges for Services	1,438,904	-	-	1,438,904
Inspection Fees	86,328	-	-	86,328
Interest Income	231,376	78,320	64,169	373,865
Operating Grants	298,483	-	-	298,483
Miscellaneous	3,825	-	-	3,825
Total Revenues	<u>10,430,689</u>	<u>2,402,639</u>	<u>64,169</u>	<u>12,897,497</u>
EXPENDITURES:				
Current	8,370,382	625	-	8,371,007
Capital Outlay	920,118	-	2,475,907	3,396,025
Debt Service:				
Principal	-	1,155,000	-	1,155,000
Interest Expense	-	254,483	-	254,483
Bond issue Costs	-	-	31,000	31,000
Total Expenditures	<u>9,290,500</u>	<u>1,410,108</u>	<u>2,506,907</u>	<u>13,207,515</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,140,189</u>	<u>992,531</u>	<u>(2,442,738)</u>	<u>(310,018)</u>
OTHER FINANCING SOURCES				
Issuance of Debt	-	-	1,500,000	1,500,000
Sale of Capital Assets	<u>133,500</u>	<u>-</u>	<u>-</u>	<u>133,500</u>
TOTAL OTHER FINANCING SOURCES	<u>133,500</u>	<u>-</u>	<u>1,500,000</u>	<u>1,633,500</u>
NET CHANGE IN FUND BALANCE	<u>1,273,689</u>	<u>992,531</u>	<u>(942,738)</u>	<u>1,323,482</u>
FUND BALANCES, BEGINNING OF YEAR	<u>17,604,937</u>	<u>2,632,154</u>	<u>1,770,405</u>	<u>22,007,496</u>
FUND BALANCES, END OF YEAR	<u>\$ 18,878,626</u>	<u>\$ 3,624,685</u>	<u>\$ 827,667</u>	<u>\$ 23,330,978</u>

See Notes to Financial Statements and Independent Auditors' Report.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES	\$ 9,622,344	\$ 10,430,689	\$ 808,345
EXPENDITURES			
Current:			
Human Resources	7,323,000	6,681,812	641,188
Facility Operations	225,000	182,110	42,890
Fleet Operations	717,127	328,633	388,494
Communications	501,217	431,566	69,651
Insurance	120,000	111,241	8,759
EMS Operations and Training	115,000	103,847	11,153
Administrative Operations	245,500	255,667	(10,167)
Board Expenses	50,000	52,682	(2,682)
Fire and Rescue Operations	142,000	116,103	25,897
Professional Services	92,000	45,126	46,874
Fire Loss Management	22,500	20,098	2,402
Training and Education	74,000	32,887	41,113
Community Service and Public Relations	12,000	8,610	3,390
Capital Outlay	-	920,118	(920,118)
Total Expenditures	9,639,344	9,290,500	348,844
REVENUES OVER (UNDER) EXPENDITURES	(17,000)	1,140,189	1,157,189
OTHER FINANCING SOURCES			
Sale of Capital Assets	-	133,500	133,500
TOTAL OTHER FINANCING SOURCES	-	133,500	133,500
NET CHANGE IN FUND BALANCE	\$ (17,000)	\$ 1,273,689	\$ 1,290,689

See Notes to Financial Statements and Independent Auditors' Report.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The South Metropolitan Fire Protection District (District) provides fire protection and paramedical-ambulatory services to its residents without direct charge. The District bills third parties, insurance and Medicare, for resident ambulance use. Fees are charged for non-resident ambulance use. As an autonomous governmental entity its operations are principally funded by annual levies of ad valorem taxes. The District is governed by an elective board of five commissioners.

The accounting policies of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below:

A. Reporting Entity

The financial statements include all of the funds of the District, which has no oversight responsibility for any other governmental entity. Control is determined on the basis of budget adoption, taxing authority, funding, and election of the Board of Commissioners.

B. Government-wide and Fund Financial Statements

Financial information of the District is presented as follows:

- Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.
- Basic Financial Statements: Government-wide statements consist of a statement of net position and a statement of activities.
- Fund financial statements consist of a series of statements focusing on information about the District's governmental funds.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

The District reports the following fund types:

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal, interest and related costs.

Project Fund - The Project Fund is used to account for the proceeds from the General Obligation Bonds Series 2016, Series 2020, Series 2021, and Series 2024 for the purpose of acquiring, improving, constructing, and installing land, buildings, vehicles and equipment to serve the District.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

D. Revenue Recognition

Property taxes for the current year are levied on November 1 and are due and payable at that time. They become delinquent on January 1 of the following year at which time they attach as an enforceable lien on property. These taxes are billed and collected by the Cass County Collector.

Sales tax is collected by the State for the District and remitted to the District on a monthly basis.

Property and sales tax revenues are recognized when they become available. Available includes those tax receivables expected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

Ambulance fees receivable are stated at net of allowance for doubtful accounts. At December 31, 2024, the allowance of \$466,940, estimated at forty percent.

Total receivables at December 31, 2024, were \$7,832,210 of which \$1,879,699 was related to debt service and included in restricted assets in the statement of net position.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Receivable-Other in the amount of \$103,530 represents credit due on insurance paid.

E. Inventories

Inventories consist of ambulance and pharmacy supplies. They represent established minimum levels of usage on the base stock method, valued on an average cost basis. Subsequent acquisition of supplies are recorded as expenditures when purchased.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

F. Restricted Assets

Unspent bond proceeds, as well as resources set aside for repayment of long-term debt, are classified as restricted assets because their use is limited by applicable covenants.

During 2017, the District established a Memorial Fund for the construction of a Memorial outside of the District headquarters. During 2024, donations of \$285 were received, interest earned of \$59 and project costs of \$100 were expensed, which released the donations of \$100 from restriction. At December 31, 2024, the Memorial Fund balance was \$8,868.

G. Capital Assets

Capital assets include property and equipment, and are recorded at cost for assets purchased or fair market value for contributed assets. The District's policy is to capitalize assets with a cost of \$2,500 or more and with an expected useful life of more than one year. These costs are reported in the statement of net position.

Repairs and maintenance are recorded as expenses while renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing the cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. Interest expense in the amount of \$197,152, net of interest income of \$18,139 from tax-exempt financing, was capitalized in 2007 as a component of the building construction/remodel cost related to the ongoing improvements to the District.

Depreciation is provided using the straight-line method over the estimated useful lives as follows:

Land Improvements	15 Years
Firehouse	40 Years
Building Improvements	40 Years
Vehicles	5 - 10 Years
Fire and Rescue Equipment	5 Years
Office Equipment	5 Years

During 2024, depreciation expense was \$1,186,974.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

H. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond liabilities are reported net of applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as expenditures.

I. Fund Balances

The District has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes criteria for classifying governmental fund balances into specifically defined classifications. Classifications are hierarchical and are based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds may be spent. Application of the Statement requires the District to classify and report amounts in the appropriate fund balance classifications. The District's accounting and finance policies are used to interpret the nature and/or requirements of the funds and their corresponding assignment of nonspendable, restricted, committed, assigned, or unassigned.

The District reports the following classifications:

Nonspendable Fund Balance - Nonspendable fund balances are amounts that cannot be spent because they are either (a) not in spendable form-such as inventory or prepaid insurance or (b) legally or contractually required to be maintained intact-such as a trust that must be retained in perpetuity.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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Restricted Fund Balance - Restricted fund balances when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restrictions are placed on fund balances when legally enforceable legislation establishes the District's right to assess, levy, or charge fees to be used for a specific purpose-such as the District's gas sales tax revenue, which must be used to repair and construct roads. Legal enforceability means that the District can be compelled by an external party (e.g., citizens, public interest groups, the judiciary) to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed Fund Balance - Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by the Board of Commissioners. Committed amounts cannot be used for any other purpose unless the Board of Commissioners removes those constraints by taking the same type of action (e.g., legislation, resolution, and ordinance). Committed fund balances include non-liquidated encumbrances at year end that are carried forward to the next fiscal year. Amounts in the committed fund balance classification may be used for other purposes with appropriate due process by the Board of Commissioners. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - Assigned fund balances are amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an official to which the Board of Commissioners has delegated the authority to assign, modify, or rescind amounts to be used for specific purposes.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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Assigned fund balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - Unassigned fund balance includes residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the General Fund, it is the District's policy to use committed resources first, then assigned, and then unassigned as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the District's policy to use committed resources first, then assigned, and then unassigned as needed.

J. Budget and Budgetary Accounting

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

1. Final tax valuations are received from the Cass County Assessor in July or August.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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2. A preliminary detail-operating budget is presented by the Fire Chief to the Board of Commissioners in the October or November meeting.
3. District residents are given the opportunity to make comments and suggestions.
4. The budget is legally enacted through passage of an ordinance at the December meeting.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. Monthly reports are presented to the Commissioners setting forth any variance from the approved budget.
6. Budgets are prepared and lapse on an annual basis.
7. The Commissioners may authorize budget revisions during the year through enactment of new ordinances.
8. Budgetary control for the Debt Service Fund consists of setting the property tax levy sufficient to pay the succeeding year's principal, interest and related costs of the general obligation bonded debt.

K. Pensions

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

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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GASB STANDARDS

The District has applied the provisions of Governmental Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*-an amendment of GASB 27, effective for periods beginning after June 15, 2014, which replaces the requirements of GASB Statements Nos. 27 and 50 as they related to pensions that are provided through pension plans administered by as trusts or equivalents arrangements that meet certain criteria. The standard requires government employers to recognize as a liability, for the first time, their long-term obligation for pension benefits. The employer liability is to be measured as the difference between the present value of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position. Obligations for employers with cost sharing plans will be based on their proportionate share of contributions to the pension plan. The standard also requires more immediate recognition of annual service cost, interest and changes in benefits for pension expense; specifies requirements for discount rates, attribution methods; and changes disclosure requirements.

The District has applied the provisions of Governmental Accounting Standards Board Statement 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

The District has applied the provisions of Governmental Accounting Standards Board Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences; significant termination events with finance-related consequences; and significant subjective acceleration clauses.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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The District has applied the provisions of Governmental Accounting Standards Board Statement 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical capital asset reported in an enterprise fund.

NOTE 2: CASH AND INVESTMENTS

The District complies with various restrictions on deposits and investments that are imposed by state statutes as follows:

Deposits

All deposits with financial institutions must be collateralized in an amount at least equal to uninsured deposits.

Investments

The District may invest in bonds of the State of Missouri or any wholly owned corporation of the United States; or in other short-term obligations of the United States.

Investments made by the District are summarized below.

Balances at December 31, 2024, consisted of:

	<u>Carrying Value</u>	<u>Market Value</u>
Cash & Investments	\$ 13,058,312	\$ 13,058,312
Cash & Investments - Restricted: Debt Service and Project	<u>2,611,246</u>	<u>2,611,246</u>
Total Cash and Investments	<u>\$ 15,669,558</u>	<u>\$ 15,669,558</u>

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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As required by law, in addition to Federal Deposit Insurance Corporation (FDIC) insurance, which is \$250,000 for demand deposit accounts and \$250,000 for time and saving accounts, the depository banks are to pledge securities to the District at least equal to the amount on deposit at all times. At December 31, 2024, the District was collateralized, as follows:

	<u>Community Bank</u>
Cash and Investments on Deposit	<u>\$ 15,886,681</u>
FDIC	500,000
Federal Instruments	<u>21,056,622</u>
Total Collateral	<u>\$ 21,556,622</u>

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 3: CAPITAL ASSETS

Capital assets are recorded as capitalized costs in the Statement of Net Position at the time of purchase. Expenditures for purchases of capital assets are recorded in the General Fund when paid.

The main operating facility located in Raymore, Missouri, known as Firehouse No. 1, is owned by the District. This building was completed and occupied in March 1991. The District also maintains a second firehouse located within the city limits of Lake Winnebago and completed the construction on a third firehouse in 2007 located near the intersection of School Road and 195th Street. The land for Firehouse No. 3 (School Road and 195th St) was donated to the District by a member of the community. The transfer was finalized in 2006. During 2021, the District purchased land and was constructing an administration building and a new Firehouse No. 2. During 2022, the administration building and new Firehouse No. 2 were completed and culminated with a contribution from and the sale of the old Firehouse No. 2 to the developer from whom the ground for the new facility was obtained.

The following is a summary of changes in capital assets during the year ended December 31, 2024:

	<u>01/01/24</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/24</u>
Nondepreciable:				
Land	<u>\$ 961,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961,968</u>
	<u>961,968</u>	<u>-</u>	<u>-</u>	<u>961,968</u>
Depreciable:				
Land Improvements	745,292	25,257	16,045	754,504
Firehouse	12,183,091	9,909	-	12,193,000
Building Improvements	1,737,570	283,782	35,490	1,985,862
Vehicles	4,583,514	2,337,921	1,212,895	5,708,540
Fire and Rescue Equipment	2,008,008	739,156	130,761	2,616,403
Office Equipment	<u>307,747</u>	<u>-</u>	<u>21,664</u>	<u>286,083</u>
	<u>21,565,222</u>	<u>3,396,025</u>	<u>1,416,855</u>	<u>23,544,392</u>
Totals	<u>\$22,527,190</u>	<u>\$ 3,396,025</u>	<u>\$ 1,416,855</u>	<u>\$24,506,360</u>

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 4: COMPENSATED ABSENCES

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The District's policy is to recognize these costs when actually paid.

NOTE 5: CHANGES IN LONG-TERM DEBT

General Obligation Bonds Series 2016

The South Metropolitan Fire Protection District of Cass County, Missouri General Obligation Bonds Series 2016, in the amount of \$3,500,000, were issued on October 19, 2016. Bond issuance costs were \$63,738, and the Bonds were sold at a premium of \$70,733. The premium is being amortized using the straight line method, which approximates the effective interest rate method, over the life of the bonds, and is included as a component of interest expense. The Bonds mature March 1, 2026, and bear interest varying from .8% to 2% payable semiannually on March 1 and September 1. Principal and interest are payable from property taxes levied upon all taxable tangible property located in the District. Net proceeds from the Bonds were \$3,506,995. On August 17, 2023, a resolution was passed to pay off \$690,000 of the principal due on March 1, 2026.

The Bonds shall be general obligations of the District payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of the Bonds as the same become due.

At December 31, 2024, the remaining due on the Long-Term Debt - General Obligation Bonds consisted of the following:

<u>Series 2016</u>	\$ 970,000
Plus: Unamortized Premium	10,837
Less: Current Maturities	<u>(820,000)</u>
	<u>\$ 160,837</u>

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

The annual requirement to retire the General Obligation Bonds as of December 31, 2024, is as follows:

<u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 820,000	\$ 10,790	\$ 830,790
2026	150,000	1,500	151,500
Totals	<u>\$ 970,000</u>	<u>\$ 12,290</u>	<u>\$ 982,290</u>

Series 2016

Beginning Balance, 1/1/2024	\$ 1,775,000
Reductions	<u>(805,000)</u>
Ending Balance, 12/31/2024	<u>\$ 970,000</u>

General Obligation Bonds Series 2020

The South Metropolitan Fire Protection District of Cass County, Missouri General Obligation Bonds Series 2020, in the amount of \$9,000,000, were issued on September 15, 2020. Bond issuance costs were \$133,243, and the Bonds were sold at a premium of \$926,387. The premium is being amortized using the straight line method, which approximates the effective interest rate method, over the life of the bonds, and is included as a component of interest expense. The Bonds mature March 1, 2040, and bear interest varying from 4% to 2% payable semiannually on March 1 and September 1. Principal and interest are payable from property taxes levied upon all taxable tangible property located in the District. Net proceeds from the Bonds were \$9,793,144.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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The Bonds shall be general obligations of the District payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of the Bonds as the same become due.

At December 31, 2024, the remaining due on the Long-Term Debt - General Obligation Bonds consisted of the following:

<u>Series 2020</u>	\$ 7,730,000
Plus: Unamortized Premium	722,065
Less: Current Maturities	<u>(150,000)</u>
	<u>\$ 8,302,065</u>

The annual requirement to retire the General Obligation Bonds as of December 31, 2024, is as follows:

<u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 150,000	\$ 216,700	\$ 366,700
2026	-	213,700	213,700
2027	90,000	211,900	301,900
2028	95,000	208,200	303,200
2029	95,000	204,400	299,400
2030-2034	1,955,000	821,400	2,776,400
2035-2039	4,175,000	384,650	4,559,650
2040	<u>1,170,000</u>	<u>11,700</u>	<u>1,181,700</u>
Totals	<u>\$ 7,730,000</u>	<u>\$ 2,272,650</u>	<u>\$ 10,002,650</u>

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Series 2020

Beginning Balance, 1/1/2024	\$ 7,880,000
Reductions	<u>(150,000)</u>
Ending Balance, 12/31/2024	<u>\$ 7,730,000</u>

General Obligation Bonds Series 2021

The South Metropolitan Fire Protection District of Cass County, Missouri General Obligation Bonds Series 2021, in the amount of \$1,000,000, were issued on December 15, 2021. Bond issuance costs were \$19,000. The Bonds mature March 1, 2026, and bear interest at 1.1% payable semiannually on March 1 and September 1. Principal and interest are payable from property taxes levied upon all taxable tangible property located in the District. Net proceeds from the Bonds were \$1,000,000.

The Bonds shall be general obligations of the District payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of the Bonds as the same become due.

At December 31, 2024, the remaining due on the Long-Term Debt - General Obligation Bonds consisted of the following:

<u>Series 2021</u>	\$ 405,000
Less: Current Maturities	<u>(200,000)</u>
	<u>\$ 205,000</u>

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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The annual requirement to retire the General Obligation Bonds as of December 31, 2024, is as follows:

<u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 200,000	\$ 3,355	\$ 203,355
2026	<u>205,000</u>	<u>1,128</u>	<u>206,128</u>
Totals	<u>\$ 405,000</u>	<u>\$ 4,483</u>	<u>\$ 409,483</u>

Series 2021

Beginning Balance, 1/1/2024	\$ 605,000
Reductions	<u>(200,000)</u>
Ending Balance, 12/31/2024	<u>\$ 405,000</u>

General Obligation Bonds Series 2024

The South Metropolitan Fire Protection District of Cass County, Missouri General Obligation Bonds Series 2024, in the amount of \$1,500,000, were issued on July 2, 2024. Bond issuance costs were \$31,000. The Bonds mature March 1, 2026, and bear interest at 4.125% payable semiannually on March 1 and September 1. Principal and interest are payable from property taxes levied upon all taxable tangible property located in the District. Net proceeds from the Bonds were \$1,500,000.

The Bonds shall be general obligations of the District payable from ad valorem taxes that may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are hereby irrevocably pledged for the prompt payment of the Bonds as the same become due.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

At December 31, 2024, the remaining due on the Long-Term Debt - General Obligation Bonds consisted of the following:

<u>Series 2024</u>	\$ 1,500,000
Less: Current Maturities	<u>(700,000)</u>
	<u>\$ 800,000</u>

The annual requirement to retire the General Obligation Bonds as of December 31, 2024, is as follows:

<u>Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 700,000	\$ 57,578	\$ 757,578
2026	<u>800,000</u>	<u>16,500</u>	<u>816,500</u>
Totals	<u>\$ 1,500,000</u>	<u>\$ 74,078</u>	<u>\$ 1,574,078</u>

Series 2024

Beginning Balance, 1/1/2024	\$ -
Additions	1,500,000
Reductions	<u>(-)</u>
Ending Balance, 12/31/2024	<u>\$ 1,500,000</u>

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 6: PENSION PLAN

A. Plan Description

The District's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The District participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo. 70.600-70.755. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes the financial statements and supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

B. Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after 55 for a fire employee and 60 for a general employee with five or more years of service are entitled to an allowance for life based upon the benefit program information provided below.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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Employees may retire with early retirement benefits with a minimum of 5 years of credited service and after attaining age 55 if a general employee or age 50 if a fire employee and receive a reduced allowance.

2024 Valuation

Benefit Multiplier: 2.5%
Final Average Salary: 3 years
Member Contributions: 0%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date.

The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

At June 30, 2024, the measurement date, the following employees were covered by the benefit terms.

	<u>Fire</u>	<u>General</u>
Retirees and Beneficiaries	41	1
Inactive, non-retired members	33	-
Active employees	54	3
	<u>128</u>	<u>4</u>

C. Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer do not contribute to the pension plan. The employer rate was 17.77% of annual covered payroll.

D. Net Pension Liability

The employer's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability determined by an actuarial valuation as of February 28, 2024.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

E. Actuarial Assumptions

The total pension liability in the February 28, 2024, actuarial valuation was determined using the following assumptions applied to all periods included in the measurements:

Fire Division

Inflation	2.75% Wage Inflation; 2.25% Price Inflation
Salary Increase	2.75% to 7.15% including Wage Inflation
Investment Rate of Return	7.00%, net of investment expenses

General Division

Inflation	2.75% Wage Inflation; 2.25% Price Inflation
Salary Increase	2.75% to 6.75% including Wage Inflation
Investment Rate of Return	7.00%, net of investment expenses

Mortality rates for healthy retirees were based on 115% of the PubG-2010 Retiree Mortality Table for males and females. Mortality rates for disabled retirees were based upon 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. Mortality rates for early retirees were based upon 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

F. Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits. The expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 3.97% (based on the weekly rate closest to but not later than the measurement date of the "20-Year Municipal GO AA Index" rate from Fidelity); and the resulting single discount rate is 7.00% for General and 7.00% for Fire.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Changes in the Net Pension Liability

	Increase (Decrease)		
	Fire Division	General Division	Total
Balances at 12/31/23	\$ 24,962,606	\$ 265,272	\$ 25,227,878
Changes for the year:			
Service Cost	719,781	30,619	750,400
Interest	1,744,047	19,387	1,763,434
Changes of Benefit Terms			
Difference between expected and actual Experience	723,706	67,346	791,052
Changes of Assumptions			
Benefit payments including refunds	(816,727)	(6,860)	(823,587)
Net changes	2,370,807	110,492	2,481,299
Balances at 12/31/24	\$ 27,333,413	\$ 375,764	\$ 27,709,177

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

Changes in Fiduciary Net Position

	Increase (Decrease)		
	Fire Division	General Division	Total
Balances at 12/31/23	\$ 27,222,111	\$ 203,632	\$ 27,425,743
Contributions -			
Employer	732,721	51,765	784,486
Net investment			
Income	1,420,549	11,123	1,431,672
Benefit payments			
including refunds	(816,727)	(6,860)	(823,587)
Administrative			
Expense	(14,715)	(535)	(15,250)
Other (Net Transfer)	107,983	688	108,671
Net changes	1,429,811	56,181	1,485,992
Balances at 12/31/24	\$ 28,651,922	\$ 259,813	\$ 28,911,735
Net Pension Liability			
(Asset)	\$ (1,318,509)	\$ 115,951	\$ (1,202,558)

	Fire Division	General Division
Plan fiduciary net position as a percentage of the total pension liability	104.82 %	69.14 %
Covered-employee payroll	\$3,984,311	\$213,184
Net pension liability as a percentage of covered employee payroll	(33.09)%	54.39%

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

G. Sensitivity of the net pension liability to the single discount rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1 percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

Fire Division			
	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 31,657,258	\$ 27,333,413	\$ 23,796,670
Plan Fiduciary Net Position	28,651,922	28,651,922	28,651,922
Net Pension Liability (Asset)	\$ 3,005,336	\$ (1,318,509)	\$ (4,855,252)

General Division			
	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 426,178	\$ 375,764	\$ 333,199
Plan Fiduciary Net Position	259,813	259,813	259,813
Net Pension Liability (Asset)	\$ 166,365	\$ 115,951	\$ 73,386

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

For the year ended December 31, 2024, the employer recognized pension expense of \$838,145 from the Fire Division and \$57,918 from the General Division. The employer reported deferred outflows and inflows of resources related to the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
LAGERS:		
Difference in experience		
Fire Division	\$ 1,405,211	\$ (111,538)
General Division	75,150	-
Assumption Changes		
Fire Division	-	(96,140)
General Division	-	(909)
Excess investment returns		
Fire Division	798,916	-
General Division	8,134	-
Contributions subsequent to the measurement date	<u>419,347</u>	<u>-</u>
Total Collateral	<u>\$ 2,706,758</u>	<u>\$ (208,587)</u>

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending December 31, 2024.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

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

<u>Ending December 31</u>	<u>Fire Division Net Deferred Outflows of Resources</u>	<u>General Division Net Deferred Outflows of Resources</u>	<u>Total Net Deferred Outflows of Resources</u>
2025	\$ 109,701	\$ 20,739	\$ 130,440
2026	890,296	24,724	915,020
2027	579,012	19,554	598,566
2028	307,035	14,732	321,767
2029	110,405	2,626	113,031
Totals	<u>\$ 1,996,449</u>	<u>\$ 82,375</u>	<u>\$ 2,078,824</u>

NOTE 7: DEFERRED COMPENSATION PLAN

The District offers employees an Internal Revenue Code Section 457 Deferred Compensation Plan. The Plan is available to all District employees and, there is no waiting period for an employee to participate in the plan. An employee may defer up to the Internal Revenue Service's allowable limits annually. Under the Plan, all compensation deferred, assets purchased and income derived are the property of the participant. Investments are managed by the Plan's trustee. Investment choices are made by participants.

NOTE 8: CONTINGENCIES AND COMMITMENTS

The District is a party to various mutual aid agreements with neighboring cities and fire protection districts, whereby each party will provide assistance to the other parties in case of major fires, disasters and other incidents of need.

The District entered into a Business Associate Agreement with Creative Planning (formerly BerganKDV LTD) on January 1, 2019, to manage the District's network. The agreement was for a term of 36 months, and was renewed on December 10, 2021 for an additional 36 months for a monthly retainer of \$4,218 as well as additional fees agreed upon for consulting and other services. During the year ended December 31, 2024, the District incurred expense of \$111,930 related to the retainer and other services.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

On January 1, 2025, the District renewed the contract for an additional 3 years. The monthly payment amount will be \$4,772 with 5% annual increases, as well as additional fees agreed upon for consulting and other services. During the year ended December 31, 2024, the District incurred expense of \$111,930 related to the monthly retainer of \$4,344 and other services.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of management, any future disallowances of current loan program expenditures, if any, would be immaterial.

On April 2, 2024, an election was held and it was approved for the District to issue General Obligation Bonds in the amount of \$25,000,000 to acquire, renovate, construct, improve and install buildings, vehicles and equipment to serve the District.

NOTE 9: THIRD-PARTY BILLING

During June 2017, the District contracted with Fire Recovery Ambulance Billing Company to perform billing and collections for ambulance services. Effective September 1, 2017, fees for the service are 7.75% of collections. During 2024, the District contracted with EMS Management and Consultants to perform billing and collections for ambulance services beginning April 2024. Fees for the service are 7.75% of collections. During 2024, total fees paid to Fire Recovery Ambulance Billing Company were \$37,626, and total fees paid to EMS Management Consultants were \$73,504.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE 10: SUBSEQUENT EVENTS

Events that occur after the Statement of Net Position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management evaluated the activity of the District through May 15, 2025, (the date the financial statements were available to be issued) and concluded the following subsequent events required recognition in the financial statements and/or disclosure in the notes to the financial statements.

On January 1, 2025, the District renewed the contract with Creative Planning for an additional 3 years. The monthly payment amount will be \$4,772 with 5% annual increases, as well as additional fees agreed upon for consulting and other services (Note 8).

SUPPLEMENTAL INFORMATION

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

FIRE DIVISION - LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ 719,781	\$ 672,432	\$ 611,220	\$ 569,434	\$ 547,026
Interest on Total Pension Liability	1,744,047	1,599,840	1,460,905	1,468,128	1,359,152
Difference between expected and actual Experience	723,706	523,688	615,026	(346,842)	370,702
Changes of Assumptions	-	-	-	(298,960)	-
Benefit payments, including refunds	(816,727)	(703,470)	(760,479)	(822,836)	(748,038)
Net change in total pension liability	2,370,807	2,092,490	1,926,672	568,924	1,528,842
Total pension liability - beginning	24,962,606	22,870,116	20,943,444	20,374,520	18,845,678
Total pension liability - ending (a)	\$ 27,333,413	\$ 24,962,606	\$ 22,870,116	\$ 20,943,444	\$ 20,374,520

This schedule is being built prospectively until it contains 10 years of data.
Data for the year 2014 is unavailable.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

FIRE DIVISION - LAST 10 FISCAL YEARS

	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 518,078	\$ 476,559	\$ 492,225	\$ 502,724	\$ 498,029
Interest on Total Pension Liability	1,226,531	1,141,114	1,055,405	933,159	872,174
Difference between expected and actual Experience	651,593	(53,635)	73,427	257,622	(276,416)
Changes of Assumptions	-	-	-	365,047	-
Benefit payments, including refunds	(420,011)	(393,016)	(467,994)	(269,961)	(240,404)
Net change in total pension liability	1,976,191	1,171,022	1,153,063	1,788,591	853,383
Total pension liability - beginning	16,869,487	15,698,465	14,545,402	12,756,811	11,903,428
Total pension liability - ending (a)	<u>\$ 18,845,678</u>	<u>\$ 16,869,487</u>	<u>\$15,698,465</u>	<u>\$14,545,402</u>	<u>\$ 12,756,811</u>

This schedule is being built prospectively until it contains 10 years of data.
Data for the year 2014 is unavailable.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

FIRE DIVISION - LAST 10 FISCAL YEARS

Plan Fiduciary Net Position	2024	2023	2022	2021	2020
Contributions - employer	\$ 732,721	\$ 670,196	\$ 599,680	\$ 529,410	\$ 485,534
Contributions - employee	-	-	-	-	-
Net investment income	1,420,549	927,960	34,339	5,862,496	300,572
Benefit payments, including refunds	(816,727)	(703,470)	(760,479)	(822,836)	(748,038)
Pension Plan Administrative Expense	(14,715)	(16,746)	(11,492)	(10,067)	(12,907)
Other (Net Transfer)	107,983	(102,076)	(49,386)	5,286	195,541
Net change in plan fiduciary net position	1,429,811	775,864	(187,338)	5,564,289	220,702
Plan fiduciary net position - beginning	27,222,111	26,446,247	26,633,585	21,069,296	20,848,594
Plan fiduciary net position - ending (b)	\$ 28,651,922	\$ 27,222,111	\$ 26,446,247	\$ 26,633,585	\$ 21,069,296
Net pension liability/(asset) - ending (a)-(b)	\$ (1,318,509)	\$ (2,259,505)	\$ (3,576,131)	\$ (5,690,141)	\$ (694,776)
Plan fiduciary net position as a percentage of the total pension liability	104.82%	109.05%	115.64%	127.17%	103.41%
Covered-employee payroll	\$ 3,984,311	\$ 3,634,536	\$ 3,430,025	\$ 3,059,330	\$ 2,936,859
Net pension liability as a percentage of covered employee payroll	(33.09)%	(62.17)%	(104.26)%	(185.99)%	(23.66)%

This schedule is being built prospectively until it contains 10 years of data.
Data for the year 2014 is unavailable.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

FIRE DIVISION - LAST 10 FISCAL YEARS

	2019	2018	2017	2016	2015
Plan Fiduciary Net Position					
Contributions - employer	\$ 438,934	\$ 462,850	\$ 457,008	\$ 506,552	\$ 563,614
Contributions - employee	7,636	-	-	-	-
Net investment income	1,272,035	2,132,891	1,884,692	47,275	283,265
Benefit payments, including refunds	(420,011)	(393,016)	(467,994)	(269,961)	(240,404)
Pension Plan Administrative Expense	(10,627)	(7,257)	(6,996)	(6,563)	(7,084)
Other (Net Transfer)	(4,012)	340,460	132,112	(149,900)	995,164
Net change in plan fiduciary net position	1,283,955	2,535,928	1,998,822	127,403	1,594,555
Plan fiduciary net position - beginning	19,564,639	17,028,711	15,029,889	14,902,486	13,307,931
Plan fiduciary net position - ending (b)	<u>\$ 20,848,594</u>	<u>\$19,564,639</u>	<u>\$17,028,711</u>	<u>\$15,029,889</u>	<u>\$ 14,902,486</u>
Net pension liability/(asset) - ending (a)-(b)	\$ (2,002,916)	\$ (2,695,152)	\$ (1,330,246)	\$ (484,487)	\$ (2,145,675)
Plan fiduciary net position as a percentage of the total pension liability	110.63%	115.98%	108.47%	103.33%	116.82%
Covered-employee payroll	\$ 2,824,465	\$ 2,656,055	\$ 2,415,191	\$ 2,661,378	\$ 2,654,521
Net pension liability as a percentage of covered employee payroll	(70.91)%	(101.47)%	(55.08)%	(18.20)%	(80.83)%

This schedule is being built prospectively until it contains 10 years of data.
Data for the year 2014 is unavailable.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

GENERAL DIVISION - LAST 10 FISCAL YEARS

	2024	2023	2022	2021
Total Pension Liability				
Service Cost	\$ 30,619	\$ 24,618	\$ 22,879	\$ 21,541
Interest on Total Pension Liability	19,387	15,602	12,075	11,189
Changes in Benefit Terms		-	-	-
Difference between expected and Actual experience	67,346	17,565	20,944	7,393
Changes in assumptions	-	-	-	(7,569)
Benefit payments, including refunds	(6,860)	(6,488)	(6,238)	(23,572)
Net change in total pension liability	110,492	51,297	49,660	8,982
Total pension liability - beginning	265,272	213,975	164,315	155,333
Total pension liability - ending (a)	\$ 375,764	\$ 265,272	\$ 213,975	\$ 164,315
Plan Fiduciary Net Position				
Contributions - employer	\$ 51,765	\$ 34,471	\$ 29,629	\$ 19,106
Net investment income	11,123	6,197	103	28,599
Benefit payments, including refunds	(6,860)	(6,488)	(6,238)	(23,572)
Pension Plan Administrative Expense	(535)	(457)	(332)	(308)
Other (Net Transfer)	688	473	(168)	(1,703)
Net change in plan fiduciary net position	56,181	34,196	22,994	22,122
Plan fiduciary net position - beginning	203,632	169,436	146,442	124,320
Plan fiduciary net position - ending (b)	\$ 259,813	\$ 203,632	\$ 169,436	\$ 146,442

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

GENERAL DIVISION - LAST 10 FISCAL YEARS

	2020	2019	2018	2017
Total Pension Liability				
Service Cost	\$ 19,567	\$ 18,298	\$ 17,058	\$ 5,538
Interest on Total Pension Liability	8,381	5,547	2,964	197
Changes in Benefit Terms	-	-	-	32,505
Difference between expected and Actual experience	22,169	15,364	14,994	(5,735)
Changes in assumptions	-	-	-	-
Benefit payments, including refunds	(1,514)	-	-	-
Net change in total pension liability	48,603	39,209	35,016	32,505
Total pension liability - beginning	106,730	67,521	32,505	-
Total pension liability - ending (a)	\$ 155,333	\$ 106,730	\$ 67,521	\$ 32,505
Plan Fiduciary Net Position				
Contributions - employer	\$ 28,930	\$ 28,817	\$ 27,556	\$ 24,240
Net investment income	2,235	4,420	4,352	1,072
Benefit payments, including refunds	(1,514)	-	-	-
Pension Plan Administrative Expense	(269)	(242)	(171)	(169)
Other (Net Transfer)	4,407	(765)	(617)	2,038
Net change in plan fiduciary net position	33,789	32,230	31,120	27,181
Plan fiduciary net position - beginning	90,531	58,301	27,181	-
Plan fiduciary net position - ending (b)	\$ 124,320	\$ 90,531	\$ 58,301	\$ 27,181

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

GENERAL DIVISION - LAST 10 FISCAL YEARS

	2024	2023	2022	2021
Net pension liability/(asset) - ending (a)-(b)	\$ 115,951	\$ 61,460	\$ 44,359	\$ 17,873
Plan fiduciary net position as a percentage of the total pension liability	69.14%	76.76%	79.18%	89.12%
Covered-employee payroll	\$ 213,184	\$ 134,084	\$ 127,039	\$ 117,996
Net pension liability as a percentage of covered employee payroll	54.39%	45.97%	35.06%	15.15%

This schedule is being built prospectively until it contains 10 years of data.
Data for the years 2014 to 2016 are unavailable.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

DECEMBER 31, 2024

GENERAL DIVISION - LAST 10 FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net pension liability/(asset) - ending (a)-(b)	\$ 31,013	\$ 16,199	\$ 9,220	\$ 5,324
Plan fiduciary net position as a percentage of the total pension liability	80.03%	84.82%	86.34%	83.62%
Covered-employee payroll	\$ 150,989	\$ 140,736	\$ 134,452	\$ 125,225
Net pension liability as a percentage of covered employee payroll	20.54%	11.51%	6.86%	4.25%

This schedule is being built prospectively until it contains 10 years of data.
Data for the years 2014 to 2016 are unavailable.

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

SCHEDULE OF CONTRIBUTIONS

DECEMBER 31, 2024

Fiscal Year	Actuarially Determined Contribution	Contribution In Relation	Contribution Deficiency	Covered Employee Payroll	Contribution As Percentage
2014	\$ 598,869	\$ 598,869	\$ -	\$ 2,722,133	22.00
2015	524,645	524,645	-	2,704,353	19.40
2016	491,806	491,806	-	2,668,017	18.43
2017	485,155	485,155	-	2,770,544	17.51
2018	488,546	488,126	420	2,956,930	16.51
2019	485,971	485,971	-	3,080,290	15.78
2020	530,443	527,364	3,079	3,167,247	16.65
2021	627,937	598,560	29,377	3,385,634	17.68
2022	652,724	651,797	927	3,720,175	17.52
2023	727,235	726,433	802	4,086,894	17.77
2024	833,345	832,634	711	4,456,652	18.68

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

SCHEDULE OF INSURANCE COVERAGES

DECEMBER 31, 2024

<u>COVERAGE</u>	<u>INSURER</u>	<u>POLICY NUMBER</u>	<u>EXPIRATION DATE</u>
PROPERTY AND GENERAL LIABILITY:			
Real Property & Business Personal Property - \$14,659,763 Extension Blanket Limit \$2,000,000 Inland Marine \$25,000 Earthquake and Environment \$2,000,000 General Liability - \$10,000,000 Personal/Advertising Injury - \$1,000,000 Flood Coverage - \$1,000,000	American Alternative Insurance Corporation	T8A2CA0000151-00	02-01-25
VEHICLES:			
Liability - BI and PD - \$1,000,000 Comprehensive - \$1,000 Deductible Uninsured Motorist - \$100,000 Underinsured Motorist - \$100,000	American Alternative Insurance Corporation	T8A2CA0000151-00	02-01-25
WORKMEN'S COMPENSATION:			
Statutory - \$1,000,000	7710 Insurance	WC-00002132-00	07-01-25

SOUTH METROPOLITAN FIRE PROTECTION DISTRICT

SCHEDULE OF PROPERTY TAX LEVIES

FOR THE YEARS ENDED

DECEMBER 31, 2020, 2021, 2022, 2023 AND 2024

	2020	2021	2022	2023	2024
Fire Protection	\$.6115	\$.5795	\$.5787	\$.5574	\$.6402
Ambulance Service	.3545	.3420	.3416	.3289	.3777
Retirement of					
G.O. Bonds	.2456	.2819	.2819	.3390	.3390
Communications	.0376	.0364	.0363	.0350	.0401
Total	\$ 1.2492	\$ 1.2398	\$ 1.2385	\$ 1.2603	\$ 1.3970
Assessed Valuation	\$ 497,023,354	\$ 497,023,354	\$ 536,335,911	\$ 621,293,674	\$ 670,393,914

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[Attached.]

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate, dated as of _____, 2025 (the “Continuing Disclosure Certificate”), is executed and delivered by **SOUTH METROPOLITAN FIRE PROTECTION DISTRICT OF CASS COUNTY, MISSOURI** (the “District”).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the District in connection with the delivery by the District of \$8,500,000 original principal amount of General Obligation Bonds, Series 2025 (the “**Bonds**”), pursuant to a Resolution adopted on September 18, 2025 (the “**Resolution**”).

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

The District covenants and agrees as follows:

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

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

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

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

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

“**Fiscal Year**” means the 12-month period beginning on January 1 and ending on December 31 or any other 12-month period selected by the 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 Certificate.

“**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 underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The District shall, not later than the **June 30th** immediately following the end of the District’s Fiscal Year, commencing with the Fiscal Year ended December 31, 2025 (or, if the District’s Fiscal Year changes so that it ends on a date other than December 31, the date that is six months after the end of the District’s Fiscal Year), provide to 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. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available. The audited financial statements of the District are currently prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. If the District changes the format of its financial statements, (1) notice of such change shall be given in the same manner as for a Material Event, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.
- (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement.

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), that have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The District shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be filed 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 filed 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.

Section 3. Reporting of Material Events.

(a) No later than 10 business days after the occurrence of any of the following events, the District shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (“**Material Events**”):

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

If the District has not filed the Annual Report with the MSRB by the date required in **Section 2(a)**, the District shall 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 given by the District in accordance with this **Section 3**.

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

Section 5. Dissemination Agents. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. 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 Certificate.

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

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

Section 7. Additional Information. Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Certificate 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 Certificate. 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 Certificate, the District shall have no obligation under this Continuing Disclosure Certificate 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 Certificate, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Continuing Disclosure Certificate. A default under this Continuing Disclosure Certificate shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Certificate in the event of any failure of the District to comply with this Continuing Disclosure Certificate shall be an action to compel performance.

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

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

Section 11. Counterparts. This Continuing Disclosure Certificate 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 and 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 Certificate shall be governed by and construed in accordance with the laws of the State of Missouri.

**SOUTH METROPOLITAN FIRE PROTECTION
DISTRICT OF CASS COUNTY, MISSOURI**

By: _____
Chairman

**EXHIBIT A
TO CONTINUING DISCLOSURE CERTIFICATE**

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

The tables located under the following sections in **Appendix A** of the final Official Statement:

DEBT STRUCTURE OF THE DISTRICT

Current Indebtedness of the District

History of General Obligation Indebtedness

Legal Debt Capacity

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Sources of Revenue

Property Valuations

Current Assessed Valuation

History of Property Valuations

Tax Rates (The table showing the District's tax levies)

Tax Collection Record

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The following information concerning DTC and DTC's Book-Entry Only System has been obtained from sources that the 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 Paying Agent or the Underwriter. The District, the Paying Agent and the Underwriter make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners will act in accordance with the procedures described above or in a timely manner.

General. Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the **"Book-Entry Only System"**) maintained by The Depository Trust Company (**"DTC"**), New York, New York. DTC will act as securities depository for the Bonds. Initially, the Bonds will be issued as fully-registered securities, registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. The following discussion will not apply to any Bonds issued in certificate form due to the discontinuance of the DTC Book-Entry Only System, as described below.

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, 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 rating from S&P Global Ratings of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

Transfers. To facilitate subsequent transfers, all Bonds deposited by 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 the Bonds with DTC and their registration in the name of

Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

Voting. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of bonds 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest. Payments of principal of or redemption price and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying 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, its nominee, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of or redemption price and interest on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) will be the responsibility of the District or the Paying Agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

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

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. If, however, the system of book-entry-only transfers has been discontinued and a Direct Participant has elected to withdraw its Bonds from DTC (or such successor securities depository), Bond certificates may be delivered to Beneficial Owners in the manner described herein under the caption "**THE BONDS - Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System.**"

None of the Underwriter, the Paying Agent 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 or redemption price or interest on the Bonds; (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 Bond Resolution to be given to owners of the Bonds; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

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