

NEW ISSUE
BOOK-ENTRY ONLY

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

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the 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 have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

\$100,000,000*

**PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2025**



Dated: Date of Delivery

Due: March 1, as shown on the inside cover

The General Obligation Bonds, Series 2025 (the "Bonds") will be issued by the Parkway C-2 School District, St. Louis County, Missouri (the "District"), for the purposes of providing funds to pay (1) a portion of the costs of the Project, as further described herein under the section captioned "PLAN OF FINANCING – The Project" and (2) costs of issuance related to the Bonds.

The Bonds will be issued as fully-registered bonds in the denomination of \$5,000 or integral multiples thereof. Principal on the Bonds will be payable annually on March 1 as set forth on the inside cover of this Official Statement. Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing on March 1, 2026, by check or draft mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the 15th day of the month preceding the applicable interest payment date.

The Bonds are subject to redemption prior to maturity as described herein under the section captioned "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 inside cover for maturities, principal amounts, interest rates, prices and CUSIP numbers.

This cover page contains information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the District and accepted by the Underwriter, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the District, and subject to certain other conditions. Bond Counsel will also pass on certain matters relating to this Official Statement. Piper Sandler & Co. has served as Financial Advisor to the District on this transaction. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about November 5, 2025.

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

* Preliminary; subject to change.

PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI

\$100,000,000*
General Obligation Bonds
Series 2025

MATURITY SCHEDULE

Base CUSIP: 791319

<u>Due</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
2026	\$ 3,230,000	%	%	
2027	12,900,000			
2028	5,450,000			
2029	4,105,000			
2030	3,195,000			
2031	3,355,000			
2032	3,520,000			
2033	3,690,000			
2034	3,880,000			
2035	4,070,000			
2036	4,260,000			
2037	4,455,000			
2038	4,660,000			
2039	4,875,000			
2040	5,100,000			
2041	5,335,000			
2042	5,580,000			
2043	5,835,000			
2044	6,110,000			
2045	6,395,000			

* Preliminary; subject to change.

**PARKWAY C-2 SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI**

455 N. Woods Mill Road
Chesterfield, Missouri 63017

BOARD OF EDUCATION

Jeff Todd, *President and Director*
Deborah Hopper, *Vice President and Director*
Tiffany Mapp Franklin, *Director*
John Kilper, *Director*
Matthew Schindler, *Director*
Kevin Seltzer, *Director*
Jeffrey Spector, *Director*

DISTRICT ADMINISTRATION

Dr. Melissa Schneider, *Superintendent*
Dr. Tiffany Holman-Besse, *Deputy Superintendent*
Dr. Greg Mathison, *Assistant Superintendent, Student Services*
Dr. Michael Baugus, *Chief Human Resources Officer*
Kevin Beckner, *Assistant Superintendent, Teaching, Learning and Accountability*
Carrie Nunn, *Chief Financial Officer*
Elisa Tomich, *Chief Communications Officer*
Dawne Trokey, *Executive Director of Finance*

PAYING AGENT

BOKE, NA
St. Louis, Missouri

BOND AND DISCLOSURE COUNSEL

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

FINANCIAL ADVISOR

Piper Sandler & Co.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(a)(2) OF SUCH ACT.

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

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

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

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

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OFFICIAL STATEMENT

\$100,000,000*

PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI GENERAL OBLIGATION BONDS SERIES 2025

INTRODUCTION

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

General

This Official Statement, including the cover page and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of \$100,000,000* aggregate principal amount of General Obligation Bonds, Series 2025 (the **“Bonds”**) by the Parkway C-2 School District, St. Louis County, Missouri (the **“District”**). The Bonds represent general obligation bonds authorized by the required majority of the qualified voters of the District at an election held in the District on November 8, 2022. The issuance and sale of the Bonds is authorized by a resolution of the Board of Education of the District adopted on October 15, 2025 (the **“Resolution”**). *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.*

Purpose of the Bonds

The Bonds are being issued for the purposes of providing funds to pay (1) a portion of the costs of herein-defined Project and (2) the costs of issuing the Bonds. See the section herein captioned **“PLAN OF FINANCING.”**

Security for the Bonds

The Bonds will constitute general obligations of the District and will be payable as to principal and interest 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 herein captioned **“SECURITY FOR THE BONDS.”**

Continuing Disclosure

Pursuant to a Continuing Disclosure Undertaking dated as of November 1, 2025 (the **“Continuing Disclosure Undertaking”**), the District will agree to provide certain annual financial information, operating data and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system (**“EMMA”**), in accordance with Rule 15c2-12 (the **“Rule”**) promulgated by the Securities and Exchange Commission. The form of Continuing Disclosure Undertaking is attached hereto in **Appendix C**.

* Preliminary; subject to change.

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 Resolution are qualified in their entirety by reference to such documents.

THE BONDS

General

The Bonds are being issued in the aggregate principal amount of \$100,000,000*. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page hereof, subject to redemption and payment prior to maturity, upon the terms and conditions described under the section herein captioned **“THE BONDS – Redemption Provisions.”** Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 (each a **“Bond Payment Date”**), beginning on March 1, 2026.

Payment of the interest on the Bonds will be made to the person in whose name such Bond is registered (the **“Registered Owner”** or **“Owner”**) as shown on the registration books (the **“Bond Register”**) at the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding a Bond Payment Date (the **“Record Date”**). Interest on the Bonds will be paid by check or draft mailed by BOKF, NA (the **“Paying Agent”**) to each Registered Owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or by electronic transfer to such Registered Owner upon written notice given to the Paying Agent 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 (which shall be in the continental United States), the bank’s 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 of the Bonds will be paid by check or draft to the Registered Owner of such Bond at the maturity thereof, upon presentation and surrender of such Bond at the payment office of the Paying Agent in St. Louis, Missouri, or at such other payment office as designated by the Paying Agent.

Book-Entry Only System

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

The following information concerning DTC and DTC’s book-entry system has been obtained from DTC. The District takes no responsibility for the accuracy or completeness thereof, and neither the Indirect Participants nor the Beneficial Owners should rely on the following information with respect to such matters but should instead confirm the same with DTC or the Direct Participants, as the

* Preliminary; subject to change.

case may be. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

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

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be

in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

Discontinuation of Book-Entry 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.

The Direct Participants holding a majority interest in the Bonds 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.

Registration, Transfer and Exchange of Bonds

The District will cause the Bond Register to be kept at the principal payment office of the Paying Agent or such other office designated by the Paying Agent for the registration, transfer and exchange of the Bonds as provided in the Resolution. Upon surrender of any Bond at the principal payment office of the Paying Agent, or at such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond as provided in the 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. 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 (1) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent in accordance with the Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (2) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the 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 Resolution.

Redemption Provisions

At the option of the District, the Bonds or portions thereof maturing on March 1, 2035 and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2034 and thereafter as a whole or in part at any time at the Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (as defined herein).

Selection of Bonds to be Redeemed

Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as determined by the 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, when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the price 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 the District's behalf by mailing a copy of an official redemption notice by first class mail at least 30 days but not more than 60 days prior to the Redemption Date to 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 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 aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the District defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. 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 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 Resolution. All Bonds that have been surrendered for redemption shall be canceled and destroyed by the Paying Agent pursuant to the Resolution and shall not be reissued.

SECURITY FOR THE BONDS

Pledge of Full Faith and Credit

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 the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same becomes due.

Levy and Collection of Annual Tax

Under the 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 solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

PLAN OF FINANCING

The Project

In November 2022, voters in the District authorized \$265,000,000 of general obligation bonds for the purpose of renovating, repairing, improving, furnishing and equipping school facilities, including capital replacements, classroom technology and network upgrades, constructing an early childhood center, upgrading locker rooms and playgrounds, building additions and ADA and safety upgrades throughout the District (the “Project”).

The District previously issued \$90,000,000 of the general obligation bonds authorized at the election. The Bonds consist of an additional \$100,000,000* of the voted authority from the election and the District expects to issue the remaining bonds authorized at the November 2022 election in the next year. The proceeds of the Bonds will fund a portion of the Project, including but not limited to:

- District-wide network upgrades, redesign of fiber network, secondary cold data center, cellular enhancements
- Improvements to North High, Central High, Craig Elementary, South Middle, Northeast Middle, South High and Bellerive Elementary
- Purchase of an Early Childhood Center
- District-wide improvements to playgrounds and replacing flooring

The District anticipates the entire Project will be completed over the next two to three years.

Sources and Uses of Funds

The sources and uses of the proceeds of the Bonds are as follows:

<u>Sources of Funds</u>	Total
Par Amount of Bonds	\$100,000,000.00*
Plus: [*Net*] Original Issue Premium	
Total	<u>\$</u>
<u>Uses of Funds</u>	
Deposit to the Series 2025 Account of the Capital Projects Fund	\$
Costs of Issuance (including Underwriter's Discount)	
Total	<u>\$</u>

RISK FACTORS

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

Ad Valorem Property Taxes

The 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 **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property**

* Preliminary; subject to change.

Valuations – History of Property Valuations” in *Appendix A* of this Official Statement. In addition, the issuance of additional general obligation bonds by the District or by other political subdivisions in the District would increase the tax burden on taxpayers in the District. See **“DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying Indebtedness”** in *Appendix A* of this Official Statement. Missouri law limits the amount of general obligation debt issuable by the District to 15% of the assessed valuation of taxable tangible property in the District. See **“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, counties and certain other political subdivisions, which are limited to general obligation debt of 20%, 10% and 5% of assessed valuation of taxable tangible property, respectively.

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

Senior Property Tax Credit Program

In 2023, the Missouri General Assembly passed Senate Bill 190, which authorizes counties to grant property tax credits to residential property owners eligible to receive social security benefits equal to the difference between the real property tax liability on the homestead in the current year minus the real property tax liability on such homestead in the year in which the taxpayer became eligible to receive the tax credit (the **“Senior Property Tax Credit Program”**). Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by the county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. The St. Louis County Council passed an ordinance implementing the Senior Property Tax Credit Program in St. Louis County beginning in 2025. The ordinance does not relieve the taxpayer of the obligation to pay the tax liability of the State Blind Pension Fund or dedicated ad valorem taxes levied for the payment of bonded indebtedness, such as the District’s debt service levy for the Bonds. Such exceptions were not included in Senate Bill 190.

The potential financial impact of the Senior Property Tax Credit Program on the District is not yet ascertainable. If the District’s property tax revenues are reduced in a given year as a result of the Senior Property Tax Credit Program, there will be less property tax revenues available to pay principal of and interest on the Bonds. In addition, the District is permitted to retain in its debt service fund up to one year’s debt service payments and can increase the debt service levy for future years to address the potential decrease from implementation of the Senior Property Tax Credit Program and to ensure continued payment of the principal of and interest on the Bonds. See **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT”** in *Appendix A* of this Official Statement.

Secondary Market Prices and Liquidity

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

Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and changes in the operating performance or tax collection patterns of issuers. Particularly, prices of outstanding municipal securities should be expected to decline if prevailing market interest rates rise. Municipal securities are generally viewed as long-term

investments, subject to material unforeseen changes in the investor's or the issuer's circumstances, and may require commitment of the investor's funds for an indefinite period of time, perhaps until maturity.

No Reserve Fund or Credit Enhancement

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to ensure payment of the Bonds. Accordingly, any potential purchaser of the Bonds should consider the financial ability of the District to pay the Bonds. As described under the heading **"SECURITY FOR THE BONDS"** herein, 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 of and interest on the Bonds on all taxable tangible property in the District.

Rating

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

Bankruptcy

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

Pensions and Other Postemployment Benefits

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (1) The Public School Retirement System of Missouri and (2) The Public Education Employee Retirement System of Missouri. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Pension and Employee Retirement Plans"** in *Appendix A* of this Official Statement. The District also provides other postemployment benefits as part of the total compensation offered to attract and retain the services of qualified employees. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Other Postemployment Benefits"** in *Appendix A* of this Official Statement. Future required contribution increases beyond the current fiscal year may require the District to increase its revenues, reduce its expenditures or some combination thereof, which may impact the District's operations or limit the District's ability to generate additional revenues in the future.

State Aid

For the fiscal year ended June 30, 2024, approximately 4.66% of the District's revenue was derived from moneys provided by the State of Missouri as State Aid. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue"** and **"– State Revenue"** in *Appendix A* of this Official Statement. Reductions in State Aid could occur in the future if, for example, the State of Missouri faces

fiscal problems in the future or the District experiences a decline in enrollment. Reductions in State Aid could force the District to make budget cuts or operational adjustments and may adversely affect the rating on the Bonds or the market price of the Bonds.

Enrollment

A portion of the State revenue the District receives is directly affected by attendance metrics and enrollment within the District. A significant decrease in enrollment could reduce the amount of future revenue the District receives. No assurance can be given that economic, social, legislative and other factors beyond the control of the District will not negatively impact student enrollment and revenues dependent thereon. Increased competition from other educational facilities, including virtual facilities and charter schools, could adversely affect the ability of the District to maintain enrollment, or could adversely affect the ability of the District to attract faculty and other staff. Under the Missouri Course Access and Virtual School Program, eligible students may enroll in virtual courses, and the school district will have to pay for those courses if certain criteria are met. Charter schools are allowed in certain limited areas of Missouri provided certain criteria are met, and future proposed legislation, if enacted, could expand the prevalence of charter schools. It cannot be predicted whether or in what form any proposed legislation might be enacted or whether, if enacted, it would negatively impact the District's enrollment, financial position or operations. For information about the historical enrollment of the District, see **"THE DISTRICT – History of Enrollment"** in *Appendix A* of this Official Statement.

Amendment of the Resolution

Certain amendments, effected by resolution of the District, to the Bonds and the 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 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 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 Resolution could cause the interest on the Bonds to become included in gross income for federal and state income tax purposes retroactive to the date of issuance of the Bonds. The 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 state income tax purposes. See the section herein captioned **"TAX MATTERS."**

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.

Defeasance Risks

When all Bonds are deemed paid and discharged as provided in the Resolution, the requirements contained in the 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 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 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. The District's current insurance coverage includes risk of loss from cyber-attacks.

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 or whether any such

effects will have a material adverse effect on the ability to support payment of debt service on the Bonds. The District receives the majority of its revenue from property taxes, and the District did not experience a decrease in revenues due to COVID-19. Historical revenues and expenditures for the District's General Fund for the fiscal years ended June 30, 2021 through 2024 are set forth under the caption **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Fund Balances Summary"** in *Appendix A* of this Official Statement.

THE DISTRICT

The District encompasses approximately 70 square miles in the western section of St. Louis County, Missouri. This area includes unincorporated portions of St. Louis County, as well as areas of the following municipalities: Maryland Heights, Creve Coeur, Chesterfield, Town & Country, Des Peres, Ballwin, Manchester, Twin Oaks, Country Life Acres, Valley Park, Westwood and Winchester. See **"THE DISTRICT"** in *Appendix A* of this Official Statement for further information regarding the District.

LEGAL MATTERS

Legal matters with respect to the authorization, execution and delivery of the Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the 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.

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.

BOND RATING

The Rating Agency has assigned a rating to the Bonds of "AAA" based on the credit of the District. The rating reflects only the view of the Rating Agency at the time such rating is given, and the Underwriter and the District make no representation as to the appropriateness of such rating. An explanation of the significance of such rating may be obtained from the Rating Agency.

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. Except as described in the Continuing Disclosure Undertaking, neither the Underwriter nor the District has undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Bonds. Pursuant to the Continuing Disclosure Undertaking, the District is required to bring to the attention of the holders of the Bonds any change of the rating of the Bonds but has not undertaken any responsibility to oppose any such change. See the form of Continuing Disclosure Undertaking attached hereto as *Appendix C*.

TAX MATTERS

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

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, 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 have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the 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 and State of Missouri 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 heading “**TAX MATTERS.**”

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount (“OID”) 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 (ignoring sales to bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers). Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID 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 OID 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 OID 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 OID.

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

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, 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 the interest on the Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

CONTINUING DISCLOSURE UNDERTAKING

General

Pursuant to the Continuing Disclosure Undertaking, the District will agree to provide certain annual financial information, operating data and notices of certain events in accordance with the Rule. The form of Continuing Disclosure Undertaking is attached hereto as *Appendix C*.

Prior Compliance

The District believes it has materially complied with its prior undertakings under the Rule during the past five years and believes it is currently in material compliance with its prior continuing disclosure obligations under the Rule.

ABSENCE OF LITIGATION

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

UNDERWRITING

Based upon bids received by the District on October __, 2025 the Bonds were awarded to _____, _____, _____ (the "**Underwriter**"). The Underwriter has agreed, subject to certain conditions, to purchase the Bonds at a price equal to \$_____ (representing the aggregate principal amount of the Bonds, plus *[**net**]* original issue premium of \$_____, less an underwriting discount of \$_____). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine. The Underwriter reserves the right to join with dealers and other purchasers in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

FINANCIAL ADVISOR

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

CERTAIN RELATIONSHIPS

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

MISCELLANEOUS

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

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

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the District. Neither the District nor any of its officers, members 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, members or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the District by the Resolution.

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

**PARKWAY C-2 SCHOOL DISTRICT,
ST. LOUIS COUNTY, MISSOURI**

By: _____
President of the Board of Education

APPENDIX A

INFORMATION REGARDING THE DISTRICT

INFORMATION REGARDING THE DISTRICT

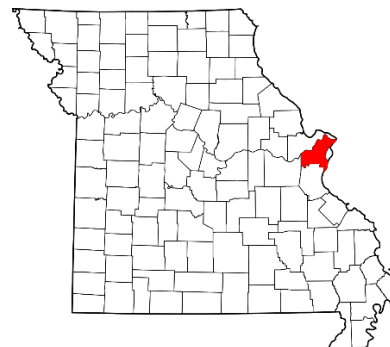
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THE DISTRICT

General Description

Parkway C-2 School District, St. Louis County, Missouri (the “**District**”) encompasses approximately 70 square miles in the western section of St. Louis County, Missouri (the “**County**”). This area includes unincorporated portions of the County, as well as areas of the following municipalities: Maryland Heights, Creve Coeur, Chesterfield, Town & Country, Des Peres, Ballwin, Manchester, Twin Oaks, Country Life Acres, Valley Park, Westwood and Winchester. The estimated population of the District in 2023 was 143,521. The District had 16,442 students (excluding Pre-K) enrolled for the 2024-2025 school year.



Organization and Board of Education

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

The current members and officers of the Board are as follows:

<u>Name</u>	<u>Office</u>	<u>First Term Began</u>	<u>Current Term Expires</u>
Jeff Todd	President & Director	2017	2026
Deborah Hopper	Vice President & Director	2014	2026
Tiffany Mapp Franklin ⁽¹⁾	Director	2022	2026
John Kilper	Director	2025	2028
Matthew Schindler	Director	2018	2027
Kevin Seltzer	Director	2018	2027
Jeffrey Spector	Director	2022	2028

⁽¹⁾ Director Franklin was appointed on May 11, 2022 to fill a vacancy on the Board.

The Board has appointed Carrie Nunn, Chief Financial Officer of the District, to serve as Treasurer and Nikki Stover to serve as Secretary of the Board.

Administration

The Board appoints the Superintendent of Schools who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Dr. Melissa Schneider became Superintendent of the District on July 1, 2025, previously serving as Assistant Superintendent of Learning Services in the Thompson School District in Loveland, Colorado. Dr. Schneider has 27 years of experience in education and holds a Ph.D. in research methods and statistics with a focus on educational leadership and policy studies from the University of Denver, a master’s degree in education administration from the University of Phoenix and a bachelor’s degree in elementary education from Anderson University.

Additional members of the administrative staff are appointed by the Board upon recommendation by the Superintendent. The Superintendent's leadership team is comprised of the following positions: Deputy Superintendent; Assistant Superintendent of Teaching, Learning and Accountability; Assistant Superintendent of Student Services; Chief Human Resources Officer; Chief Financial Officer; and Chief Communications Officer.

For the 2024-2025 school year, the District had approximately 2,307 total employees, including 200 administrative personnel, 1,492 teachers and 615 non-certificated employees.

Professional Staff

On average, teachers employed by the District have 15.6 years of teaching experience, compared to a statewide average of 12.7 years, and 85.5% of the District's teachers hold advanced degrees. For the 2023-2024 school year, the average salary for all teaching staff was \$74,556 compared to a statewide average salary for teaching staff of \$55,617.

Educational Facilities

The District operates 32 schools, as shown below. The aggregate replacement cost of the current physical facilities of the District as most recently determined for insurance purposes is \$1,066,182,456.

<u>Name of School</u>	<u>Grades Served</u>	<u>Name of School</u>	<u>Grades Served</u>
Central High School	9-12	Hanna Woods Elementary School	K-5
North High School	9-12	Henry Elementary School	K-5
South High School	9-12	Highcroft Ridge Elementary School	K-5
West High School	9-12	Mason Ridge Elementary School	K-5
Fern Ridge High School	9-12	McKelvey Elementary School	1-5
Central Middle School	6-8	McKelvey Primary School	K
Northeast Middle School	6-8	Oak Brook Elementary School	K-5
South Middle School	6-8	Pierremont Elementary School	K-5
Southwest Middle School	6-8	River Bend Elementary School	K-5
West Middle School	6-8	Ross Elementary School	K-5
Barretts Elementary School	K-5	Shenandoah Valley Elementary School	K-5
Bellerive Elementary School	K-5	Sorrento Springs Elementary School	K-5
Carman Trails Elementary School	K-5	Wren Hollow Elementary School	K-5
Claymont Elementary School	K-5	Early Childhood Center West	Pre-K
Craig Elementary School	K-5	Early Childhood Center North	Pre-K
Green Trails Elementary School	K-5	Extended Learning Center (ADC)	6-12

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History of Enrollment

Listed below are the District's fall enrollment figures for the previous five completed school years:

<u>Grade</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
K	1,197	1,247	1,179	1,167	1,114
1st	1,302	1,270	1,263	1,192	1,184
2nd	1,286	1,307	1,292	1,287	1,189
3rd	1,295	1,286	1,308	1,301	1,297
4th	1,341	1,282	1,257	1,289	1,307
5th	1,347	1,330	1,285	1,264	1,304
6th	1,274	1,330	1,321	1,288	1,276
7th	1,323	1,245	1,306	1,297	1,278
8th	1,343	1,331	1,253	1,307	1,302
9th	1,355	1,301	1,303	1,213	1,293
10th	1,343	1,340	1,321	1,311	1,232
11th	1,341	1,346	1,370	1,309	1,323
12th	<u>1,390</u>	<u>1,382</u>	<u>1,363</u>	<u>1,377</u>	<u>1,343</u>
Total ⁽¹⁾	<u>17,137</u>	<u>16,997</u>	<u>16,821</u>	<u>16,602</u>	<u>16,442</u>

⁽¹⁾ Excludes Pre-K enrollment.

Source: Missouri Department of Elementary and Secondary Education.

The District, like most school districts across the area and nation, is experiencing declining enrollment due to lower birth rates. The District expects that it will continue to lose around 100 students per year in enrollment. This factor is taken into consideration during District budgeting, planning and hiring decisions each year.

Education Programs

The District operates under the oversight of the Missouri Department of Elementary and Secondary Education (“DESE”). Programs offered by the District are comprehensive with an academic curriculum encompassing several foreign languages, math, science, literature, composition and social studies. The District offers numerous special programs such as gifted, adult education, early childhood and alternative learning center. The District works in partnership with the Special School District of St. Louis County, Missouri, a separate political subdivision from the District, to provide comprehensive special education services to students of the District.

Other District Statistics

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

	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Avg. Daily Attendance (ADA)	16,768.95	15,089.00	15,526.32	15,144.15	15,203.38
Proportional Attendance Rate	89.2%	84.2%	83.6%	82.9%	85.0%
Expenditures per Pupil	\$12,490	\$12,837	\$13,686	\$13,417	\$14,219
Students per Teacher	14	14	14	14	14
Students per Classroom Teacher	15	15	15	15	15

Source: DESE.

District Accreditation

DESE administers the Missouri School Improvement Program (“MSIP”), the state’s school accountability system for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, five review cycles have been completed, each cycle lasting from five to six years. The sixth cycle, referred to as MSIP 6, began in the 2020-2021 school year.

Under MSIP, the District is “Accredited.” The MSIP classification is not a bond or debt rating but is solely an evaluation made by DESE.

ECONOMIC INFORMATION CONCERNING THE DISTRICT

Population

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

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
District	137,523	141,896	140,234	145,556
County	993,529	1,016,315	998,954	1,004,125
State	5,117,073	5,595,211	5,988,927	6,154,913

Source: U.S. Census Bureau – Decennial Census.

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

Estimated Population Distribution by Age (2023 Estimate)

<u>Age</u>	<u>District</u>	<u>County</u>	<u>State</u>
Under 5 years	7,571	56,721	359,915
5-19 years	24,792	188,195	1,187,955
20-24 years	8,114	59,229	402,879
25-44 years	35,723	253,238	1,596,432
45-64 years	35,219	253,085	1,541,871
65 years and over	<u>32,102</u>	<u>186,150</u>	<u>1,079,129</u>
TOTAL	<u>143,521</u>	<u>996,618</u>	<u>6,168,181</u>
Median age	42.3	40.2	38.9

Source: U.S. Census Bureau – 2019-2023 American Community Survey 5-Year Estimates.

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Commerce, Industry and Employment

Major Employers. Listed below are the major employers located in the District and the approximate number of employees employed within the District by each:

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Schnucks Markets, Inc.	Retail Grocery	14,500
Dierberg's Markets, Inc.	Retail Grocery	5,001
St. Luke's Health Corporation	Health Care	4,093
CPC Logistics	Logistics	3,700
Solutia Inc.	Manufacturing	3,400
Reinsurance Group of America	Health Insurance	2,640
The District	Education	2,284
Missouri Baptist Medical Center	Health Care	1,670
Laird Technologies, Inc.	Technology	1,440
Kellwood	Textiles	1,132

Source: District's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

Employment Figures. The following table sets forth employment figures for the County, the State and the United States.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<i>County</i>					
Total Labor Force	510,859	510,935	511,404	518,804	523,979
Unemployed	33,139	22,189	13,303	15,894	18,968
Unemployment Rate	6.5%	4.3%	2.6%	3.1%	3.6%
<i>State</i>					
Total Labor Force	3,026,204	3,031,845	3,042,699	3,095,018	3,131,182
Unemployed	185,745	126,113	79,757	95,951	114,296
Unemployment Rate	6.1%	4.2%	2.6%	3.1%	3.7%
<i>United States</i>					
Total Labor Force	160,742,000	161,204,000	164,287,000	167,116,000	168,106,000
Unemployed	12,947,000	8,623,000	5,996,000	6,080,000	6,761
Unemployment Rate	8.1%	5.3%	3.6%	3.6%	4.0%

Source: U.S. Bureau of Labor Statistics.

Medical and Health Facilities

There are approximately 50 hospitals located in the St. Louis metropolitan area, including St. Luke's Hospital, Missouri Baptist Medical Center and Mercy Medical Center which are all located within the District. Other major hospitals and medical facilities nearby include the highly-regarded Barnes-Jewish Hospital and two medical schools, Washington University Medical School and Saint Louis University Medical School. In addition, dentists, chiropractors and doctors provide medical services from offices and clinics located in the District.

Higher Education

Higher education is easily accessible to District residents through the St. Louis Community College (the "College"), Maryville University of St. Louis (the "University") and numerous other institutions of higher education located in the St. Louis metropolitan area, including University of Missouri-St. Louis, Webster University, Saint Louis University and Washington University.

The College awards associate degrees and certificates of proficiency and specialization for prescribed courses of study. The College also offers courses to meet the needs of persons who desire enrichment or retraining in the areas of liberal arts, occupational education, continuing education and community services.

The University, with over 6,000 students, is a private university located within the District. The University offers a wide range of undergraduate, graduate and professional programs, degrees and certificates. Many of the University's programs are highly ranked by U.S News and World Report.

Recreational Facilities

The County park system offers 71 park sites featuring camping, fishing, boating, picnicking, hiking, horseback riding, swimming, golf, ice skating and other athletic activities. Unique attractions include the St. Louis Carousel, the Butterfly House, the internationally-recognized Laumeier Sculpture Park, the working farm in Suson Park, the elk and buffalo in Lone Elk Park and the Museum of Transportation which "houses one of the largest and best collections of transportation vehicles in the world," according to the Smithsonian Institution.

Municipal Services and Utilities and Public Safety

Municipal services, including street maintenance and water, are provided by the cities in the District or the County. The Metropolitan St. Louis Sewer District provides sewer services. Natural gas and electricity are provided by Spire and Ameren, respectively. Telephone service is provided by AT&T. Police services are provided by municipal departments within the District or by the County. Fire protection services are provided by municipal fire departments or fire protection districts operating within the District.

Transportation, Communications and Media

The District's geographic location provides easy access to all areas of metropolitan St. Louis via I-64/Highway 40 and I-270, both of which run through the District. Commercial passenger rail service is provided by Amtrak and rail freight service is also available. Regularly scheduled commercial air passenger and air freight service is available at the St. Louis Lambert International Airport located approximately 15 miles northeast of the District. The Spirit of St. Louis Airport is located within the District.

Telecommunication services are provided to District residents by AT&T, CenturyLink and Charter Communications. Wireless telephone service is offered by numerous providers. Residents of the District receive all of the County and St. Louis radio stations and television channels. The District is served by the *St. Louis Post-Dispatch* newspaper. In addition, there are many weekly newspapers and journals published throughout the County.

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Income and Home Values

The following table presents per capita personal income⁽¹⁾ for the County and the State for the years 2019 through 2023, the latest date for which such information is available.

<u>Year</u>	<u>Per Capita Personal Income</u>	
	<u>County</u>	<u>State</u>
2023	\$101,151	\$62,604
2022	94,292	59,007
2021	88,954	56,639
2020	78,908	52,145
2019	71,946	48,425

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

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

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

<u>Median Household Income</u>	
District	\$114,392
County	81,340
State	68,920

Source: U.S. Census Bureau – 2019-2023 American Community Survey 5-Year Estimates.

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

	<u>Number of Owner- Occupied Units</u>	<u>Median Home Value</u>
District	44,521	\$376,200
County	286,352	260,700
State	1,688,072	215,600

Source: U.S. Census Bureau – 2019-2023 American Community Survey 5-Year Estimates.

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DEBT STRUCTURE OF THE DISTRICT

Debt Ratios and Related Information

The following table summarizes certain financial information concerning the District as of October 1, 2025 (unless otherwise noted). This information should be reviewed in conjunction with the other information contained in this section and the financial statements of the District in *Appendix B* to this Official Statement.

Estimated District Population (2023) ⁽¹⁾	143,521
Assessed Valuation (2024) ⁽²⁾	\$6,477,161,510
Estimated Actual Value (2024) ⁽³⁾	\$29,256,363,741
Outstanding Direct General Obligation Debt ⁽⁴⁾	\$370,995,000*
Overlapping General Obligation Debt ⁽⁵⁾	\$43,322,363
Total Direct and Overlapping General Obligation Debt	\$414,317,363*
Per Capita Direct General Obligation Debt	\$2,584.95*
Per Capita Direct and Overlapping General Obligation Debt	\$2,886.81*
Ratio of Direct General Obligation Debt to Assessed Valuation	5.73%*
Ratio of Direct General Obligation Debt to Estimated Actual Value	1.27%*
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation	6.40%*
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value	1.42%*

(1) See “ECONOMIC INFORMATION CONCERNING THE DISTRICT – Population.”

(2) Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts (defined herein) located within the District.

(3) Estimated actual value is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios, see “PROPERTY TAX INFORMATION.”

(4) Includes the Bonds.

(5) See “DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying Indebtedness.”

General Obligation Indebtedness

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

<u>Series of Bonds</u>	<u>Original Amount</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>	<u>Interest Rate(s)</u>
2025	\$100,000,000*	2045*	\$100,000,000*	% - %
2024	15,870,000	2032	15,870,000	4.000%
2023	90,000,000	2043	90,000,000	4.000% - 5.250%
2020	55,000,000	2040	37,895,000	1.250% - 4.000%
2019	55,000,000	2039	50,255,000	3.000% - 5.000%
2016	44,000,000	2036	44,000,000	2.125% - 3.000%
2015B	<u>50,000,000</u>	2035	<u>32,975,000</u>	3.000% - 3.125%
Total	<u>\$436,950,000</u>		<u>\$370,995,000</u>	

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* Preliminary; subject to change.

History of General Obligation Indebtedness

The following table shows the outstanding general obligation debt of the District for each of the last five fiscal years.

<u>As of June 30</u>	<u>Total Outstanding Debt</u>	<u>Assessed Valuation⁽¹⁾</u>	<u>Debt as % of Assessed Valuation⁽²⁾</u>
2025	\$270,995,000	\$6,477,161,510	4.18%
2024	287,585,000	6,389,983,630	4.50
2023	303,365,000	5,702,166,620	5.32
2022	227,965,000	5,519,012,730	4.13
2021	243,765,000	5,234,810,070	4.66

⁽¹⁾ The assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District.

⁽²⁾ If state assessed railroad and utility property and the incremental increase in the assessed value of property within TIF Districts were taken into account, the debt as a percentage of total assessed valuation would be lower than the percentages shown. For more information, see “**DEBT STRUCTURE OF THE DISTRICT – Legal Debt Capacity.**”

Source: District’s Annual Comprehensive Financial Report for the fiscal years ended June 30, 2021 through 2024 and the Annual Report of the County Clerk to the State Board of Education for the December 31, 2024 Assessed Valuation.

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

Legal Debt Capacity

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

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2024 assessed valuation)	\$971,574,226 ⁽¹⁾
General Obligation Bonds Outstanding	(370,995,000) ^{(2) *}
General Obligation Bonds Voted But Unissued	<u>(75,000,000)*</u>
Legal Debt Margin under Article VI, Sections 26(b)	<u>\$525,579,226*</u>

⁽¹⁾ Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District.

⁽²⁾ Includes the Bonds.

Source: St. Louis County, Missouri, Department of Revenue.

The District’s legal debt limit and debt margin would be higher if (1) the amount in the Debt Service Fund available to pay principal of the bonds, and (2) the valuation of state assessed railroad and utility property that is physically located within the bounds of the District were both taken into account. Neither amount was included in the calculations of debt limit or debt margin.

* Preliminary; subject to change.

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

Debt Service Requirements for General Obligation Bonds Outstanding

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

Fiscal Year Ending June 30	Outstanding Bonds Total Debt Service	The Bonds			Total Debt Service
		<u>Principal*</u>	<u>Interest</u>	<u>Total</u>	
2026	\$ 21,329,027.95	\$ 3,230,000.00	\$	\$	\$
2027	22,658,631.28	12,900,000.00			
2028	22,645,381.28	5,450,000.00			
2029	22,661,856.28	4,105,000.00			
2030	24,152,243.78	3,195,000.00			
2031	21,972,256.28	3,355,000.00			
2032	21,994,600.02	3,520,000.00			
2033	22,567,737.52	3,690,000.00			
2034	22,574,662.52	3,880,000.00			
2035	22,588,612.52	4,070,000.00			
2036	22,586,831.26	4,260,000.00			
2037	22,605,331.26	4,455,000.00			
2038	22,632,243.76	4,660,000.00			
2039	22,612,443.76	4,875,000.00			
2040	19,340,143.76	5,100,000.00			
2041	7,643,400.00	5,335,000.00			
2042	7,651,400.00	5,580,000.00			
2043	7,493,200.00	5,835,000.00			
2044	--	6,110,000.00			
2045	--	6,395,000.00			
Totals	<u>\$357,710,003.23</u>	<u>\$100,000,000.00</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

Other Long-Term Obligations of the District

The District has no other long-term obligation except outstanding general obligation bonds.

* Preliminary; subject to change.

Future Borrowing Plans

The District has a long-term capital plan that includes improving District facilities and replacing aging equipment that may require the issuance of additional general obligation bonds. The District anticipates issuing the remaining \$75,000,000 of voted-authorized bonds from the November 2022 election over the next couple of years.

Overlapping or Underlying Indebtedness

The following table sets forth the approximate overlapping and underlying general obligation indebtedness of political subdivisions with boundaries overlapping the District as of October 1, 2025, unless otherwise noted, and the percent attributable (on the basis of assessed valuation figures for calendar year 2024) to the District. The table was compiled from publicly available information furnished by the jurisdictions responsible for the debt, and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations such as leases, the amounts of which may be unknown to the District at this time and are not included below.

<u>Taxing Body</u>	<u>General Obligation Debt⁽¹⁾</u>	<u>Approx. Percent Applicable</u>	<u>Amount of Overlapping Debt</u>
St. Louis County	\$ 49,860,000	18.84%	\$ 9,393,624
City of Ballwin	0	36.94	0
City of Chesterfield	0	59.06	0
City of Country Life Acres	0	100.00	0
City of Creve Coeur	5,100,000	64.98	3,313,980
City of Des Peres	0	32.65	0
City of Manchester	11,795,000	92.79	10,944,581
City of Maryland Heights	0	43.38	0
City of Town & Country	0	97.08	0
City of Twin Oaks	0	25.29	0
City of Valley Park	0	18.45	0
City of Westwood	0	58.33	0
City of Winchester	0	78.62	0
Fire District - Creve Coeur	12,530,000	61.95	7,762,335
Fire District - Maryland Heights	10,605,000	45.76	4,852,848
Fire District - Metro West	4,820,000	18.08	871,456
Fire District - Monarch	6,550,000	54.37	3,561,235
Fire District - Pattonville	13,910,000	0.48	66,768
Fire District - Valley Park	9,385,000	27.23	2,555,536
Fire District - West County EMS	0	99.28	0
TOTAL	<u>\$124,555,000</u>		<u>\$43,322,363</u>

⁽¹⁾ Overlapping bonded indebtedness excludes neighborhood improvement district general obligation bonds which are paid from special assessments.

Source: St. Louis County Assessor's Office; State Auditor of Missouri – Bond Registration Reports; Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District presents its governmental activities in fund financial statements on the modified accrual basis of accounting, which is a comprehensive basis of accounting principles generally accepted in the United States of America. This means that revenues and expenses are recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following are the District's major governmental funds:

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

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

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

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

Sources of Revenue

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

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

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

<u>Source</u>	<u>Amount</u>	<u>Percent</u>
Local Revenue:		
Property Taxes	\$233,035,240.36	71.05%
Proposition C Sales Tax	22,305,886.75	6.80
Other	38,456,522.21	11.73
County Revenue:		
Railroad & Utility Property Taxes	3,248,119.84	0.99
Fines & Forfeitures	232,240.15	0.07
Other	1,330,193.65	0.41
State Revenue	15,272,408.10	4.66
Federal Revenue ⁽¹⁾	11,217,442.06	3.42
Other Revenue	<u>2,862,976.12</u>	<u>0.87</u>
Total Revenue	<u>\$327,961,029.24</u>	<u>100.00%</u>

⁽¹⁾ Includes Elementary and Secondary School Emergency Relief ("ESSER") Funds.

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

The table below shows the allocation of revenues received by the District for the five fiscal years 2020-2024:

<u>Source</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Local Revenue	\$255,809,505.68	\$249,438,215.58	\$258,615,105.41	\$284,066,151.29	\$293,797,649.32
County Revenue	4,952,282.25	4,482,766.87	4,403,584.85	4,656,622.81	4,810,553.64
State Revenue	11,430,918.36	11,538,950.78	12,354,376.38	15,790,342.37	15,272,408.10
Federal Revenue	4,169,096.25	6,937,696.79 ⁽²⁾	19,887,831.28 ⁽²⁾	9,904,521.18 ⁽²⁾	11,217,442.06 ⁽²⁾
Other Revenue	<u>2,165,420.96</u>	<u>56,064,752.11⁽¹⁾</u>	<u>1,637,897.71</u>	<u>94,225,811.71⁽³⁾</u>	<u>2,862,976.12</u>
Total	<u>\$278,527,223.50</u>	<u>\$328,462,382.13^{(1) (2)}</u>	<u>\$296,898,795.63⁽²⁾</u>	<u>\$408,643,449.36^{(2) (3)}</u>	<u>\$327,961,029.24⁽²⁾</u>

⁽¹⁾ Includes proceeds from the sale of the District's \$55,000,000 General Obligation Bonds, Series 2020.

⁽²⁾ Includes Elementary and Secondary School Emergency Relief Funds and Coronavirus Aid, Relief, and Economic Security Act Funds.

⁽³⁾ Includes proceeds from the sale of the District's \$90,000,000 General Obligation Bonds, Series 2023.

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

Local Revenue

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

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

Fiscal Year Ended <u>June 30</u>	Proposition C Revenue <u>Per Pupil</u>
2025	\$1,513
2024	1,574
2023	1,287
2022	1,214
2021	1,046

Source: DESE.

County Revenue

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

State Revenue

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

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

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

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

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

State Adequacy Target. The State Aid formula requires DESE to calculate a “State Adequacy Target,” which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE’s calculation of the State Adequacy Target is based upon amounts spent, excluding federal and state transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated thereafter. For the fiscal years ended June 30, 2021 through June 30, 2024, the State Adequacy Target was \$6,375 per pupil. For the fiscal year ended June 30, 2025, the State Adequacy Target was \$6,750 per pupil.

Dollar Value Modifier. The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for 2023-2024 and 2024-2025 was 1.0920 and 1.0880, respectively. The DVM for the District for 2025-2026 is 1.0880.

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

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

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

Fiscal Year Ended <u>June 30</u>	Classroom Trust Fund <u>(Per Pupil)</u>
2025	\$605
2024	472
2023	426
2022	430
2021	435

Source: DESE.

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

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

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

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

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

Federal Revenue

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

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

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

Certain Permitted Fund Transfers

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (1) proceeds of general obligation bonds (which are repaid from a Debt Service Fund levy) and lease financings; (2) revenue from the school district’s local property tax levy for the Capital Projects Fund; (3) certain permitted transfers from the Incidental Fund; and (4) a portion of the funds distributed to school districts from the Classroom Trust Fund.

Capital Projects Fund Levy. Prior to setting tax rates for the Incidental and Teachers’ Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Incidental and Teachers’ Funds to an amount below \$2.75. The District’s Capital Projects Fund levy for the fiscal year ending June 30, 2025 was \$0.0611 per \$100 of assessed valuation.

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the State Board of Education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for State-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326 or (b) seven percent (7%) of the State Adequacy Target (see “***State Adequacy Target***” above) times the district’s Weighted ADA. The District transferred \$5,700,000 from the Incidental Fund to the Capital Projects Fund under this provision during the 2023-2024 fiscal year.

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

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2021 through 2024.

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General (Incidental) Fund				
Balance – Beginning of Year	\$ 48,046,316.26	\$ 53,431,180.56	\$ 64,746,162.84	\$ 81,083,333.60
Revenues	83,705,943.35 ⁽²⁾	99,453,674.95 ⁽²⁾	108,053,386.62 ⁽²⁾	113,503,736.41 ⁽²⁾
Expenditures	(75,321,079.05)	(83,138,692.67)	(85,015,639.86)	(89,657,589.50)
Transfers In (Out)	<u>(3,000,000.00)</u>	<u>(5,000,000.00)</u>	<u>(6,700,576.00)</u>	<u>(5,700,000.00)</u>
Balance – End of Year	<u>\$ 53,431,180.56⁽²⁾</u>	<u>\$ 64,746,162.84⁽²⁾</u>	<u>\$ 81,083,333.60⁽²⁾</u>	<u>\$ 99,229,480.51⁽²⁾</u>
Special Revenue (Teachers') Fund				
Balance – Beginning of Year	\$ 7,748,221.79	\$ 12,170,810.22	\$ 17,064,704.67	\$ 24,991,866.61
Revenues	158,220,039.12	166,288,782.34 ⁽²⁾	167,475,697.04	174,566,000.90 ⁽²⁾
Expenditures	(153,797,450.69)	(161,394,887.89)	(159,548,535.10)	(163,608,959.25)
Transfers In (Out)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance – End of Year	<u>\$ 12,170,810.22</u>	<u>\$ 17,064,704.67⁽²⁾</u>	<u>\$ 24,991,866.61</u>	<u>\$ 35,948,908.26⁽²⁾</u>
Capital Projects Fund				
Balance – Beginning of Year	\$ 37,449,816.24	\$ 72,819,180.71	\$ 57,240,496.84	\$125,857,345.56
Revenues	61,039,990.56 ⁽¹⁾	3,839,623.50	104,044,090.97 ⁽¹⁾	7,740,208.40
Expenditures	(28,670,626.09)	(24,418,307.37)	(42,127,818.25)	(30,487,178.22)
Transfers In (Out)	<u>3,000,000.00</u>	<u>5,000,000.00</u>	<u>6,700,576.00</u>	<u>5,700,000.00</u>
Balance – End of Year	<u>\$ 72,819,180.71⁽¹⁾</u>	<u>\$ 57,240,496.84</u>	<u>\$125,857,345.56⁽¹⁾</u>	<u>\$108,810,375.74</u>
Debt Service Fund				
Balance – Beginning of Year	\$ 11,259,388.73	\$ 13,979,498.71	\$ 16,948,310.39	\$ 23,592,124.86
Revenues	25,496,409.10	27,316,714.84	29,070,274.73	32,151,083.53
Expenditures	(22,776,299.12)	(24,347,903.16)	(22,426,460.26)	(26,592,863.59)
Transfers In (Out)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance – End of Year	<u>\$ 13,979,498.71</u>	<u>\$ 16,948,310.39</u>	<u>\$ 23,592,124.86</u>	<u>\$ 29,150,344.80</u>
Total Governmental Funds				
Balance – Beginning of Year	\$104,503,743.02	\$152,400,670.20	\$155,999,674.74	\$255,524,670.63
Revenues	328,462,382.13 ⁽¹⁾⁽²⁾	296,898,795.63 ⁽²⁾	408,643,449.36 ⁽¹⁾⁽²⁾	327,961,029.24 ⁽²⁾
Expenditures	(280,565,454.95)	(293,299,791.09)	(309,118,453.47)	(310,346,590.56)
Transfers In (Out)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance – End of Year	<u>\$152,400,670.20⁽¹⁾⁽²⁾</u>	<u>\$155,999,674.74⁽²⁾</u>	<u>\$255,524,670.63⁽¹⁾⁽²⁾</u>	<u>\$273,139,109.31⁽²⁾</u>

⁽¹⁾ Includes proceeds from sale of general obligation bonds.

⁽²⁾ Includes Elementary and Secondary School Emergency Relief Funds and Coronavirus Aid, Relief, and Economic Security Act Funds.

Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2021 through 2024.

Risk Management

General. The District is exposed to various risks of loss from, among things, tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains several insurance policies, providing coverage that includes casualties to the District's facilities and general liability insurance, which policies are subject to certain deductible clauses. The District also maintains a partially

self-funded medical health care plan covering substantially all of its employees. There has been no significant reduction in insurance coverage from the previous year.

MUSIC. The District is a member of the Missouri United School Insurance Council (MUSIC), a protected, self-insurance program of over 400 Missouri public school districts, community college districts and education associations. The District does not pay premiums to purchase insurance policies, but it does pay an annual assessment to be a member of MUSIC. Part of the annual assessment is used to purchase excess insurance for the group as a whole. For additional information specific to the District's participation in MUSIC, see Note H to the District's financial statements included in *Appendix B* to this Official Statement.

Self-Funded Insurance. The District has an employee health self-insurance program. For additional information regarding the District's employee health self-insurance program, see Note H to the District's financial statements included in *Appendix B* to this Official Statement.

Pension and Employee Retirement Plans

General. The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (1) The Public School Retirement System of Missouri ("**PSRS**"), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (2) The Public Education Employee Retirement System of Missouri ("**PEERS**"), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169, RSMo. The statutes assign responsibility for the administration of both plans to a seven-member Board of Trustees of PSRS (the "**PSRS Board**"). PSRS and PEERS had 534 and 531 contributing employers, respectively, during the fiscal year ended June 30, 2024.

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

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

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

PSRS and PEERS Funded Status. PSRS and PEERS reported funded ratios of 87.2% and 88.1%, respectively, as of June 30, 2024 according to the 2024 PSRS/PEERS ACFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan’s actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2021. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2024 PSRS/PEERS ACFR. The funding objective of each plan, as stated in each plan’s Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

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

Schedule of Employer Contributions

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

⁽¹⁾ The annual statutory increase in the total contribution rate may not exceed 1.0% of pay for PSRS and 0.5% of pay for PEERS. Contributions were funded to the maximum statutory limit each year.

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

Schedule of Funding Progress

(Dollar amounts in thousands)

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

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

For information specific to the District’s participation in PSRS and PEERS, including the District’s past contributions and proportionate share of the net pension liability of PSRS and PEERS, see Note F to the District’s financial statements included in **Appendix B** to this Official Statement. For additional information regarding PSRS and PEERS, see the 2024 PSRS/PEERS ACFR.

Other Postemployment Benefits

In addition to pensions, the District provides continuation of medical, dental and vision insurance coverage, including prescription drugs, to employees who are eligible for normal or early retirement under a single employer plan. Retirees who elect to participate must pay the premium in effect for the current plan year. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. During the fiscal year ended June 30, 2024, the District’s contribution was \$1,403,262. For additional information regarding the District’s other postemployment benefits, see Note G to the District’s financial statements included in *Appendix B* to this Official Statement.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

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

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

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

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

Current Assessed Valuation. The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District) according to the assessment for calendar year 2024 for property owned as of January 1, 2024, as adjusted and finalized through December 31, 2024.

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<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>	<u>% of Actual Valuation</u>
Real:				
Residential	\$4,263,004,270	19.00%	\$22,436,864,579	76.69%
Agricultural	796,900	12.00%	6,640,833	0.03
Commercial ⁽¹⁾	<u>1,380,218,730</u>	32.00%	<u>4,313,183,531</u>	<u>14.74</u>
Total Real	\$5,644,019,900		\$26,756,688,943	91.46%
Personal⁽¹⁾	<u>\$ 833,141,610</u>	33.33% ⁽²⁾	<u>\$ 2,499,674,797</u>	<u>8.54%</u>
Total Real & Personal	<u>\$6,477,161,510</u>		<u>\$29,256,363,740</u>	<u>100.00%</u>

⁽¹⁾ Includes locally assessed railroad and utility property.

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

Source: St. Louis County, Missouri, Department of Revenue.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District) according to the assessments of January 1, as adjusted and finalized through December 31, in each of the following years has been as follows:

<u>Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2024	\$6,477,161,510	+1.37%
2023	6,389,932,630	+12.06
2022	5,702,166,620	+3.32
2021	5,519,012,730	+5.43
2020	5,234,810,070	N/A

Source: District’s Annual Secretary of the Board Reports for the fiscal years ended June 30, 2021 through 2024; St. Louis County, Missouri, Department of Revenue.

Property Tax Levies and Collections

Generally. Property taxes are levied and collected for the District by the County, for which the County receives a collection fee of 1.5% of the gross tax collections made.

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

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

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

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

Tax Abatement and Tax Increment Financing

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

The Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area" or "economic development area," each as defined in such statute. Currently, certain portions of the District are located in tax increment financing districts ("**TIF Districts**"). Tax increment financing does not diminish the amount of property tax revenues collected by the District in an affected area compared to prior to the establishment of a TIF District but instead acts to freeze such revenues at current levels (the "**Base**") and deprives the District and other taxing districts of all or part of future increases in ad valorem real property tax revenues that otherwise would have resulted from increases in assessed valuation above the Base (the "**TIF Increment**"). The TIF Increment is captured by the TIF District until the tax increment financing obligations issued are repaid or the tax increment financing period terminates.

According to the St. Louis County Department of Revenue, Collections Division, the TIF Increment attributable to property within the District is \$34,626,710 for the 2024 tax year.

Tax Rates

Debt Service Levy. The District's debt service levy for the 2024-2025 fiscal year is \$0.4900 per \$100 of assessed valuation. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness

as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

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

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

Article X, Section 22(a) of the Missouri Constitution (commonly known as the “**Hancock Amendment**”), approved in 1980, places limitations on total State revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of “total State revenues” to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a “**Hancock rollback**.”

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

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as “**Proposition C**,” revenues generated by a 1% State sales tax are credited to a special trust fund for school districts and are deemed to be “local” revenues for school district accounting purposes. Proposition C revenues are distributed to each school district within the State on the basis of eligible pupils. Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to 50% of the revenues received through Proposition C during the prior year. School districts may submit propositions to voters to forgo all or a part of the reduction in the operating levy that would otherwise be required under the terms of Proposition C. The District’s voters previously approved a proposition to forgo all of the reduction in the operating levy which would otherwise be required under the terms of Proposition C which allows the District to levy up to its tax rate ceiling.

For the fiscal year ended June 30, 2025, the District’s operating levy (all funds except the debt service fund levy) was \$3.3773 per \$100 of assessed valuation, which includes a voluntary rollback of \$0.1012 for the residential property 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.

Tax Rates – Allocation by Fund. The following table shows the District's tax levies (per \$100 of assessed valuation) for each of the following years:

<u>Fiscal Year Ended June 30</u>	<u>General Incidental Fund</u>	<u>Special Revenue Teachers' Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Levy</u>
2025	\$1.1607	\$2.1555	\$0.4900	\$0.0611	\$3.8673
2024	1.1378	2.1130	0.4900	0.0477	3.7885
2023	1.2065	2.2406	0.4900	0.0610	3.9981
2022	1.2092	2.2457	0.4900	0.0583	4.0032
2021	1.2783	2.3741	0.4900	0.0000	4.1424

Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2022 through 2024; DESE Tax Rate Report for the fiscal year ended June 30, 2025.

Tax Collections

Total Taxes Levied are based on assessed valuation as of December 31 of each year. Taxes are levied based on the assessed valuation following Board of Equalization review, which typically occurs in August. As a result of resolution of tax cases, the addition of undeclared personal property and other changes in assessment following Board of Equalization review, tax bills may be changed following the original levy and some taxpayers may be obligated to pay additional taxes or pay less taxes. The following table sets forth tax collection information for the District in each of the following years:

<u>Fiscal Year Ended June 30</u>	<u>Total Levy (per \$100 of Assessed Value)</u>	<u>Assessed Valuation⁽¹⁾</u>	<u>Total Taxes Levied⁽²⁾</u>	<u>Current Taxes Collected</u>		<u>Current and Delinquent Taxes Collected⁽³⁾</u>	
				<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
2024	\$3.7885	\$6,389,932,630	\$242,082,598	\$236,494,096	97.69%	\$233,035,240	96.26%
2023	3.9981	5,702,166,620	227,978,324	222,349,066	97.53	223,260,416	97.93
2022	4.0032	5,519,012,730	220,937,118	216,381,963	97.94	217,169,804	98.29
2021	4.1424	5,234,810,070	216,846,772	209,884,659	96.79	208,955,577	96.36
2020	4.1524	5,168,617,150	214,621,659	211,973,056	98.77	214,198,809	99.80

⁽¹⁾ The assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Excludes assessed valuation attributable to TIF Districts located within the District. See the explanation under the caption **"Tax Abatement and Tax Increment Financing."**

⁽²⁾ Total Taxes Levied are based on assessed valuation as of December 31 of each year and are calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy.

⁽³⁾ Refunds to successfully protesting taxpayers may exceed the amount collected in delinquent taxes, which could result in Current and Delinquent Taxes Collected being less than Current Taxes Collected.

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

Major Property Taxpayers

The following table sets forth a list of the largest property taxpayers in the District based on the valuation of property owned as of January 1, 2024, as adjusted through December 31, 2024. The District has not independently verified the accuracy or completeness of such information.

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of District's 2024 Total Assessed Valuation</u>
1. Missouri American Water Company	\$ 43,299,550	0.67%
2. Bayer Research/Bayer Corp	42,913,060	0.66
3. RNSI City Place Owner LLC	38,498,690	0.59
4. Union Electric dba Ameren Missouri	31,438,350	0.49
5. Mercy Hospitals East Communities	30,677,860	0.47
6. EDJ Leasing Co LLC	30,371,250	0.47
7. Bayer Research and Development	29,696,540	0.46
8. WPP LLC	24,775,460	0.38
9. Emerson RD LLC	21,910,400	0.34
10. Passco Chesterfield Dst	<u>17,569,930</u>	<u>0.27</u>
Total	<u>\$311,151,090</u>	<u>4.80%</u>

Source: St. Louis County, Missouri, Department of Revenue, Collections Division.

* * *

APPENDIX B

**AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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ANNUAL COMPREHENSIVE

Financial Report



Parkway School District • C-2 • Chesterfield, Missouri for
the Fiscal Year Ended June 30, 2024



**PARKWAY C-2 SCHOOL DISTRICT
CHESTERFIELD, MISSOURI**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024**

Prepared by the Chief Financial Officer's Division

Carrie Nunn, Chief Financial Officer
Dawne Trokey, Executive Director of Finance

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
AND
INDEPENDENT AUDITORS' REPORT

PARKWAY C-2 SCHOOL DISTRICT

June 30, 2024

INTRODUCTORY SECTION



October 31, 2024

Members of the Board of Education and
Residents of the Parkway School District

The Annual Comprehensive Financial Report (ACFR) of the Parkway C-2 School District (District), Chesterfield, Missouri for the fiscal year ended June 30, 2024, is presented on the following pages. This report provides full disclosure of the District's financial operation. Missouri revised statute 165.111 requires an audit to be performed at least biennially of the financial records of all funds of the District. Parkway has always chosen to have an audit done annually rather than biennially. This ACFR, which includes an opinion from the Independent Auditors that conducted the District's audit, conforms to the Generally Accepted Accounting Principles in the United States of America (GAAP) as applicable to governmental entities. The District maintains full responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe that all data, as presented, is accurate in all material respects and that it is presented in a manner to fairly set forth the financial position and results of the District's operations as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

This letter of transmittal is designed to be read in conjunction with the Management Discussion and Analysis (MD&A) report which is located following the independent auditors' report. Financial highlights and a discussion of the District's financial condition are provided in the MD&A.

The Annual Comprehensive Financial Report is presented in three sections as follows:

1. The Introductory Section, which includes a Letter of Transmittal, Principal Officials, Organizational Chart of the District, and Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting.
2. The Financial Section, which begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Notes To Basic Financial Statements and Required Supplementary Information.
3. The Statistical Section, which includes selected comparative financial, non-financial, demographic and economic data for the District.

Profile of the Organization

This report includes all funds of the District. The District is a political subdivision of the State of Missouri created under the Constitution of Missouri.

Parkway C-2 School District is considered a national leader in innovative education. Its teachers, administrators and students strive for excellence each day. Parkway is more than just a school system; it is a nurturing community that fosters individual talents and encourages collaborative thinking. At Parkway, when one person succeeds, everyone grows. It is the Mission of the Parkway School District to ensure all students are capable, curious, caring and confident learners who understand and respond to the challenges of the ever changing world. The District believes that Higher Expectations bring Brighter Futures For All By All. Certain accomplishments of the District are as follows:

Accomplishments

National School District of Character

Parkway School District is one of only two school districts recognized as a 2022 National School District of Character. Each of these schools has put into place a comprehensive approach that inspires their students to understand, care about and consistently practice a set of core values that will enable them to flourish in school, in relations, in the workplace and as citizens. In addition, Parkway has 19 National Schools of Character.



McKelvey Elementary: State School of Character

McKelvey Elementary has been recertified as a Missouri State School of Character. McKelvey has demonstrated a focus on character development which has positively impacted academic achievement, student behavior and school climate. This recognition is given to schools and districts that have achieved a standard of excellence in the area of character development through their exemplary implementation of Character.org's 11 Principles of Effective Character Education, a framework for whole-school improvement.

Champions for Character: Early Childhood Center

The Parkway Early Childhood Center is one of three area schools named 2023 Champions for Character by CharacterPlus and the St. Louis Cardinals. This recognition program honors schools in the metro area that have a school-wide focus on service learning and service projects for students.

Blue Ribbon School: Pierremont Elementary

Pierremont Elementary is one of only eight schools in Missouri to earn the 2023 recognition. The Blue Ribbon recognition is based on a school's overall academic performance or progress in closing achievement gaps among student subgroups on assessments. Parkway now has 18 National Blue Ribbon Schools.



Best Schools in Missouri

All five Parkway middle schools and all 18 elementary schools have been named among the best middle and elementary schools in the state, according to U.S. News & World Report.

Accomplishments (continued)

ISTE Distinguished District

Parkway is one of only three school districts nationwide to be recognized as an ISTE (International Society for Technology in Education) Distinguished District. The ISTE award highlights school districts that search out and embrace change or improve teaching and learning and serve as an example for other schools. Awardees must demonstrate effectiveness and innovation in the use of technology throughout their district, ensure equitable, accessible and appropriate technology use for all students, and are focused on improving learner outcomes and continuously enhancing the learning experience, and bring along all stakeholders, including staff, students, families and the community, in the process.



Bell Seal for Workplace Mental Health

Parkway recently received the Mental Health America's Platinum Bell Seal award. The Bell Seal for Workplace Mental Health national certification program recognizes employers committed to employee mental health and well-being. This is the third year in a row that Parkway has received this recognition.

U.S. Department of Education Green Ribbon School District

Parkway Schools has been named a 2020 U.S. Department of Education Green Ribbon School District. Parkway is one of just 11 districts in the nation with this honor. Additionally, Parkway has six National Green Ribbon Schools - Bellerive Elementary, Claymont Elementary, Green Trails Elementary, Highcroft Elementary, McKelvey Elementary and North High - honored for innovative efforts to reduce environmental impact and utility costs, improve health and wellness, and ensure effective sustainability education.



2022 ENERGY STAR Partner of the Year Award

Parkway received the 2022 ENERGY STAR Partner of the Year award from the U.S. Environmental Protection Agency and the U.S. Department of Energy. This recognition honors our comprehensive approach to energy improvements, community engagement and curriculum development.

Accomplishments (continued)

Best High Schools in America

Central, North, South and West high schools rank in the top 5% for best public high schools in Missouri. Parkway Schools ranked in the top 1% for best school districts in Missouri according to the 2024 rankings on Niche.com. All four Parkway high schools have again been named Best High Schools by U.S. News and World Report. Central, North, South and West high schools all rank among the top third of all high schools in the country.

National Merit Finalists receive scholarship

Five Parkway students were awarded National Merit scholarships. Two received corporate-sponsored scholarships and three students are recipients of National Merit \$2,500 scholarships. Eighteen Parkway seniors were named finalists in the 2024 National Merit Scholarship program. These students represent less than 1% of high school seniors in the United States.



The Merit Scholar designees were chosen from a talent pool of more than 15,000 outstanding finalists in the 2024 National Merit Scholarship program. National Merit Scholarship winners are the finalists in each state judged to have the strongest combination of accomplishments, skills, and potential for success in rigorous college studies. The number of winners named in each state is proportional to the state's percentage of the nation's graduating high school seniors.



Missouri Scholars 100

Six Parkway high school students were selected for the 2024 Missouri Scholars 100 list, a statewide program that honors 100 of Missouri's top academic students in the graduating class of 2024.

Missouri Scholars Academy

Eleven Parkway students have been selected to participate in the Missouri Scholars Academy this summer. Students are selected by GPAs, standardized test scores, IQs, recommendations, and formal essays.



ACT Perfect Scores

Eight Parkway students recently learned they scored a 36 -- the highest possible score -- on the ACT college admissions and placement exam. Nationally, while the actual number of students earning the top score varies from year to year, on average, fewer than 1% of students who take the ACT earn a top score.

Accomplishments (continued)

Best Communities for Music Education

Parkway Schools is one of seven school districts in the state to be awarded a Best Communities award for Music Education by the NAMM Foundation. Designations are made to districts and schools that demonstrate an exceptionally high commitment and access to music education. This is the sixth year Parkway has received this honor.

State Tennis Champions

Congratulations to Yvonne Shannon and Emily Koo from North High on becoming MSHSAA Class 2 Doubles Girls Tennis State Champions! Yvonne and Emily are the first doubles state champs in the history of Parkway North!



State Swim Champions

The boys swim and dive teams from Central, West and South high schools finished first, second and fourth at the MSHSAA Class 1 State Championship. Central High had several individual state champions in addition to several new records. Central High's boys swim and dive team won back-to-back state champions.

DESE Exemplary Fleet Award/Missouri Highway Patrol Fleet Excellence Award

The Parkway bus fleet passed annual inspections, conducted by the Missouri State Highway Patrol, with a score of 97% first-time pass rate. Thank you to our mechanics for keeping our buses and students safe and sound. The district will once again be recognized with the Exemplary Fleet Maintenance award from the Department of Elementary and Secondary Education (DESE).

National Board Certified Teachers

Parkway now has 62 teachers who have achieved the status of National Board Certification. Less than 3% of teachers in the nation are board certified. In the teaching programs, individuals meet high standards in content, practice, reflective research and application. The certification program is quite challenging and takes teachers to a new level in their craft and professional journey.



Accomplishments (continued)



National Certified School Nurses

Parkway has 23 nationally certified school nurses, the most in Missouri. The NCSN credential is granted to registered nurses who meet educational, employment, and other criteria, and who have successfully passed the national examination managed by the National Board for Certification. Lisa Munch, the school nurse at Henry Elementary, has been selected for the St. Louis Suburban School Nurses' Association's (SLSSNA) Rising Star Award. The SLSSNA recognizes new school nurses who have impacted their school or community as emerging leaders in school nursing.



Missouri Principal of the Year

Dr. Nathan Burch, principal of Claymont Elementary, selected as Missouri Principal of the Year. Every year, the Missouri Association of Elementary School Principals (MAESP) honors school leaders who set high standards for instruction, student achievement, character, and climate for the students, families and staff in their learning communities. *Shown here during a school spirit day where students dressed like staff members and staff dressed like students.*

Exemplary New Principal

Dr. Angie Pappas-Muyco of South High was named Exemplary New Principal for St. Louis by the Saint Louis Association of Secondary School Principals (SASSP). Angie, in her second year as principal.



Missouri Outstanding Assistant Principal

Ashley Deckelman, assistant principal at Oak Brook Elementary, has been selected as the Missouri Outstanding Assistant Principal of the Year by the Missouri Association of Elementary School Principals (MAESP).

Accomplishments (continued)

St. Louis Regional Teacher of the Year

South High math teacher Anne Erehart has been named one of 34 regional honorees in the Missouri Teacher of the Year program coordinated by Education Plus and the St. Louis Regional Professional Development Center. Erehart was named the Parkway District Teacher of the Year, as well as the district's High School Teacher of the Year for 2023.



Emerson Excellence in Teaching Award

Three Parkway teachers have been selected as winners of the 2023 Emerson Excellence in Teaching Award – Zora Shields, first-grade teacher at Wren Hollow Elementary; Jeffrey Stephenson, social studies teacher at Parkway Central Middle, and Anne Erehart, math teacher at Parkway South High. The annual program recognizes St. Louis area instructors, selected by their schools' administrators, for their accomplishments and dedication to their students and the teaching profession.



St. Louis School Librarian of the Year

Katie Pendleton, a librarian at South High, has been named the St. Louis Suburban School Librarian of the Year. Katie and media specialist Dawn Murray, were named one of nine libraries in the state to receive the Exemplary Library Program award from the Department of Elementary and Secondary Education (DESE) for the 2022-2023 school year.

High School Chemistry Teacher of the Year

Bethanie Karfs has been named the 2023 High School Chemistry Teacher of the Year by the American Chemical Society's St. Louis Section. With more than 16 years of experience, Karfs teaches A.P. and Honors Chemistry at Central High. She has a background in engineering from the automotive industry and incorporates it into her lessons. Bethanie is also the science department leader and coach of the girls' lacrosse team.

Accomplishments (concluded)



MoASBO Business Official of the Year

Chief Financial Officer, Patty Bedborough was named the 2024 Missouri School Business Official of the Year. The award is a peer recognition program established to acknowledge someone who has demonstrated excellence in service to their school district, community and profession.



MoASBO Emerging Leader of the Year

The Missouri Association of School Business Officials (MoASBO) announced Nickie Otten as this year's Emerging Leader. Otten's peers nominated her for exhibiting leadership qualities as a "rising star" in our profession and association. This award recognizes school business professionals who are committed to leading with integrity and continuous improvement.

“AAA” rated

Parkway is one of only four school districts in Missouri to have an “AAA” rating. The ranking is based on strong financial performance and management, good financial practices and maintaining low debt levels. S&P Global Rating Services recently reviewed Parkway’s finances and reaffirmed the district’s “AAA” long-term rating, the highest available for school districts. S&P Global Ratings views the outlook for this rating as stable.



Certificate of Excellence in Financial Reporting

The Association of School Business Officials International (ASBO) is pleased to award Parkway School District the Certificate of Excellence in Financial Reporting (COE). ASBO International’s COE recognizes districts that have met the program’s high standards for financial reporting and transparency. The school district earned the Certificate of Excellence for its Annual Comprehensive Financial Report (ACFR) for the

fiscal year ended 2023.

Meritorious Budget Award

Parkway was recognized by the Association of School Business Officials International (ASBO) for excellence in budget presentation with the Meritorious Budget Award (MBA) for the fiscal year 2023–2024. ASBO International’s MBA programs promote and recognize excellence in school budget presentation. Program participation enhances school business officials’ skills in developing, analyzing, and presenting a school system budget.



Profile of the Organization

The Parkway School District Board of Education (the “Board”), consisting of seven elected officials, has the power to sue and to be sued and to make rules and regulations for its own government consistent with the laws of the State of Missouri and the State Board of Elementary and Secondary Education (DESE). The Board has oversight responsibility and control over all activities related to public education in the District, including the authority to designate management, and the ability to significantly influence operations and primary accountability for fiscal matters.

It is the responsibility of the District to make public education available to residents of the Parkway C-2 School District. The District is an independent entity and receives its funding from local, state and federal government sources and must comply with the requirements of these funding agencies.

The District operates the seventh largest school district of the 557 districts operating in the State serving 17,416 students for Fiscal Year 2023-2024. The District provides a full range of public education services at all grade levels ranging from kindergarten through grade twelve. In addition to a superior regular academic curriculum, the District offers a broad range of other programs for students including gifted/talented, English as a second language, fine arts, advanced college placement, interscholastic and intramural athletics, assistance for at-risk students and others. In addition, the District provides services beyond the broad K-12. The District operates three Early Childhood Education centers and multiple classrooms throughout the district buildings, which serves children before they attend kindergarten and a Community Education program for adult continuing education. Some of the services provided to our students include instructional staff, instructional materials, instructional facilities, administrative and business service support, food service and bus transportation services and facility maintenance.

Accounting System and Budgetary Control

The District’s Annual Comprehensive Financial Report was prepared pursuant to School Board Policy and in accordance with the standards established by the Governmental Accounting Standard Board (GASB).

The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. This system provides a complete set of self-balancing accounts for each District fund. The chart of accounts used in this accounting system was developed in accordance with the Missouri Financial Accounting Manual prepared by the Department of Elementary and Secondary Education, School Finance Section, State of Missouri.

The District’s accounting system for governmental funds operates on the modified accrual basis of accounting. At year end, the governmental funds are converted from the modified accrual basis to a full accrual basis for the presentation of government wide financial statements. In developing the District’s accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefits and the evaluation of costs and benefits requires estimate and judgments by management.

Accounting System and Budgetary Control (concluded)

The District believes that the internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

A complete budgetary system of accounts is maintained in all of the District's funds in accordance with District policy. The accounting system provides interim financial reports which detail year-to-date expenditures and encumbrances as compared to the budget. These reports are distributed to the District's management and Board on a monthly basis showing the status of the budget accounts for which they are responsible. These reports compare each program, building and line-item account balance to the approved budget. A monthly financial statement is prepared and distributed to the Board for their approval.

The District's budget is prepared according to the Public School Laws of Missouri. During the course of the fiscal year, the School Board has the opportunity to approve budget adjustments on at least two separate occasions, once in the fall and again in the spring. Missouri Revised Statute 67.030 permits budget amendments to the expenditure budget as long as the changes do not exceed estimated revenues to be received during the year plus the unencumbered balance at the beginning of the fiscal year. The original budget for the School District was adopted June 14, 2023 with amendments being approved on November 15, 2023 and April 11, 2024.

Economic Condition and Outlook

The District is located in St. Louis County, Missouri, and covers an area of approximately 68 square miles, including portions of unincorporated St. Louis County as well as areas of the following municipalities: Maryland Heights, Creve Coeur, Chesterfield, Town & Country, Des Peres, Ballwin, Manchester, Twin Oaks, Country Life Acres, Valley Park, Westwood and Winchester. The District is a blend of commercial, industrial and residential activity. The economic diversity of the District, along with the high quality of education, makes Parkway C-2 School District an attractive community.

Since the District was organized in 1954, it has expanded from a rural farming community to a suburban industrial one, expanding from a small district to one of the largest in St. Louis County and tenth largest in Missouri. Today, the District includes four high schools, five middle schools, 19 elementary schools and three Early Childhood Development Centers. Parkway is currently accredited with distinction in performance under the Missouri School Improvement Program (MSIP) Standards administered by the State Department of Elementary and Secondary Education. The District is governed by the Board of Education, whose seven members are elected for staggered three-year terms of office.

The population within the District's boundaries is estimated to be 143,452 by 2026. There were 16,618 children that attended school during the 2023-2024 academic year. The District employed 1,331 full time equivalent certificated instructional staff. The current certified staffing created a certified staff to student ratio of 12.48:1 during the past academic year. The enrollment, staffing ratio and number of certified staff are expected to be similar in the 2024-2025 school year.

Major Initiatives

Current Year and Future Years

The District has spent the past year following the strategic plan, Project Parkway 2.0. The District operates on a Mission Statement that focuses on successfully educating all Parkway students and preparing them for the next stage of their lives. The District is actively working on Parkway 3.0 as part of our strategic plan which we will begin following in the 2024-2025 school year.

Under Project Parkway 2.0, Goal 3 is dedicated to the efficient allocation of resources including finances, facilities, personnel and time. The plan includes three measurable objectives and key performance indicators will indicate success or improvements needed. The measurable objectives are as follows:

- Each school, department and program will maintain ethical and fiscally responsible practices to effectively accomplish mission
- All personnel, time and resources will be allocated responsibly and flexibly based on mission related needs of students and the financial reality of the district
- Each school, department and program will successfully integrate environmentally, socially and fiscally sustainable best practices into their area of focus.

The key performance indicators include fund balance growth, evidence of an unqualified audit, successful bond issue elections, maintaining AAA credit rating, capital projects completion on time and on budget, personnel allocation based on targets, energy usage by building, water usage by building, wellness initiatives, etc.

Bond Issue

The voters approved a \$265 million no-tax bond issue in 2022 and \$90 million of these bonds were sold. The District has already started using these bond funds for improvements across all buildings in the District. The District has 29 school buildings with an average age of 54 years. The age of the well-constructed buildings means they require ongoing updates, renovation and replacement of systems.

Debt Administration

As of June 30, 2024, long-term general obligation bonds totaled \$287,585,000. The District has remaining bonded debt capacity of \$700,055,240 on June 30, 2024.

Significant Board Policies

The District has entered into agreements with the Parkway National Education Association, the Parkway Registered Nurses' Association and the Parkway United Maintenance Association. Each of these agreements dictate the work environment and compensation for the members of each organization.

The Parkway National Education Association is a three year agreement that covers 2023-2024, 2024-2025, and 2025-2026. The Parkway Registered Nurses' Agreement covers 2021-2022, 2022-2023, and 2023-2024. The Parkway United Maintenance Association Agreement is annual.

Reserve requirements are set by the Board of Education policy at 17.3% of the current year's operating expenditure budget. These reserves include a 13.5% operating reserve maintained to cover cash flow needs during the first half of the fiscal year and the stabilization reserve of 3.8% of operating expenditures to cover either an unexpected facilities issue or VST program funding issue. The facilities contingency is needed due to the age of District buildings and the documented list of deferred maintenance projects. In order to lessen our need for annual borrowing for Tax Anticipation Notes, the Board has established a policy that operating fund reserves are to grow by at least .75% every three year period.

Independent Audit

The revised statutes of the State of Missouri require that an independent audit be conducted on a biennial basis. The District policy, however, requires that an independent certified public accounting firm conduct an audit annually. This requirement has been satisfied and the opinion of Kerber, Eck & Braeckel, LLP is included in this report.

The District is also required to undergo an annual single audit in conformity with the provisions Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Information related to this single audit, including the schedule of expenditures of federal awards, and independent auditors' reports on the internal control over financial reporting and compliance with applicable laws and regulations is included in a separate single audit report and is available at the School District's Administrative Offices for inspection.

Acknowledgments

It is our desire that this report contain the necessary information and data that will provide a better understanding of the operations of the District to the District's Board of Education, outside investors and interested local constituents. It is further hoped that this report has been produced in a manner that all readers will obtain a clear and concise picture of the District's financial condition to enhance our accountability to the public.

The preparation of the Annual Comprehensive Financial Report on a timely basis could not have been achieved without the efficiency and dedication of the District's Finance Department. Each member of the Finance Department has our sincerest appreciation for their efforts that contributed to the quality of this report. All contributed significantly toward this project and should be very proud of the final product.

We would also like to express our appreciation to the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectively submitted,

PARKWAY C-2 SCHOOL DISTRICT


Carrie Nunn
Chief Financial Officer


Dr. Keith Marty
Superintendent


Dawne Trokey
Executive Director of Finance

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021**

**PARKWAY C-2 SCHOOL DISTRICT
455 NORTH WOODS MILL ROAD
CHESTERFIELD, MISSOURI 63017
314-415-8100**

BOARD OF EDUCATION

Jeff Todd	President
Deborah Hopper	Vice-President
Tiffany Mapp Franklin	Director
Robert Riti	Director
Matthew Schindler	Director
Jeffrey Spector	Director
Kevin Seltzer	Director

GENERAL ADMINISTRATION

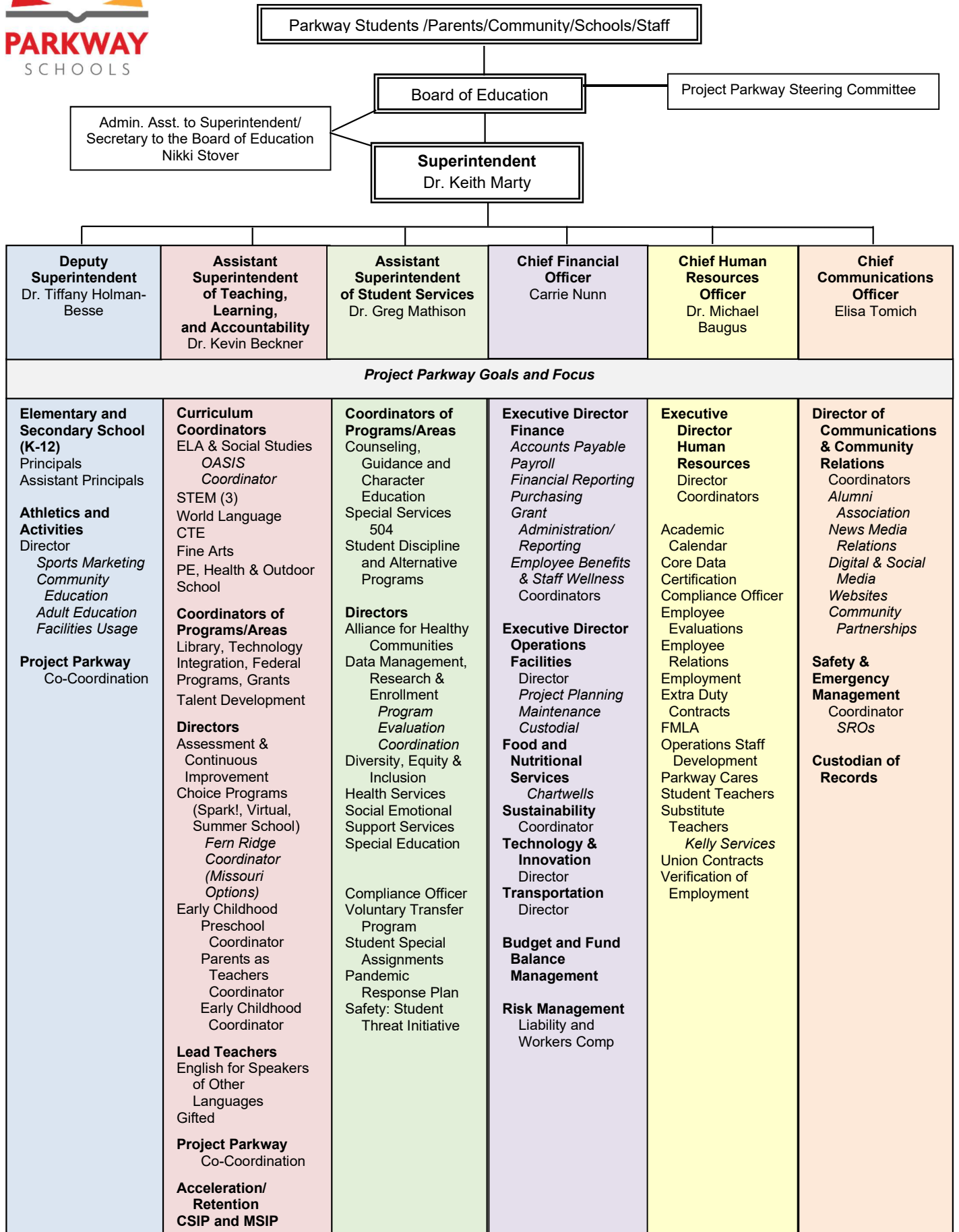
Dr. Keith Marty	Superintendent
Dr. Tiffany Holman-Besse	Deputy Superintendent
Dr. Kevin Beckner	Assistant Superintendent, Teaching, Learning and Accountability
Dr. Greg Mathison	Assistant Superintendent, Student Services
Elisa Tomich	Chief Communications Officer
Dr. Michael Baugus	Chief Human Resources Officer

FINANCIAL ADMINISTRATION

Carrie Nunn	Chief Financial Officer
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Organizational Structure 2024-2025





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Parkway School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director

FINANCIAL SECTION

Independent Auditors' Report

Board of Education
Parkway C-2 School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Parkway C-2 School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Parkway C-2 School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Parkway C-2 School District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Parkway C-2 School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Parkway C-2 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parkway C-2 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Parkway C-2 School 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 and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parkway C-2 School District's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2024 on our consideration of the Parkway C-2 School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parkway C-2 School District's internal control over financial reporting and compliance.

Keber, Eck & Braeckel LLP

St. Louis, Missouri
October 31, 2024

Parkway C-2 School District
MANAGEMENT’S DISCUSSION AND ANALYSIS - UNAUDITED

The Management’s Discussion and Analysis (MD&A) of the Parkway C-2 School District’s (District) financial performance provides an overall review of the District’s financial activities for the Fiscal Year ended June 30, 2024. The intent of this MD&A is to look at the District’s financial performance. Readers should also review the transmittal letter, financial statements and the accompanying notes to the financial statements to enhance their understanding of the District’s financial performance.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* issued June 1999 and implemented by the District in 2002.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2023-2024 include the following:

- The net position increased by \$40,407,630 for the year ended June 30, 2024. The net increase was comprised of the following elements:

	<u>Increase / (Decrease)</u>
Invested in capital assets, net of related debt	\$ (76,661,201)
Restricted for:	
Capital Projects	86,884,321
Debt service	4,523,341
Certificated employee compensation and benefits	10,957,041
Unrestricted	<u>14,704,128</u>
Net increase	<u>\$ 40,407,630</u>

The amount, “Net investment in capital assets, net of related debt” decreased by \$76,661,201. There are 2 items that make up this decrease. 1)Existing long-term debt related to capital assets decreasing by \$17,217,776 (due to the new bond issuance last year and no new bonds issued in FY 24) less payments on outstanding debt. 2)Result of the cost of capital assets less net of accumulated depreciation decreasing by \$9,933,708 (additional capital assets of \$26,967,115 and capital asset depreciation of \$17,033,407).

“Net position restricted for capital projects” increased by \$86,884,321 because of funds received from the new sale of bonds last year less the funds that were used to pay current capital projects less unspent bond proceeds.

“Net position restricted for debt service” increased primarily as a result of dedicated debt revenues exceeding payments for non-crossover general obligation bonds.

“Net position restricted for Certified employee compensation and benefits” increased due to higher revenue received from Prop C and local taxes leaving a higher fund balance.

Parkway C-2 School District
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

"Unrestricted net position" increased \$14,704,128 due to an increase in operating revenues exceeding operating expenses by \$34,794,313. The increase was partially offset by a decrease in proprietary fund balance of \$4,209,078. Other changes in compensated absences, early retirement payable and postemployment benefits also led to the net change in unrestricted net position.

- Total assets and deferred outflows increased by \$20,195,341, attributed to the following elements:

	<u>Increase / (Decrease)</u>
Cash and investments - restricted and unrestricted	\$ 9,976,525
Receivables	613,221
Prepaid expenses and inventory items	(2,440,570)
Capital assets, net of depreciation	9,933,706
Deferred OPEB outflows	(2,844,647)
Deferred pension contributions	<u>4,957,106</u>
Net increase	<u>\$ 20,195,341</u>

The increase in cash and investments is a result of a few different elements. One of the biggest contributors to this increase is the \$14,674,867 the District received in interest payments this year due to the higher interest rates on our bank and investment balances and the large amount of bond funds the District had the entire year. The other income to discuss would be the ESSER III payments received this year. All of these funds have been spent and reimbursed.

There was a net increase in capital assets of \$9,933,708. This is primarily made up of current year additions of \$26,967,115 mainly due to the continuing capital project activity using our Prop S funds less \$17,033,409 in depreciation. The deferred pension contributions increased as a result of a rise in the net difference between expected and actual earnings on pension plan investments as well as changes in assumptions.

Parkway C-2 School District
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

FINANCIAL HIGHLIGHTS (continued)

- Total liabilities and deferred inflows of resources decreased by \$20,211,655 due to the following items:

	<u>Increase / (Decrease)</u>
Accounts payable, salaries and other payables	\$ (5,173,057)
Claims payable	320,508
Unearned revenues	(403,633)
Interest payable	1,034,879
Net pension liability	7,298,722
Other postemployment obligation	816,721
Liabilities due within one year	(425,009)
Liabilities due in more than one year	(16,872,776)
Pension deferrals	(2,505,338)
OPEB deferrals	(4,302,672)
	<hr/>
Net decrease	<u>\$ (20,211,655)</u>

The largest portion of the decrease is due to the \$16,872,776 decrease in liabilities due in more than one year primarily caused by the payment completion of the Series 2011 bond.

Other financial highlights are as follows:

- The largest source of revenue for the District continues to be locally assessed property taxes. In Fiscal Year 2023-2024, the assessed valuation increased \$687,766,010 (12.06%) to \$6,389,932,630 from the prior year. The collection rate, on a full accrual basis of accounting, decreased to 96.3% from 97.3% in the prior year. The collection rate is slightly lower than our historic collection of around 97.0%. A collection rate decrease was expected as there were more protested tax settlements, dragging down the collection rate. Total property tax revenue received amounted to \$233,035,241.
- Other local Ad Valorem tax revenues, such as county stock insurance, M&M surtax, financial institution taxes and locally assessed railroad and utility taxes are collected and distributed by the St. Louis County Department of Revenue. These taxes accounted for \$10,726,840 in general revenues which is an increase from prior year of \$115,115. A rise in 'In Lieu of Taxes' were the primary reason for this increase.
- State aid is generated from the State of Missouri's School Foundation Formula and is distributed based on a modified per pupil basis. The District is considered a hold harmless District which means that local proceeds mainly support the District's operations. Hold harmless Districts receive a minimum per pupil allocation from the State of Missouri. The per

Parkway C-2 School District
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

weighted average daily attendance rate for Fiscal Year 2023-2024 was \$561.29. The actual formula funding received was \$8,785,033 which is \$361,466 less than the prior year.

- Total interest income generated in Fiscal Year 2023-2024 was \$14,674,566 which is \$6,815,172 higher than prior year. Interest income was higher as a result of higher interest rates available in our depositor accounts and in investment options. In Fiscal Year 2024-2025, the District has already seen a lower interest rate in our depositor accounts, therefore the District is projecting lower interest income. Also, the District will continue to have less funds to invest as the bond funds are being spent.
- Prop C (School District Trust Fund) is another large source of revenue for the District. Prop C revenue increased by \$1,652,003 for Fiscal Year 2023-2024.

Charges for services are considered program revenue. Below is a breakdown of these revenues:

- The service program revenue generated decreased by \$1,276,178 compared to the previous year.
- The largest revenue source of charges for services is the tuition reimbursement for students living in the City of St. Louis and attending the District. The District received \$4,834,708 in tuition revenue from this source, which is a decrease of \$900,235 from the prior year. This revenue source is projected to continue to decrease due to the program halting new entrants.
- The child nutrition program also was a large contributor to this revenue category. Fees charged for the nutrition program accounted for \$3,980,039 in local revenue, an increase of \$437,459 from the prior year. During the pandemic, the District saw an increase to federal funding. Due to the pandemic program which offered free of charge meals to all students with federal reimbursement for these meals. Now the District will receive local funds from parents paying for meals and federal funding for those students who qualify for the free and reduced program.
- Another large source of program revenues includes student activity receipts of \$3,599,643. That was a decrease of \$29,810. This decrease is so small that it is still considered showing signs of continuing participation in student activities post pandemic.
- Transportation reimbursements from other Districts and the Special School District decreased by \$1,460,554. The McKinney-Vento transportation reimbursements from other Districts decreased by \$389,548 (during the Fiscal Year 2023-2024, current and prior year revenues were received). Special School District reimbursements decreased by \$1,071,006 due to decreased bus routes.
- Grants and contributions account for \$17,704,818 in program revenues. This is an increase from the prior year of \$1,156,454. An explanation of this increase is as follows:
 - ESSER III reimbursements in Fiscal 2023-2024 were \$2,955,185 higher than in prior year. This is due to completing the spending of these funds in the current year.
 - The decrease in federal child nutrition funds due to the shift between local and federal child nutrition revenue discussed above.

FINANCIAL HIGHLIGHTS (concluded)

- The adult education and literacy program, \$1,085,650. This is a decrease from the prior year of \$272,113.
- Federally funded Title programs, \$1,355,404. This is a decrease from the prior year of \$226,080.
- Transportation state funding continued to be fully funded in Fiscal 2023-2024 (75% of allowed transportation expenditures equal fully funded). This resulted in \$4,333,666 being received in Fiscal Year 2023-2024 which is a slight decrease of \$608,718 from the prior year but still much higher than history.

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

The District uses the Annual Comprehensive Financial Report (ACFR) format to report financial information. This document consists of a series of financial statements and associated notes to those statements. These statements are organized so the reader can understand the District's financial standing. The "Government-wide Financial Statements" Section, consisting of the Statement of Net Position and the Statement of Activities provide highly consolidated financial information and render a government-wide perspective of the District's financial position. The "Fund Financial Statements" Section that follows provides increasingly more detailed information on specific financial activities.

THE DISTRICT AS A WHOLE

The Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities present an aggregate view of the District's financial standing. It also provides a more in-depth view of the District's current financial standing than would normally be seen in the Governmental Fund Type statements. These statements include all assets and liabilities using the full accrual basis of accounting. Accrual basis of accounting factors when the funds are used regardless of when the District receives funds or when the District pays for services.

These two statements report on the District's net position and changes in that net position. By showing the change in net position, the readers can determine whether the financial condition of the District improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, student enrollment, facility conditions and required educational programs for which little or no funding is provided.

Fund Financial Statements

The District's major funds financial statements provide more in depth information about the District's financial position and results of operations. The District's major funds are the General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund. These fund statements report on governmental activities on a current or short-term basis.

THE DISTRICT AS A WHOLE (continued)

Most of the District's activities are reported in governmental funds format. This format focuses on how money flows in and out of these funds and shows the reader the remaining balances left at end of the fiscal year. These funds are reported using the modified accrual basis of accounting. The statements measure cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a short-term view of the District's general governmental operations and the basic services the District provides. Governmental fund information helps the reader determine the changes in financial resources to understand what can be spent in the near future. The relationship between governmental activities (as reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities because the District attempts to recover costs through charges to the user. An example of a proprietary fund would be the Internal Service Fund (Self-Funded Health Insurance Plans).

Governmental Activities

As reported in the Statement of Activities on page 18, the cost of the District's governmental activities for the year ended June 30, 2024 was \$249,351,475. The Statement of Activities shows the cost of program services, the charges for services and the operating grants and contributions offsetting some of these services. Grants and contributions totaled \$17,704,818 and helped pay for certain programs. Charges for services include the following activities: tuition reimbursement, activity fees, fees for school lunches and facility use charges, contributed \$20,487,371 towards these programs. The remaining amount was financed primarily by the taxpayers of the District through ad valorem, and property tax revenue totaling \$266,300,208. Investment earnings contributed \$14,673,865. State aid and unrestricted grants and contributions accounted for \$8,785,032. The "net cost" statement, on the following page, determines the remaining cost of the various categories and informs the reader how much each program is funded by proceeds other than charges for services and operating grants and contributions.

Parkway C-2 School District
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

THE DISTRICT AS A WHOLE (continued)

Governmental Activities (continued)

Table I compares the Total and Net Costs of Governmental Activities for Fiscal Year ended June 30, 2024 to June 30, 2023.

Table I
Total and Net Costs of Governmental Activities
(in millions)
Year ended June 30,

	2024		2023	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Instructional programs	\$ 152.704	\$ 137.097	\$ 140.726	\$ 127.825
Student activities	4.226	0.709	3.951	0.322
Attendance	0.963	0.963	0.601	0.601
Guidance	11.621	11.621	10.530	10.530
Health Services	3.208	3.087	2.851	2.745
Improvements of instruction	5.473	5.473	7.430	7.430
Media services	5.249	5.249	4.935	4.935
Board of Education	0.339	0.339	0.491	0.491
Executive Administration	2.998	2.998	2.500	2.500
Building level administration	19.130	19.129	17.700	17.700
Business and central services	19.200	19.200	13.048	13.048
Operation of plant	22.947	22.580	27.221	27.183
Security services	1.558	1.558	1.402	1.402
Pupil transportation	12.522	5.454	12.685	3.548
Food services	6.988	0.250	7.142	(0.264)
Adult education	2.174	1.088	2.069	0.712
Community services	5.704	2.016	5.279	1.538
Debt services	10.540	10.540	7.096	7.096
Total	<u>\$ 287.544</u>	<u>\$ 249.351</u>	<u>\$ 267.657</u>	<u>\$ 229.344</u>

Note: Net Cost of Services is computed by taking the Total Cost of Services and subtracting Charges for Services and Grants and Contributions.

Parkway C-2 School District
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

THE DISTRICT AS A WHOLE (continued)

Governmental Activities (continued)

Table II compares the District's Net Position as of June 30, 2024 to June 30, 2023.

Table II
Condensed Statements of Net Position
(in millions)
June 30,

	<u>2024</u>	<u>2023</u>
Assets		
Current and other assets	\$ 294.273	\$ 286.124
Capital assets	<u>311.233</u>	<u>301.299</u>
Total assets	605.506	587.423
Deferred outflows of resources	88.218	86.105
Liabilities		
Other liabilities	17.544	21.766
Noncurrent liabilities	<u>559.354</u>	<u>568.536</u>
Total liabilities	576.898	590.302
Deferred inflow of resources	22.918	29.726
Net position		
Net investment in capital assets	5.898	82.559
Restricted	170.281	67.916
Unrestricted	<u>(82.271)</u>	<u>(96.975)</u>
Total net position	<u>\$ 93.908</u>	<u>\$ 53.500</u>

Parkway C-2 School District
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

THE DISTRICT AS A WHOLE (concluded)

Governmental Activities (concluded)

Table III compares the Changes in Net Position for Fiscal Year ended June 30, 2024 to June 30, 2023.

Table III		
Changes in Net Position for Government-Wide Activities		
(in millions)		
Year ended June 30,		
	2024	2023
Program revenues		
Charges for services	\$ 20.487	\$ 21.764
Operating grants and contributions	17.705	16.548
General revenue		
Property taxes and other county taxes	243.994	234.043
Sales taxes	22.306	20.654
State aid	8.785	9.147
Investment earnings	14.674	7.859
Total revenue	327.951	310.015
Program expenses		
Instructional programs	152.704	140.726
Student activities	4.226	3.951
Attendance	0.963	0.601
Guidance	11.621	10.530
Health Services	3.208	2.851
Improvements of instruction	5.473	7.430
Media services	5.249	4.935
Board of Education	0.339	0.491
Executive Administration	2.998	2.500
Building level administration	19.130	17.700
Business and central services	19.200	13.048
Operation of plant	22.947	27.221
Security services	1.558	1.402
Pupil transportation	12.522	12.685
Food services	6.988	7.142
Adult education	2.174	2.069
Community services	5.704	5.279
Debt services	10.540	7.096
Total Expense	287.544	267.657
Increase (decrease) in net position	\$ 40.407	\$ 42.358
Ending net position	\$ 93.907	\$ 53.500

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

District Funds

Total sources of revenue for all governmental funds were \$327,961,293 while District expenditures were \$310,346,591. As the District completed its Fiscal Year ended June 30, 2024, the governmental fund balance was \$273,139,110 as compared to \$255,524,671 on June 30, 2023. The increase was a result of operating funds (General and Special Revenue Fund) performing better than budgeted due to federal grant revenues and high performing local revenues.

The General Fund actual revenues were higher than budget by \$4,461,625 or 4.09%. Total actual expenditures for the General Fund were below the revised budget estimates by \$10,087,985 or 10.11%. The fund balance of \$99,229,481 is \$18,146,147 higher than the prior year. While the District plans to grow operating fund balances every year, this year's increase was also a result of lowered expenditures. Those expenditures were lower in salaries due to turnover and unfilled positions.

The Special Revenue Fund actual revenues were over the revised budget by \$2,753,620. Total actual expenditures for the Special Revenue Fund were under revised projections by \$2,067,437. The fund balance of \$35,948,908 is \$10,957,041 higher than the prior year. The District combines the General Fund and Special Revenue Fund balance to measure operating fund balances. This is a measure used by the State of Missouri as well. In total, the two fund balances as a percentage of expenditures grew to 53.37%, an increase of 10.00%. The District policy calls for growth in operating funds of at least .75% over three years.

The Debt Service Fund actual revenues of \$32,151,084 and expenditures of \$26,592,864 resulted in an increase in the fund balance of \$5,558,220. The debt service schedule for bond payments will lead to the debt service fund increasing in some years and lowering in other years. The increase in Fiscal Year 2023-2024 was a result of higher revenues based on an increase in assessed valuation.

The Capital Projects Fund actual revenues and other financing sources were \$13,440,209 (which includes the transfer from the general fund of \$5,700,000) while expenditures were \$30,487,179, decreasing the fund balance by \$17,046,970. The decrease is a result of no funds being received from the sale of bonds plus capital spending related to a bond issue. We expect this fund balance to decrease any year there is no bond issuance.

BUDGETING HIGHLIGHTS

The District's budget is prepared according to the Public School Laws of Missouri. During the course of the fiscal year, the School Board has the opportunity to approve budget adjustments on at least two separate occasions, once in the fall and again in the spring. Missouri Revised Statute 67.030 permits budget amendments to the expenditure budget as long as the changes do not exceed estimated revenues to be received during the year plus the unencumbered balance at the beginning of the fiscal

BUDGETING HIGHLIGHTS (continued)

year. The original budget for the School District was adopted June 14, 2023 with amendments being approved on November 15, 2023 and April 11, 2024.

Statements showing the District's original and final budget compared with the actual operating results of the District are provided in this Annual Comprehensive Financial Report (ACFR) on pages 53, 54, 59, and 60. The School District's year-end results were slightly better than had been projected, as conservative budgetary practices are customary.

During the fall of each school year, budget amendments are presented to the Board of Education. The main objective of these adjustments is to refine the initial budget based on newly acquired information from the State of Missouri's Department of Elementary and Secondary Education for purposes of revenue projections along with local tax revenues based on projections following the setting of the tax rate. On the expenditure side, adjustments are made to the initial salary and benefit projections to reflect actual salary and staffing levels. In addition, school and program budgets are adjusted to include certain budget surpluses left unspent from the prior year. These amounts are not known at the time the initial budget is developed but have the Board of Education's approval to add them at a later date. Throughout the year, \$25,384,189 was added to the expenditure budgets within the General, Special Revenue, Debt Service and Capital Projects Funds. This increase was made as a result of unspent funds from the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2024, the District had \$661,477,583 invested in land, buildings, furniture, equipment, vehicles, buses and construction projects in process. Of this amount, \$350,244,832 has been taken in depreciation. The District currently has a net book value of \$311,232,751 or 47.05% of the all capital asset's original cost. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year and depreciation of assets for the year.

During the current year, additions of \$88,985,192 of capital assets were capitalized while \$60,125,020 were deleted or retired. Depreciation for the year ended June 30, 2024 was \$18,926,464. Accumulated depreciation on the retired assets was \$1,893,057. Making the total net increase in capital assets \$70,058,728 and the total net increase of deleted or retired assets \$60,125,020.

Parkway C-2 School District
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

Table IV
Capital Assets
June 30,

	2024	2023
Land and land improvements	\$ 47,826,674	\$ 44,774,324
Buildings and building improvements	548,424,851	491,365,089
Vehicles and equipment	37,299,695	36,848,403
Construction in progress	27,926,363	61,522,654
Totals	<u>\$ 661,477,583</u>	<u>\$ 634,510,470</u>

Debt Administration

On June 30, 2024, the District had \$287,585,000 in outstanding general obligation bonds. These bonds were originally issued for the purpose of capital improvements, building additions, and technology system advancements.

Note: Other long-term obligations include accrued compensated absences, obligations under capital leases, other postemployment benefit obligations and early retirement incentives. More detailed information on capital assets and debt administration can be found in notes D and E of the notes to the basic financial statements beginning on pages 37 and 38, respectively.

Table V
Outstanding Debt
June 30,

	2024	2023
General obligation bonds		
Series 2023	\$ 90,000,000	\$ 90,000,000
Series 2020	44,215,000	50,340,000
Series 2019	50,690,000	51,250,000
Series 2016	44,000,000	44,000,000
Series 2015A	8,680,000	14,680,000
Series 2015B	50,000,000	50,000,000
Series 2011	-	3,095,000
Total	<u>\$ 287,585,000</u>	<u>\$ 303,365,000</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operating budget (which excludes debt service and bond issue) presented to the Board of Education for approval for Fiscal Year 2024-2025 includes operating revenues of \$271,267,550, operating expenditures of \$268,887,585 with no transfer from general to capital. The result is an anticipated operating fund balance gain for Fiscal Year 2024-2025 of \$2,379,965.

As part of the normal budgeting process, long-range projections are developed and continually updated. This process allows the District to determine how much of the available resources can be used for ongoing projects, such as new programs or initiatives, versus one-time projects, such as facility repairs.

In addition to balancing the revenue and expenditure budgets, District policy sets two separate and distinct beginning of the fiscal year minimum cash requirements. The first is an operating reserve equal to 13.5% of the original combined operating expenditure budgets. Due to the cyclical nature of District revenues and expenditures, this reserve is designed to cover cash flow needs during the period of October thru December, just prior to the collection of the property tax revenues in late December and January. This reduces the need to do short-term borrowing to cover cash requirements.

The second of the minimum cash requirement reserves is for contingency planning. This reserve is equal to 3.8% of the combined operating expenditure budgets. Due to the age of the buildings within the District, the potential for emergency situations will continue to persist. The District fund balance policy also requires growth in the operating fund balance of .75% every three year period. This requirement is planned growth in the fund balance in order to eliminate the need for short-term borrowing in the future. In addition to emergency funding for facilities, there is also a need to continuously update our bus fleet. The District has been making transfers to the capital projects fund for these purchases as well levying a property tax in the capital projects fund.

The District's largest source of revenue is property taxes and there is uncertainty related to the collection rate and assessed valuations in future years. Reassessment occurs in odd calendar years in Missouri. Local food service revenues are parent funded and federally sourced for those that are part of the free and reduced program.

The District's largest expense is salaries and that is followed by benefits. Salary and benefits account for over 82.68% of the District operating expenditures. Most of those expenses are directly tied to enrollment which is declining slightly each year.

This report is designed to provide our citizens, taxpayers, investors and creditors with a full and complete disclosure of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional copies, they can be obtained by contacting the following people:

Carrie Nunn
Chief Financial Officer

Dawne Trokey
Executive Director of Finance

Parkway C-2 School District
STATEMENT OF NET POSITION
June 30, 2024

	Governmental activities
ASSETS	
Cash and investments	\$ 195,184,579
Restricted cash and investments	81,799,028
Property taxes receivable	673,799
Other receivables	
Local	2,511,006
State	4,966,986
Federal	232,881
Prepaid items	6,110,755
Inventories	2,794,460
Land	3,457,837
Construction in progress	27,926,363
Depreciable capital assets, net of accumulated depreciation	279,848,551
Total assets	<u>605,506,245</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred OPEB related outflows	8,346,767
Deferred pension outflows	79,871,182
Total deferred outflows of resources	<u>88,217,949</u>
LIABILITIES	
Accounts payable	7,464,848
Salaries payable	1,465,861
Medical and dental benefits payable	2,945,776
Unearned revenue	2,039,143
Interest payable	3,628,832
Noncurrent liabilities	
Due within one year	16,935,955
Due in more than one year	289,899,806
Net pension liability	220,999,317
OPEB liability	31,518,966
Total liabilities	<u>576,898,504</u>
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	10,573,279
Deferred OPEB related inflows	12,344,260
Total deferred inflows of resources	<u>22,917,539</u>
NET POSITION	
Net investment in capital assets	5,897,945
Restricted for:	
Capital Projects	108,810,376
Debt service	25,521,513
Certificated employees' compensation and benefits	35,948,908
Unrestricted	<u>(82,270,591)</u>
Total net position	<u><u>\$ 93,908,151</u></u>

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
STATEMENT OF ACTIVITIES
June 30, 2024

					Net (expense) revenue and changes in net position
		Program revenues			
Function/Program	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	Total Governmental activities
Governmental activities					
Instruction	\$ 152,704,271	\$ 8,102,644	\$ 7,504,925	\$ -	(137,096,702)
Student activities	4,225,962	3,517,249	-	-	(708,713)
Attendance	963,046	-	-	-	(963,046)
Guidance	11,621,096	-	-	-	(11,621,096)
Health services	3,207,652	-	121,057	-	(3,086,595)
Improvement of instruction	5,473,449	-	-	-	(5,473,449)
Media services	5,249,425	-	-	-	(5,249,425)
Board of Education services	338,580	-	-	-	(338,580)
Executive administration	2,998,108	-	-	-	(2,998,108)
Building level administration	19,129,380	-	-	-	(19,129,380)
Business and central services	19,199,831	-	-	-	(19,199,831)
Operation of plant	22,946,698	140,828	226,112	-	(22,579,758)
Security services	1,558,256	-	-	-	(1,558,256)
Pupil transportation	12,521,604	2,734,220	4,333,666	-	(5,453,718)
Food services	6,988,145	3,980,039	2,757,882	-	(250,224)
Adult basic education	2,173,671	-	1,085,650	-	(1,088,021)
Community services	5,704,096	2,012,391	1,675,526	-	(2,016,179)
Debt service					
Interest and other expenses	10,540,394	-	-	-	(10,540,394)
Total governmental activities	\$ 287,543,664	\$ 20,487,371	\$ 17,704,818	\$ -	(249,351,475)
General revenues					
Taxes					
Property and all other Ad Valorem taxes					243,994,321
Sales taxes					22,305,887
State aid					8,785,032
Investment earnings					14,673,865
Total general revenues					289,759,105
CHANGE IN NET POSITION					40,407,630
Net position at July 1, 2023					53,500,521
Net position at June 30, 2024					\$ 93,908,151

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
BALANCE SHEET
June 30, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and investments	\$ 94,113,936	\$ 30,606,577	\$ 28,835,444	\$ 29,573,654	\$ 183,129,611
Restricted cash and investments	-	-	-	81,799,028	81,799,028
Other receivables					
Local	2,185,218	374,865	314,901	309,821	3,184,805
State	-	4,966,986	-	-	4,966,986
Federal	162,974	69,907	-	-	232,881
Prepaid items	6,110,755	-	-	-	6,110,755
Inventories	2,794,460	-	-	-	2,794,460
Total assets	<u>\$ 105,367,343</u>	<u>\$ 36,018,335</u>	<u>\$ 29,150,345</u>	<u>\$ 111,682,503</u>	<u>\$ 282,218,526</u>
LIABILITIES					
Accounts payable	\$ 4,317,277	\$ 69,427	\$ -	\$ 2,872,127	\$ 7,258,831
Salaries payable	1,465,861	-	-	-	1,465,861
Unearned revenue	354,724	-	-	-	354,724
Total liabilities	<u>6,137,862</u>	<u>69,427</u>	<u>-</u>	<u>2,872,127</u>	<u>9,079,416</u>
FUND BALANCES					
Non-spendable					
Prepaid items	6,110,755	-	-	-	6,110,755
Inventory	2,794,460	-	-	-	2,794,460
Restricted					
Teachers' salaries and benefits	-	35,948,908	-	-	35,948,908
Debt service	-	-	29,150,345	130,428	29,280,773
Capital projects	-	-	-	81,799,028	81,799,028
Assigned					
Other capital projects	-	-	-	26,880,920	26,880,920
Student activities	525,354	-	-	-	525,354
Unassigned	89,798,912	-	-	-	89,798,912
Total fund balances	<u>99,229,481</u>	<u>35,948,908</u>	<u>29,150,345</u>	<u>108,810,376</u>	<u>273,139,110</u>
Total liabilities and fund balances	<u>\$ 105,367,343</u>	<u>\$ 36,018,335</u>	<u>\$ 29,150,345</u>	<u>\$ 111,682,503</u>	<u>\$ 282,218,526</u>

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE STATEMENT OF NET POSITION
June 30, 2024

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

Total fund balance - governmental funds	\$	273,139,110
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$661,477,583 and the accumulated depreciation is \$350,244,832		311,232,751
To recognize interest accrued on general obligation bonds and obligations under capital leases		(3,628,832)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position		7,218,756
Certain deferred outflows and inflows represent a consumption or acquisition of net position in a future period and, therefore, are not reported in the governmental funds.		
Deferred pension outflows		79,871,182
Deferred OPEB related outflows		8,346,767
Deferred pension inflows		(10,573,279)
Deferred OPEB related inflows		(12,344,260)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds as follows:		
General obligation bonds, net	(305,334,806)	
Share of state net pension obligation	(220,999,317)	
Compensated absences	(1,500,955)	
OPEB obligation	(31,518,966)	(559,354,044)
Total		
	\$	93,908,151
Total net position - governmental activities		

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended June 30, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local	\$ 84,124,876	\$ 156,222,825	\$ 30,139,658	\$ 3,054,613	\$ 273,541,972
County	1,303,608	2,655,559	784,755	66,631	4,810,553
State	5,844,962	9,427,446	-	-	15,272,408
Federal	8,358,666	2,858,777	-	-	11,217,443
Interest	8,570,097	258,833	1,226,671	4,618,965	14,674,566
Other - student activities	3,599,643	-	-	-	3,599,643
VICC - cost reimbursement	1,692,148	3,142,560	-	-	4,834,708
Total revenues	113,494,000	174,566,000	32,151,084	7,740,209	327,951,293
Expenditures					
Current					
Instruction	12,130,463	128,665,683	-	3,208,343	144,004,489
Student activities	3,074,289	783,437	-	66,348	3,924,074
Attendance	774,661	179,262	-	4,961	958,884
Guidance	1,837,968	9,625,008	-	1,570	11,464,546
Health services	2,950,511	155,246	-	20,999	3,126,756
Improvement of instruction	2,048,672	3,434,383	-	3,511	5,486,566
Media services	741,719	4,358,365	-	47,605	5,147,689
Board of Education services	322,348	16,232	-	-	338,580
Executive administration	1,656,048	809,396	-	10,776	2,476,220
Building level administration	6,601,050	12,163,693	-	113,673	18,878,416
Business and central services	11,141,926	537,266	-	6,633,832	18,313,024
Operation of plant	23,266,386	-	-	1,647,871	24,914,257
Security services	1,513,483	-	-	24,873	1,538,356
Pupil transportation	10,343,489	-	-	1,224,000	11,567,489
Food services	6,479,059	-	-	94,212	6,573,271
Adult basic education	1,394,875	720,805	-	30,232	2,145,912
Community services	3,380,642	2,160,183	-	20,717	5,561,542
Capital outlay	-	-	-	17,203,228	17,203,228
Debt service					-
Principal retirement	-	-	15,780,000	118,606	15,898,606
Interest	-	-	10,810,185	1,322	10,811,507
Other	-	-	2,679	10,500	13,179
Total expenditures	89,657,589	163,608,959	26,592,864	30,487,179	310,346,591
Excess of revenues over (under) expenditures	23,836,411	10,957,041	5,558,220	(22,746,970)	17,604,702
Other financing sources (uses)					
Transfers	(5,700,000)	-	-	5,700,000	-
Proceeds from sale of other property	9,736	-	-	-	9,736
Total other financing sources (uses)	(5,690,264)	-	-	5,700,000	9,736
NET CHANGE IN FUND BALANCE	18,146,147	10,957,041	5,558,220	(17,046,970)	17,614,438
Fund balances at July 1, 2023	81,083,334	24,991,867	23,592,125	125,857,346	255,524,672
Fund balances at June 30, 2024	\$ 99,229,481	\$ 35,948,908	\$ 29,150,345	\$ 108,810,376	\$ 273,139,110

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE STATEMENT OF ACTIVITIES
Year ended June 30, 2024

Net change in fund balances - total governmental funds		\$	17,614,438
Capital outlays are reported as expenditures in the governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:			
Capital asset purchases	88,985,192		
Depreciation expense	(18,926,464)		
			70,058,728
The governmental funds report debt (e.g. bonds) proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items is as follows:			
Repayment of bond principal	15,780,000		
Repayment of lease obligation	118,607		
Amortization on bond premium	1,437,776		
Total			17,336,383
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:			
Increase in compensated absences			(38,598)
Net decrease in accrued interest			(1,034,880)
Pension expense			164,352
OPEB expense			641,305
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.			
			(4,209,078)
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these assets.			
Proceeds from sale of capital assets	9,736		
Net book value of capital assets disposed	(60,134,756)		
Total			(60,125,020)
Change in net position of governmental activities		\$	<u>40,407,630</u>

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2024

	Governmental Activities - Internal Service Fund
CURRENT ASSETS	
Cash	\$ 12,054,968
CURRENT LIABILITIES	
Medical and dental benefits payable	2,945,776
Accounts Payable	206,017
Unearned revenue	1,684,419
Total liabilities	<u>4,836,212</u>
NET POSITION	
Unrestricted	<u><u>\$ 7,218,756</u></u>

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUND
Year ended June 30, 2024

	Governmental Activities - Internal Service Fund
Operating revenues	
Contributions by employees	\$ 8,010,034
Contributions by employer	23,905,198
Other income	4,738,176
Total operating revenues	<u>36,653,408</u>
Operating expenses	
Claims	37,428,204
Excess loss insurance	1,612,527
Administrative	1,557,150
Other	264,605
Total operating expenses	<u>40,862,486</u>
CHANGE IN NET POSITION	(4,209,078)
Net position at July 1, 2023	<u>11,427,834</u>
Net position at June 30, 2024	<u><u>\$ 7,218,756</u></u>

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year ended June 30, 2024

	Governmental Activities - Internal Service Fund
Cash flows from operating activities	
Cash received from employee contributions	\$ 7,972,178
Cash received from employer contributions	23,836,912
Cash received from insurance	4,738,176
Cash payments to suppliers for claims and services	<u>(40,522,082)</u>
 NET CASH USED IN OPERATING ACTIVITIES AND DECREASE IN CASH	 (3,974,816)
 Cash at July 1, 2023	 <u>16,029,784</u>
 Cash at June 30, 2024	 <u><u>\$ 12,054,968</u></u>
 Reconciliation of operating income to net cash used in operating activities	
Operating loss	\$ (4,209,078)
Change in accounts payable	19,897
Change in medical and dental benefits payable	320,508
Change in unearned revenue	<u>(106,143)</u>
 Net cash used in operating activities	 <u><u>\$ (3,974,816)</u></u>

The accompanying notes are an integral part of this statement.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Parkway C-2 School District (the “District”) is a political subdivision of the State of Missouri and operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services to primarily prekindergarten through high school residents.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Principles Determining the Scope of Reporting Entity

Generally accepted accounting principles require that the financial reporting entity is to include (1) the primary government, (2) organizations for which the primary government is financially accountable and, (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The criteria provided in the applicable GASB statements have been considered and there are no other agencies or entities, which should be presented with the District.

Fund Accounting

The accounts of the District are organized on the basis of legally established funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the District:

Governmental Funds

Governmental funds are those through which most functions of the District are financed. The District’s expendable financial resources (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is based upon determination of changes in the financial position rather than upon net income determination. Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District’s governmental funds, each of which the District considers to be a major fund:

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

General (Incidental) Fund

This fund is the general operating fund of the District and accounts for expenditures for noncertified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

Special Revenue (Teachers') Fund

The Special Revenue (Teachers') Fund is a special revenue fund which accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted, committed or assigned for the payment of teachers' salaries and certain benefits.

Debt Service Fund

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest and fiscal charges on certain long-term debt.

Capital Projects Fund

This fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

Proprietary Funds

The Proprietary Fund is used to account for the District's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The District's Proprietary Fund is:

Internal Service Fund

This fund accounts for the proceeds from contributions for the payment of claims and the liabilities associated with the District's self-insurance activities (primarily medical and dental benefits). Expenses include claims paid, direct insurance payments and administrative fees. A liability for estimated claims incurred but not reported is recorded in this fund.

Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to limitations imposed by the Board of Education, the District’s highest level of decision making authority. Commitments may be modified or rescinded only through ordinances approved by the Board. The District does not have any committed fund balances.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District’s adopted policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, a negative unassigned fund balance may be reported. The District’s policy requires a minimum unassigned fund balance of 17.3% of total operating expenditures in order to cover unexpected expenditures and revenue shortfalls.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

The details of the fund balances are included in the Balance Sheet – Governmental Funds.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the students for tuition,

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

fees, goods and services offered by the program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

The fund financial statements provide detailed information about the District's funds. The emphasis of fund financial statements is on *major* governmental funds. Each fund is displayed in a separate column. The internal service fund total is presented in a single column on the face of the proprietary fund statement.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are the balance sheet, which generally include only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

Basis of accounting determines when transactions are reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting at the fund level. Proprietary funds also use the accrual basis of accounting at both reporting levels.

Revenues – Exchange and Non-Exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end. The one exception is revenues collected for expenditure-driven grants utilize a ninety-day collection period.

Nonexchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, sales tax, interest, tuition, grants, student fees and rentals.

Unearned Revenue – unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received, (i.e., cash advances) before eligibility requirements are met are recorded as unearned revenues.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds at the fund reporting level.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The County collects the property tax and remits it to the District. An allowance for uncollectible taxes has been provided for delinquent taxes.

At the fund reporting level, property tax revenues are recognized when they become measurable and available. Available includes those property tax receivables expected to be collected within sixty (60) days after year end. Revenue recognition of delinquent property taxes not collected within sixty (60) days of fiscal year end is deferred.

The District also receives sales tax collected by the State and remitted based on prior year weighted average daily attendance. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The voters in the District approved a waiver of this tax rollback.

The assessed valuations of the tangible taxable property for the calendar years 2023 and 2022 for purposes of local taxation were \$6,389,932,630 and \$5,702,166,620, respectively.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

The tax levy per \$100 of assessed valuation of tangible taxable property for the calendar years 2023 and 2022 for purposes of local taxation were:

	December 31,	
	<u>2023</u>	<u>2022</u>
General Fund	\$ 1.1378	\$ 1.2065
Special Revenue Fund	2.1130	2.2406
Debt Service Fund	0.4900	0.4900
Capital Projects Fund	0.0477	0.0610
	<hr/>	
Total	\$ 3.7885	\$ 3.9981
	<hr/>	

The receipts of current property taxes during the fiscal year ended June 30, 2024, aggregated approximately 96.26% of the current assessment computed on the basis of the levy as shown above.

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained. The reported value of the pool is the same as the fair value of the pool shares.

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

Investments in external investment pools are stated at amortized cost, which approximates fair value.

Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

For purposes of the statement of cash flows, the District's internal service fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist of unexpended bond proceeds.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Inventory

Inventories are stated at cost, on a first-in, first-out (FIFO) basis, and are expensed when used.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are recorded at cost (or estimated historical cost) net of accumulated depreciation and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of one thousand dollars for each individual asset for inventory control purposes and five thousand dollars for financial reporting purposes.

The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed and placed in service. Improvements are depreciated over the remaining useful lives of the related capital assets. Except for land and construction in progress, all reported capital assets are depreciated. Depreciation is calculated using the straight-line method over the following useful lives:

Land Improvements	20 years
Buildings and improvements	20 - 50 years
Vehicles and equipment	7 - 20 years

Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The District reported two deferred outflows of resources in this year's financial statements. The two are deferred outflows of resources for contributions made to the District's defined benefit pension plans and the OPEB plan between the measurement date of the net liabilities from those plans and the end of the District's fiscal year. Additionally, the net difference between expected and actual experience and changes in assumptions in the plans are required to be reported as deferred outflows of resources. No deferred outflows of resources affect the governmental funds financial statements in the current year.

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for this amount is reported in governmental funds only after they become payable, for example, as a result of employee resignations and retirements.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Accrued Liabilities, Early Retirement, and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, special termination benefits, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds, leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Individuals who retire with thirty years in the Missouri Public School Retirement System are entitled to a fixed retirement bonus if they provide certain nominal services over the first four to five years of their retirement. The liability for those benefits in the government-wide financial statements is recorded at the time of retirement.

Deferred Inflows of Resources

The District's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). Additionally, the net difference between expected and actual experience and changes in assumptions in the plans are required to be reported as deferred inflows of resources. Deferred inflows of resources are reported in the District's statement of net position for actual pension plan investment earnings in excess of the projected amounts included in determining pension expense and changes in assumptions for the OPEB plan. This deferred inflow of resources is attributed to pension and OPEB expense over multiple years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting.

Net Position

Net position is displayed in three components. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets, net of any unspent bond proceeds, plus deferred amounts on refundings resulting from advance refundings. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by regulators, grantors or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for self-insurance programs and insurance proceeds. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activity of the fund. All revenues and expenses not meeting this definition are recorded as nonoperating revenues and expenses.

Interfund Activity

Interfund transfers are reported as other financing sources (uses) in governmental funds. The District transferred \$5,700,000 to the Capital Projects Fund from the General Fund during year ended June 30, 2024. The purpose of the transfer is to build the capital projects fund balance in order to fund future capital needs such as new buses.

Estimates

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

NOTE B | CASH AND INVESTMENTS

The District maintains a cash and temporary investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund's portion of this pool is displayed on the balance sheet as "cash and investments" under each fund's caption.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2024, the carrying amount of the deposits under District control was \$231,974,294 (which includes the restricted cash of \$61,799,028) and the bank balance was \$276,983,606. All of the District's deposits were covered by federal depository insurance or collateral held by the District or by its agent in the name of the District.

Investments

The District may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States Government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements, maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. Government agencies or instrumentalities of any maturity, as provided by law. As of June 30, 2024, the District had the following investments and maturities (which includes restricted investments of \$20,000,000).

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Type	Fair Value	Investment Maturities	
		0 to 1 year	1 to 3 years
External investment pools -MOSIP	\$ 9,012	\$ 9,012	\$ -
Commerce CD's	35,000,000	35,000,000	-
MOCAAT CDAR	10,000,000	10,000,000	-
	<u>\$ 45,009,012</u>	<u>\$ 45,009,012</u>	<u>\$ -</u>

Investments in external investment pools are stated at amortized cost, which approximates fair value. A separate financial report for the MOSIP external investment pool program can be obtained from PFM Asset Management LLC, 77 West Port Plaza Drive, Suite 220, St. Louis, Missouri 63146. The MOSIP program is exempt from regulatory oversight as it is a local Government Investment Pool.

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, one of the ways the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so a portion of the portfolio is maturing and coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in MOSIP and MOCAAT are rated AAAM.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of the total investments (excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools and other pooled investments). At June 30, 2024, the District had no concentrations of credit risk required to be disclosed.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy regarding the custody of its cash and investments. As of June 30, 2024, the District had no concentrations of credit risk required to be disclosed.

Summary

The cash deposits and investments are summarized and presented in the financial statements as follows as of June 30, 2024:

Cash on hand	\$ 300
Carrying amount of deposits	231,974,294
Investments	<u>45,009,012</u>
	<u><u>\$ 276,983,606</u></u>
Cash and investments - governmental funds	\$ 183,129,611
Restricted cash and investments - governmental funds	81,799,028
Cash - proprietary funds	<u>12,054,968</u>
Total reporting entity	<u><u>\$ 276,983,607</u></u>

The District has funds invested in MOSIP. All funds in this program are invested in accordance with Section 165.061 RSMo. Each school district owns a pro rata share of each investment, which is held in the name of the Fund.

NOTE C | TAXES RECEIVABLE

Taxes receivable are as follows at June 30, 2024:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property taxes	<u>\$ 201,590</u>	<u>\$ 374,865</u>	<u>\$ 88,882</u>	<u>\$ 8,462</u>	<u>\$ 673,799</u>

There were no allowances for uncollectible receivables at June 30, 2024.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE D | CAPITAL ASSETS

The following is a summary of changes occurring in capital assets for the year ended June 30, 2024:

	Balance July 1, 2023	Transfers	Additions	Deletions	Balance June 30, 2024
Governmental activities					
Capital assets that are not depreciated					
Land	\$ 3,457,837	\$ -	\$ -	\$ -	\$ 3,457,837
Construction in progress	61,522,654	-	26,515,822	60,112,113	27,926,363
Capital assets that are depreciated					
Land improvements	41,316,487	-	3,052,350	-	44,368,837
Buildings	173,090,992	-	-	-	173,090,992
Building improvements	318,274,097	-	57,059,762	-	375,333,859
Vehicles and equipment	32,361,802	4,486,600	2,357,257	1,905,964	37,299,695
Right-to-use assets being amortized					-
Vehicles and equipment	4,486,600	(4,486,600)	-	-	-
Totals at estimated historical cost	634,510,469	-	88,985,192	62,018,077	661,477,583
Accumulated depreciation					
Land improvements	21,410,584	-	1,669,718	-	23,080,302
Buildings	120,575,746	-	1,038,968	-	121,614,714
Building improvements	168,459,740	-	13,635,687	1,893,057	180,202,370
Vehicles and equipment	18,278,755	4,486,600	2,582,091	-	25,347,446
Accumulated amortization					
Vehicles and equipment	4,486,600	(4,486,600)	-	-	-
Total accumulated depreciation	333,211,425	-	18,926,464	1,893,057	350,244,832
Governmental activities capital assets, net	\$ 301,299,044	\$ -	\$ 70,058,728	\$ 60,125,020	\$ 311,232,751

Depreciation was charged to functions of the District at follows:

Instruction	\$ 6,835,944
Student activities	251,128
Health Services	40,449
Improvement of instruction	136,633
Media Services	35,146
Admin Technology	364,327
Building level administration	6,753
Business services	554,715
Operation of plant	9,377,829
Transportation	923,086
Food service	329,841
Community services	70,613
	<u>\$ 18,926,464</u>

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE E | CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes occurring in long-term liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts due within one year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 303,365,000	\$ -	\$ (15,780,000)	\$ 287,585,000	\$ 15,435,000
Deferred amounts for issuance premium	19,187,582	-	(1,437,776)	17,749,806	-
Total bonds payable, net	322,552,582	-	(17,217,776)	305,334,806	15,435,000
Obligations under capital leases	118,607	-	(118,607)	-	-
Compensated absences	1,462,357	1,500,955	(1,462,357)	1,500,955	1,500,955
Total governmental activity long-term liabilities	\$ 324,133,546	\$ 1,500,955	\$ (18,798,740)	\$ 306,835,761	\$ 16,935,955

Payments on the general obligation bonds are made by the Debt Service Fund. The obligations under leases are paid by the General Fund or the Capital Projects Fund. The compensated absences will be liquidated by the fund in which the employee's salary was charged.

Bonds Payable

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Bonds payable consist of the following at June 30, 2024:

Date Issued	Maturity Date	Rate of Interest	Original Issue Amount	Balance at June 30, 2024
3/4/15	3/1/2025	1.50% - 5.00%	\$ 27,080,000	\$ 8,680,000
3/25/15	3/1/2035	3.00% - 4.00%	50,000,000	50,000,000
10/12/16	3/1/2036	2.125% - 3.00%	44,000,000	44,000,000
4/9/19	3/1/2039	3.00% - 5.00%	55,000,000	50,690,000
10/20/20	3/1/2040	1.250% - 5.00%	55,000,000	44,215,000
4/19/23	3/1/2043	4.000% - 5.250%	90,000,000	90,000,000
			<u>\$ 321,080,000</u>	<u>\$ 287,585,000</u>

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

The annual requirements to amortize bonded debt outstanding as of June 30, 2024, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2025	\$ 15,435,000	\$ 10,631,056	\$ 26,066,056
2026	9,910,000	10,032,907	19,942,907
2027	11,055,000	9,537,407	20,592,407
2028	11,835,000	8,862,282	20,697,282
2029	12,515,000	8,330,057	20,845,057
2030-2034	77,430,000	34,100,261	111,530,261
2035-2039	115,890,000	19,189,531	135,079,531
2040-2043	33,515,000	2,359,276	35,874,276
	<u>\$ 287,585,000</u>	<u>\$ 103,042,777</u>	<u>\$ 390,627,777</u>

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including State assessed railroad and utility). The legal debt margin, computed using assessed valuation of \$6,389,932,630 excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2024, was:

Constitutional debt limit	\$ 958,489,895
General obligation bonds payable	(287,585,000)
Amount available in Debt Service Fund	<u>29,150,345</u>
Legal debt margin	<u>\$ 700,055,240</u>

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE F | RETIREMENT PLAN

Public School and Education Employee Retirement Systems of Missouri

The District contributes to the Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan.

Plan Description

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989.

The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

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

Benefits Provided

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

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Cost-of-Living Adjustments ("COLA")

If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2022, 2023 and 2024. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2022, 2023, and 2024. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

The District's contributions to PSRS and PEERS were \$19,594,011 and \$2,638,907 respectively, for the year ended June 30, 2024.

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

At June 30, 2024, the District recorded a liability of \$203,662,339 for its proportionate share of PSRS' net pension liability and \$17,336,978 for its proportionate share of PEERS' net pension liability. In total, the District recorded net pension liabilities of \$220,999,317. The net pension liability for the plans in total was measured as of June 30, 2023 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of \$19,244,841 and \$2,535,392, respectively, for the year ended June 30, 2023, relative to the actual contributions of \$790,025,525 for PSRS and \$146,077,920 for PEERS from all participating employers. At June 30, 2023, the District's proportionate share was 2.4360% for PSRS and 1.7356% for PEERS.

For the year ended June 30, 2024, the District recognized pension expense (income) of (\$499,932) for PSRS and \$335,580 for PEERS, its proportionate share of the total pension expense. Pension expense is the change in the net pension liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

At June 30, 2024, the District reported deferred outflows of resources from the following sources related to PSRS and PEERS pension benefits:

Balance of Deferred Outflows due to:	Deferred Outflows of Resources		
	PSRS	PEERS	District Total
Differences between expected and actual experience	\$ 33,421,304	\$ 2,285,082	\$ 35,706,386
Changes in assumptions	6,921,524	91,385	7,012,909
Net difference between projected and actual earnings on pension plan investments	12,426,798	1,210,084	13,636,882
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,282,087	-	1,282,087
Employer contributions subsequent to the measurement date	19,594,011	2,638,907	22,232,918
Total	<u>\$ 73,645,724</u>	<u>\$ 6,225,458</u>	<u>\$ 79,871,182</u>

At June 30, 2024, the District reported deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

Balance of Deferred Inflows due to:	Deferred Inflows of Resources		
	PSRS	PEERS	District Total
Differences between expected and actual experience	\$ 1,328,885	\$ -	\$ 1,328,885
Changes in proportion and differences between employer contributions and proportionate share of contributions	7,964,609	1,279,785	9,244,394
Total	<u>\$ 9,293,494</u>	<u>\$ 1,279,785</u>	<u>\$ 10,573,279</u>

Deferred outflows of resources to PSRS and PEERS resulting from contributions subsequent to the measurement date of June 30, 2023 will be recognized as a reduction to the net pension liability in the year ended June 30, 2025.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized annually in pension expense as follows for the year ending June 30,:

	PSRS	PEERS	District Total
2025	\$ 4,107,001	\$ 516,259	\$ 4,623,260
2026	(2,091,985)	(988,740)	(3,080,725)
2027	36,565,687	2,529,763	39,095,450
2028	5,864,031	249,483	6,113,514
2029	313,485	-	313,485
	<u>\$ 44,758,219</u>	<u>\$ 2,306,765</u>	<u>\$ 47,064,984</u>

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in May 2021. All economic and demographic assumptions were reviewed and certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuation. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

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

Measurement Date – June 30, 2023

Valuation Date – June 30, 2023

Expected Return on Investments – 7.30% net of investment expenses and including 2.00% inflation.

Inflation – 2.00%

Total Payroll Growth PSRS – 2.25% per annum consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.

Total Payroll Growth PEERS – 2.50% per annum consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Future Salary Increases PSRS – 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of health care costs in pension earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.

Future Salary Increases PEERS – 3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of health care costs in pension earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit.

Cost-of-Living Increases PSRS & PEERS – Given that the actual increase in the CPI-U index from June 2022 to June 2023 was 2.97%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2024 of 2.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024 and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

- If the June to June change in the CPI-U is less than 2% for consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

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

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Mortality Assumption

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

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

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

	Males	Females
Non-Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

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

	Males	Females
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled Retirees PSRS- Experience-adjusted Pub-2010 Teacher Disability Mortality Table, projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the health retiree experience-based adjustment factors at all ages for both males and females.

Disabled Retirees PEERS- Experience-adjusted Pub-2010 General Disability Mortality Table projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

Changes in Actuarial Assumptions and Methods

For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% benefit formula multiplier for members that retire with 32 or more years of service. There have been no other changes to the actuarial assumptions and methods for PSRS or PEERS since the June 30, 2021 valuations, which included various assumption updates pursuant to the 2021 experience study. The next experience studies are scheduled

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

for 2026. Fiduciary Net Positions: The Systems issue a publicly available financial report that can be obtained at www.psrs-peers.org.

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2023 are summarized below.

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

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.3% as of June 30, 2023 and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.3% is consistent with the June 30, 2022 valuations and is based on the actuarial experience studies conducted during the 2021 fiscal year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Discount Rate Sensitivity

The sensitivity of the district's net pension liabilities to changes in the discount rate is presented below. The district's net pension liabilities calculated using the discount rate of 7.30% is presented as well as the net pension liabilities (assets) using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

Discount Rate	1% Decrease 6.30%	Current Rate 7.30%	1% Increase 8.30%
Proportionate Share of the Net Position Liability / (Asset)			
PSRS	\$ 379,019,793	\$ 203,662,339	\$ 58,456,920
PEERS	\$ 32,913,801	\$ 17,336,978	\$ 4,343,305

NOTE G | OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

In addition to providing the pension benefits described above, the District provides continuation of medical, dental and vision insurance coverage, including prescription drugs to employees who are eligible for normal or early retirement under PSRS or PEERS under a single employer plan. Retirees may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death. The District does not have a trust for this plan, and the plan does not issue a standalone report. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the District's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation.

Employees covered by benefit terms at January 1, 2024:

	Number	Average Age	Average Service
Actives	2,229	45.4	10.5
Inactive Plan Participants	589	69.3	
Total	2,818		

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Contributions

The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis. The implicit rate is the difference between the calculated claims cost and the premiums paid by retirees. The District determines contribution requirements and may be amended by the District. For fiscal year 2024, claims paid for retirees totaled \$5,117,863. Retirees contributed \$3,714,601 through premiums, the remaining \$1,403,262 was paid by the District.

Total OPEB Liability

The District's total OPEB liability of \$31,518,966 was measured as of December 31, 2023, and the total liability used to calculate the total OPEB was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Inflation – 2.50% long-term inflation

Discount Rate – 3.77%

Mortality rates – Pub-2010 Public Retirement Plans Teachers mortality table projected generationally with Scale MP-2021 for PSRS participants and Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2021 for PEERS participants.

Participation - It is assumed that 45% of employees who retire prior to age 65 will elect medical coverage upon retirement and 50% will elect dental and vision coverage.

Actuarial cost method – Entry age normal

Changes in Total OPEB Liability

The components of the total OPEB liability of the District at June 30, 2024 are as follows:

	<u>Total OPEB Liability</u>
Balances at July 1, 2023	\$ 30,702,245
Service cost	892,604
Interest	1,251,175
Difference between expected and actual experience	(754,974)
Employee contributions	3,714,601
Benefits paid	(5,117,863)
Changes in assumptions	<u>831,178</u>
Balances at June 30, 2024	<u><u>\$ 31,518,966</u></u>

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% Decrease 2.77%	Current Rate 3.77%	1% Increase 4.77%
Total OPEB liability	\$ 35,485,047	\$ 31,518,966	\$ 28,149,961

Sensitivity of the NET OPEB Liability to Changes in the Health Care Cost Trends

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower and 1 percentage point higher than the current healthcare trend rate.

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Total OPEB liability	\$ 27,844,817	\$ 31,518,966	\$ 35,917,831

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$641,305.

Amounts reports as deferred outflows of resources, net of deferred inflows, related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30	Net Outflows of Resources
2025	\$ (893,304)
2026	(750,468)
2027	(1,311,483)
2028	(1,054,937)
2029	12,699
Thereafter	-
Total	<u>\$ (3,997,493)</u>

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

NOTE H | RISK MANAGEMENT

District Health Insurance Plan – The District utilizes an internal service fund to account for the risks associated with the employees’ health insurance plan. A premium is charged to each fund that accounts for employees’ salaries based upon past trends in claims experience. Provisions are also made for unexpected and unusual claims.

Liabilities of the fund are recorded when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated based upon recent claim settlement trends. Settlements have not exceeded coverage for each of the past three fiscal years.

Changes in the balance of claims liabilities are as follows for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Unpaid claims, beginning of year	\$ 2,634,741	\$ 2,083,740
Incurred claims (including IBNRs)	37,739,239	34,951,888
Claim payments	<u>(37,428,204)</u>	<u>(34,400,887)</u>
Unpaid claims, end of year	<u>\$ 2,945,776</u>	<u>\$ 2,634,741</u>

The District purchases specific reinsurance with an attachment point of \$350,000 annually, per employee, to limit its exposure to catastrophic claims. There have not been any significant reductions in insurance coverage from the prior year.

District’s Other Risk – The District is exposed to various risks of loss related to theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster. To cover these risks, the District is a participant in the Missouri United School Insurance Council (the “Council”) which is a Protected Self-Insurance Program of Missouri Public School Districts with 400 members. The District pays an assessment to the Council. Part of the assessment then goes to buy excess insurance contracts for the group as a whole. Should the contributions received by the Council not be sufficient, special assessments can be made to the member Districts.

NOTE I | COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Parkway C-2 School District
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2024

Litigation

The District is a party to legal proceedings. The District management is of the opinion that ultimate disposition of these claims will not have a material effect on the financial condition of the School District.

Contracts

The District has entered into various contracts for building and grounds renovations and improvements which are included in the amount restricted for capital improvement in the fund financial statements.

Capital Commitments

The District's remaining commitment for uncompleted work under its construction contracts totaled \$27,926,363 million as of June 30, 2024.

NOTE J | TAX ABATEMENT DISCLOSURES

The District is subject to tax abatement agreements granted by St. Louis County and municipalities within the District. District property tax revenues were reduced by \$3,222,547, as a result of these abatements for year ended June 30, 2024. These tax abatements are considered immaterial to the overall financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Parkway C-2 School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL – GENERAL FUND - UNAUDITED
Year ended June 30, 2024

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues				
Local	\$ 81,691,722	\$ 81,718,372	\$ 84,124,876	\$ 2,406,504
County	1,209,304	1,216,262	1,303,608	87,346
State	5,124,192	5,493,177	5,844,962	351,785
Federal	8,364,517	8,052,557	8,358,666	306,109
Interest	2,500,000	7,497,760	8,570,097	1,072,337
Other - student activities	3,500,000	3,500,000	3,599,643	99,643
VICC - cost reimbursement	1,537,783	1,554,247	1,692,148	137,901
Total revenues	103,927,518	109,032,375	113,494,000	4,461,625
Expenditures				
Current				
Instruction	10,165,374	18,741,233	12,130,463	6,610,770
Student activities	4,314,168	4,334,938	3,074,289	1,260,649
Attendance	1,858,257	1,877,917	774,661	1,103,256
Guidance	620,859	869,564	1,837,968	(968,404)
Health services	2,717,588	2,773,469	2,950,511	(177,042)
Improvement of instruction	1,913,879	2,821,520	2,048,672	772,848
Media services	3,138,944	3,417,537	741,719	2,675,818
Board of Education services	442,191	462,191	322,348	139,843
Executive administration	1,951,538	2,166,770	1,656,048	510,722
Building level administration	6,412,118	6,483,142	6,601,050	(117,908)
Business and central services	11,884,527	13,123,002	11,141,926	1,981,076
Operation of plant	26,294,946	24,249,686	23,266,386	983,300
Security services	1,520,392	1,578,120	1,513,483	64,637
Pupil transportation	11,955,125	9,746,309	10,343,489	(597,180)
Food services	6,025,063	6,844,996	6,479,059	365,937
Adult basic education	1,685,648	403,966	1,394,875	(990,909)
Community services	3,322,101	3,351,214	3,380,642	(29,428)
Anticipated Unexpended Budget	(2,000,000)	(3,500,000)	-	(3,500,000)
Total expenditures	94,222,718	99,745,574	89,657,589	10,087,985
 EXCESS OF REVENUES OVER EXPENDITURES	 9,704,800	 9,286,801	 23,836,411	 14,549,610
 Other financing sources (uses)				
Transfer to capital projects fund	(8,000,000)	(5,700,000)	(5,700,000)	-
Proceeds from sale of other property	5,539	5,359	9,736	4,377
Total other financing sources (uses)	(7,994,461)	(5,694,641)	(5,690,264)	4,377
 NET CHANGE IN FUND BALANCE	 \$ 1,710,339	 \$ 3,592,160	 18,146,147	 \$ 14,553,987
 Fund balance at July 1, 2023			 81,083,334	
 Fund balance at June 30, 2024			 \$ 99,229,481	

Parkway C-2 School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL – SPECIAL REVENUE FUND - UNAUDITED
Year ended June 30, 2024

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues				
Local	\$ 151,310,429	\$ 152,632,812	\$ 156,222,825	\$ 3,590,013
County	2,313,554	2,326,478	2,655,559	329,081
State	8,955,979	9,242,325	9,427,446	185,121
Federal	2,760,947	3,584,189	2,858,777	(725,412)
Interest	15,000	400,000	258,833	(141,167)
VICC - Cost reimbursement	3,588,160	3,626,576	3,142,560	(484,016)
Total revenues	168,944,069	171,812,380	174,566,000	2,753,620
Expenditures				
Current				
Instruction	131,550,299	133,049,435	128,665,683	4,383,752
Student activities	1,659,706	812,857	783,437	29,420
Attendance	178,958	196,129	179,262	16,867
Guidance	9,310,118	9,474,511	9,625,008	(150,497)
Health services	155,542	148,239	155,246	(7,007)
Improvement of instruction	4,265,764	4,473,276	3,434,383	1,038,893
Media services	4,323,284	4,249,646	4,358,365	(108,719)
Board of Education services	-	-	16,232	(16,232)
Executive administration	815,968	833,805	809,396	24,409
Building level administration	11,768,294	11,439,844	12,163,693	(723,849)
Business and central services	440,378	409,562	537,266	(127,704)
Adult basic education	-	-	720,805	(720,805)
Community services	2,102,993	2,089,092	2,160,183	(71,091)
Anticipated Unexpended Budget	(1,500,000)	(1,500,000)	-	(1,500,000)
Total expenditures	165,071,304	165,676,396	163,608,959	2,067,437
NET CHANGE IN FUND BALANCE	\$ 3,872,765	\$ 6,135,984	10,957,041	\$ 4,821,057
Fund balance at July 1, 2023			24,991,867	
Fund balance at June 30, 2024			\$ 35,948,908	

Parkway C-2 School District
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

NOTE A | BUDGETS AND BUDGETARY ACCOUNTING

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

1. In accordance with Chapter 67 RSMo, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. For each fund, total fund expenditures may not legally exceed final amended budgeted expenditures. Expenditure appropriations lapse at the end of the fiscal year.
6. Budgets are presented on the modified accrual basis of accounting for all governmental funds.

Parkway C-2 School District
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND EMPLOYER
CONTRIBUTIONS- UNAUDITED
Year ended June 30, 2024

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – PSRS

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	2.5468%	\$104,484,390	\$113,918,340	91.72%	89.34%
6/30/2015	2.5546%	147,473,484	116,481,879	126.61%	85.78%
6/30/2016	2.5504%	189,766,308	118,578,027	160.03%	82.18%
6/30/2017	2.5910%	187,109,719	123,019,129	152.10%	83.77%
6/30/2018	2.5949%	193,124,303	125,593,894	153.77%	84.06%
6/30/2019	2.5847%	190,752,679	127,560,303	149.54%	84.62%
6/30/2020	2.5706%	229,572,992	129,056,429	177.89%	82.01%
6/30/2021	2.5154%	55,685,365	129,859,274	42.88%	95.81%
6/30/2022	2.5469%	196,982,474	134,849,860	146.08%	86.04%
6/30/2023	2.4360%	203,662,339	133,375,738	152.70%	85.38%

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – PEERS

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2014	2.5181%	\$9,195,244	\$36,719,724	25.04%	91.33%
6/30/2015	2.5327%	13,395,606	37,976,766	35.27%	88.28%
6/30/2016	2.4602%	19,739,053	37,990,743	51.96%	83.32%
6/30/2017	2.4114%	18,397,797	38,752,166	47.48%	85.35%
6/30/2018	2.3847%	18,426,871	39,678,733	46.44%	86.06%
6/30/2019	2.2861%	18,082,161	39,456,500	45.83%	86.38%
6/30/2020	2.1600%	20,964,038	38,677,344	54.20%	84.06%
6/30/2021	2.0027%	2,156,756	36,700,027	5.88%	98.36%
6/30/2022	1.9782%	16,718,121	38,483,041	43.44%	87.92%
6/30/2023	1.7356%	17,336,978	36,639,978	47.32%	86.50%

Schedule of Employer Contributions – PSRS

Year Ended	Contractually Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2014	\$ 16,400,693	\$ 16,400,693	-	\$ 113,918,340	14.40%
6/30/2015	16,773,087	16,773,087	-	116,481,879	14.40%
6/30/2016	17,084,375	17,084,375	-	118,578,027	14.41%
6/30/2017	17,724,887	17,724,887	-	123,019,129	14.41%
6/30/2018	18,091,793	18,091,793	-	125,593,894	14.40%
6/30/2019	18,396,766	18,396,766	-	127,560,303	14.42%
6/30/2020	18,610,649	18,610,649	-	129,056,429	14.42%
6/30/2021	18,732,413	18,732,413	-	129,859,274	14.43%
6/30/2022	19,452,316	19,452,316	-	134,849,860	14.43%
6/30/2023	19,244,841	19,244,841	-	133,375,738	14.43%
6/30/2024	19,594,011	19,594,011	-	135,973,037	14.41%

Parkway C-2 School District
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND EMPLOYER
CONTRIBUTIONS- UNAUDITED
Year ended June 30, 2024

Schedule of Employer Contributions – PEERS

Year Ended	Contractually Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2014	\$ 2,518,972	\$ 2,518,972	-	\$ 36,719,724	6.86%
6/30/2015	2,605,206	2,605,206	-	37,976,766	6.86%
6/30/2016	2,606,166	2,606,166	-	37,990,743	6.86%
6/30/2017	2,658,401	2,658,401	-	38,752,166	6.86%
6/30/2018	2,721,961	2,721,961	-	39,678,733	6.86%
6/30/2019	2,722,245	2,722,245	-	39,456,500	6.90%
6/30/2020	2,666,307	2,666,307	-	38,677,344	6.89%
6/30/2021	2,517,642	2,517,642	-	36,700,027	6.86%
6/30/2022	2,649,126	2,649,126	-	38,483,041	6.86%
6/30/2023	2,535,392	2,535,392	-	36,639,978	6.92%
6/30/2024	2,638,907	2,638,907	-	38,168,517	6.91%

*The data provided is based as of the measurement date of PSRS' and PEERS' net pension liability, which is as of the beginning of the District's fiscal year.

Parkway C-2 School District
OTHER POSTEMPLOYMENT BENEFIT OBLIGATION - UNAUDITED
Year ended June 30, 2024

Schedule of Changes in Total OPEB Liability

	Fiscal year ending June 30,					
	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service cost	\$ 892,604	\$ 1,265,913	\$ 1,479,571	\$ 1,259,292	\$ 1,147,551	\$ 1,242,800
Interest cost	1,251,175	788,033	929,527	1,079,588	1,602,599	1,308,387
Difference between expected and actual experience	(754,974)	-	(10,270,335)	-	(8,692,717)	-
Changes in plan provisions	-	-	-	-	(164,992)	-
Changes in assumptions	831,178	(7,696,742)	3,874,711	3,366,119	7,835,695	(2,931,113)
Employee contributions	3,714,601	3,983,674	3,740,202	3,400,531	3,344,712	3,526,894
Benefit payments	(5,117,863)	(5,269,941)	(5,236,667)	(4,865,370)	(5,124,298)	(5,239,563)
Net change in total OPEB liability	816,721	(6,929,063)	(5,482,991)	4,240,160	(51,450)	(2,092,595)
Total OPEB liability, beginning	30,702,245	37,631,308	43,114,299	38,874,139	38,925,589	41,018,184
Total OPEB liability, ending	\$ 31,518,966	\$ 30,702,245	\$ 37,631,308	\$ 43,114,299	\$ 38,874,139	\$ 38,925,589
Covered payroll	\$ 155,686,597	\$ 152,930,417	\$ 148,914,752	\$ 148,533,882	\$ 147,020,022	\$ 144,739,089
Total OPEB liability as a percentage of covered payroll	20.25%	20.08%	25.27%	29.03%	26.44%	26.89%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Plan Assets: No assets are accumulated in a trust that meets all of the following criteria of GASB No. 75, paragraph 4, to pay benefits:

Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.

Plan Assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.

Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

SUPPLEMENTARY INFORMATION

Parkway C-2 School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND
Year ended June 30, 2024

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues				
Local	\$ 27,852,263	\$ 29,701,691	\$ 30,139,658	\$ 437,967
County	737,299	737,671	784,755	47,084
Interest	200,000	950,000	1,226,671	276,671
Total revenues	28,789,562	31,389,362	32,151,084	761,722
Expenditures				
Debt service				
Principal retirement	15,780,000	15,780,000	15,780,000	-
Interest	10,810,185	10,810,185	10,810,185	-
Other	17,000	17,000	2,679	14,321
Total expenditures	26,607,185	26,607,185	26,592,864	14,321
NET CHANGE IN FUND BALANCE	<u>\$ 2,182,377</u>	<u>\$ 4,782,177</u>	5,558,220	<u>\$ 776,043</u>
Fund balance at July 1, 2023			<u>23,592,125</u>	
Fund balance at June 30, 2024			<u>\$ 29,150,345</u>	

Parkway C-2 School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
Year ended June 30, 2024

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues				
Local	\$ 292,320	\$ (1,076,311)	\$ 3,054,613	\$ 4,130,924
County	-	99,897	66,631	(33,266)
Interest	1,050,400	4,261,000	4,618,965	357,965
Total revenues	1,342,720	3,284,586	7,740,209	4,455,623
Expenditures				
Capital outlay	46,589,366	63,448,756	30,356,751	33,092,005
Debt service				
Principal retirement	-	-	118,606	(118,606)
Interest	-	1,323	1,322	1
Other	-	-	10,500	(10,500)
Total expenditures	46,589,366	63,450,079	30,487,179	32,962,900
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,246,646)	(60,165,493)	(22,746,970)	37,418,523
Other financing sources				
Transfer from general fund	8,000,000	5,700,000	5,700,000	-
NET CHANGE IN FUND BALANCE	\$ (37,246,646)	\$ (54,465,493)	(17,046,970)	\$ 37,418,523
Fund balance at July 1, 2023			125,857,346	
Fund balance at June 30, 2024			\$ 108,810,376	

STATISTICAL SECTION

Parkway C-2 School District

SUMMARY OF STATISTICAL INFORMATION

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the financial information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

	Pages
Financial Trends	62-68
These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.	
Revenue Capacity	69-73
These schedules contain information to help the reader assess the District's most significant local revenue source – property tax.	
Debt Capacity	74-76
These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	77-78
These schedules offer demographic economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	79-82
These schedules contain service data to help the reader assess how information in the District's financial reports relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

PARKWAY C-2 SCHOOL DISTRICT

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	\$ 69,719,235	\$ 71,557,667	\$ 66,291,913	\$ 77,797,419	\$ 86,996,815	\$ 59,397,808	\$ 18,846,676	\$ 40,378,277	\$ 82,559,146	\$ 5,897,945
Restricted for:										
Capital projects	-	-	-	-	-	36,430,979	72,108,318	56,844,513	21,926,055	108,810,376
Debt Service	4,137,058	8,779,831	13,657,187	6,734,140	5,893,582	8,783,436	11,277,002	14,351,547	20,998,172	25,521,513
Certificated employees' compensation and benefits	5,907,208	5,921,230	925,146	3,473,347	4,132,404	7,748,222	12,170,810	17,064,705	24,991,867	35,948,908
Unrestricted	(119,166,269)	(102,100,339)	(106,689,732)	(129,363,401)	(128,409,276)	(135,793,075)	(160,628,001)	(117,497,276)	(96,974,088)	(82,270,591)
Total net position	\$ (39,402,768)	\$ (15,841,611)	\$ (25,815,486)	\$ (41,358,495)	\$ (31,386,475)	\$ (23,432,630)	\$ (46,225,195)	\$ 11,141,766	\$ 53,501,152	\$ 93,908,151

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
Instruction	\$ 117,419,935	\$ 125,442,045	\$ 137,321,600	\$ 137,113,065	\$ 139,981,862	\$ 147,598,352	\$ 160,583,221	\$ 128,755,799	\$ 140,723,976	\$ 152,704,271
Student activities	4,223,712	4,955,335	4,917,661	4,421,230	4,163,378	3,595,061	2,672,872	3,231,748	3,951,466	4,225,962
Attendance	509,567	524,130	616,445	645,840	601,932	597,563	615,739	476,293	600,592	963,046
Guidance	6,203,939	7,068,591	7,591,500	7,754,796	8,274,316	9,206,537	10,789,576	9,484,544	10,530,102	11,621,096
Health services	2,507,675	2,610,245	2,795,680	2,998,818	3,028,579	3,124,499	3,381,499	2,705,411	2,850,997	3,207,652
Improvement of Instruction	6,040,942	6,778,701	8,251,830	8,083,012	6,642,597	6,288,892	6,321,387	4,582,522	7,429,852	5,473,449
Professional development	25,000	27,796	26,093	27,084	51,263	64,852	23,430	-	-	-
Media Services	3,310,475	3,789,457	4,153,826	4,380,178	4,570,001	4,875,704	5,276,236	4,313,512	4,934,623	5,249,425
Board of Education services	556,555	264,322	283,120	307,945	402,685	268,521	256,146	286,846	491,138	338,580
Executive administration	2,067,720	2,323,079	2,407,260	2,376,932	2,421,702	2,539,438	2,734,555	2,294,887	2,500,312	2,998,108
Building level administration	17,575,520	17,057,694	18,418,206	18,454,743	18,522,172	19,133,536	15,473,655	17,699,795	19,129,380	19,129,380
Operation of plant	25,579,658	10,376,999	25,693,591	25,756,638	24,381,982	24,617,278	33,585,462	10,667,501	13,047,877	22,946,698
Pupil transportation	9,084,146	24,718,581	10,199,069	12,184,788	12,115,426	11,935,615	10,430,583	26,111,381	27,221,487	12,521,604
Food services	5,953,779	1,168,243	6,470,989	6,510,660	6,297,332	6,132,665	5,103,012	1,169,469	1,402,350	6,988,145
Business and central services	12,604,100	9,153,179	12,625,805	11,901,273	13,302,424	14,928,726	13,199,252	10,388,148	12,962,776	19,199,831
Security services	1,116,659	5,683,921	1,289,203	1,257,314	1,413,472	1,202,107	1,343,206	6,641,717	7,142,219	1,558,256
Adult basic education	994,518	980,430	1,003,984	1,566,125	1,553,378	1,607,805	1,535,720	1,867,708	2,069,410	2,173,671
Adult continuing education	753,273	598,578	743,125	856,818	-	-	-	-	-	-
Community services	3,241,924	3,536,280	4,230,297	4,376,422	5,470,746	6,342,122	6,857,017	4,235,858	5,279,240	5,704,096
Interest and other expenses on long-term debt	5,173,860	6,442,766	6,860,381	8,200,468	8,154,315	6,869,660	6,934,315	6,755,098	6,818,192	10,540,394
Total governmental activities	224,942,957	233,159,982	255,899,815	259,174,149	261,449,562	270,568,020	290,776,764	239,442,117	267,656,404	287,543,664
Program revenues										
Governmental activities:										
Charges for services:										
Instruction	8,440,789	8,032,181	8,288,247	8,327,655	7,904,375	7,904,094	7,557,382	7,403,040	7,411,819	8,102,644
Student activities	3,549,655	3,784,750	3,868,974	3,970,112	3,720,575	2,886,146	1,286,851	3,128,685	3,629,453	3,517,249
Health Services	-	-	-	-	26,882	6,048	-	-	-	-
Operation of plant	254,553	355,734	351,729	351,814	448,554	394,174	664,199	251,469	38,205	140,828
Pupil Transportation	-	-	-	-	2,638,361	2,105,430	1,020,968	1,592,200	4,194,774	2,734,220
Food services	3,841,316	3,897,398	4,066,763	4,209,014	4,016,924	3,223,037	211,425	326,369	3,542,580	3,980,039
Business and central services	20,614	21,018	19,218	32,476	36,206	-	-	-	-	-
Community services	1,970,342	2,013,148	2,725,820	3,012,096	3,027,268	1,890,482	1,430,282	3,308,949	2,946,718	2,012,391
Operating grants and contributions	10,269,142	10,820,449	10,595,573	11,814,166	8,445,042	7,233,832	9,725,678	22,315,621	16,546,364	17,704,818
Total government program revenues	28,346,411	28,924,678	29,916,324	31,717,333	30,264,187	25,643,243	21,886,785	38,326,333	38,311,913	38,192,189
Net (expense)/revenue	\$ (196,596,546)	\$ (204,235,304)	\$ (225,983,491)	\$ (227,456,816)	\$ (231,185,375)	\$ (244,924,777)	\$ (268,889,979)	\$ (201,115,784)	\$ (229,344,489)	\$ (249,351,475)
Total government net expense										

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

**GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense)/revenue										
Total primary government net expense	\$ (196,596,546)	\$ (204,235,304)	\$ (225,983,491)	\$ (227,456,816)	\$ (231,185,375)	\$ (244,924,777)	\$ (268,889,979)	\$ (201,115,784)	\$ (229,344,489)	\$ (249,351,475)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes and all other Ad Valorem taxes	187,449,160	202,662,578	190,242,012	207,172,893	215,134,148	225,559,508	219,489,190	229,045,981	234,043,468	243,994,321
Sales Tax	14,133,967	15,176,728	15,339,451	15,440,981	16,059,749	16,068,745	17,267,749	19,826,522	20,653,883	22,305,887
Grants and contributions not restricted to specific programs	115,222	39,396	41,128	3,973	-	-	-	-	-	-
State Aid	8,365,479	8,766,258	9,019,499	9,108,816	8,847,452	8,583,308	8,756,418	9,267,631	9,146,499	8,785,032
Loss on disposal of assets	-	-	-	(23,662)	(1,470,169)	-	-	-	-	-
Loss on extinguishment of debt	-	-	-	(216,517)	-	-	-	-	-	-
Investment earnings	363,659	1,151,501	1,367,526	1,830,114	2,586,215	2,667,061	584,057	342,611	7,859,394	14,673,865
Total general revenues	210,427,487	227,796,461	216,009,616	233,316,598	241,157,395	252,878,622	246,097,414	258,482,745	271,703,244	289,759,105
Changes in net position	\$ 13,830,941	\$ 23,561,157	\$ (9,973,875)	\$ 5,859,782	\$ 9,972,020	\$ 7,953,845	\$ (22,792,565)	\$ 57,366,961	\$ 42,358,755	\$ 40,407,630

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

**FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable										
Prepaid Items	\$ 1,491,678	\$ 1,370,048	\$ 1,531,803	\$ 1,702,965	\$ 2,225,280	\$ 1,955,329	\$ 2,936,680	\$ 3,443,459	\$ 5,038,279	\$ 6,110,755
Inventory	633,453	661,929	1,685,038	1,184,967	699,285	974,164	1,003,815	1,177,572	6,307,506	2,794,460
Assigned-Student Activities	2,793,102	2,474,298	1,901,386	1,640,353	1,431,068	320,630	253,993	988,483	798,501	525,354
Unassigned	26,537,171	36,214,159	38,371,809	38,490,854	39,941,182	44,796,193	49,236,693	59,136,649	68,939,048	89,798,912
Total General Fund	31,455,404	40,720,434	43,490,036	43,019,139	44,296,815	48,046,316	53,431,181	64,746,163	81,083,334	99,229,481
All Other Governmental Funds										
Nonspendable										
Prepaid Items	2,682	-	-	1,000,096	-	-	-	-	-	-
Restricted										
Teachers Salaries and Benefits	3,742,352	2,219,018	925,146	3,473,347	4,132,404	7,748,222	12,170,810	17,064,705	24,991,867	35,948,908
Debt Service	6,103,666	10,106,755	13,767,360	36,717,985	36,159,219	11,259,389	13,979,499	16,948,311	24,382,632	29,280,773
Capital Projects	43,782,954	27,187,026	37,106,048	-	56,152,760	37,449,816	72,819,180	19,679,792	95,508,893	81,799,028
Assigned-other capital projects	5,574,328	357,156	1,626,386	18,749,938	9,572,874	-	-	37,560,704	29,557,945	26,880,920
Total all other governmental funds	59,205,982	39,869,955	53,424,940	59,941,366	106,017,257	56,457,427	98,969,489	91,253,512	174,441,337	173,909,629
Total fund balances	\$ 90,661,386	\$ 80,590,389	\$ 96,914,976	\$ 102,960,505	\$ 150,314,072	\$ 104,503,743	\$ 152,400,670	\$ 155,999,675	\$ 255,524,671	\$ 273,139,110

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

**GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Federal sources:										
Federal grants	\$ 2,519,199	\$ 3,030,557	\$ 2,709,703	\$ 2,571,602	\$ 1,839,628	\$ 1,642,729	\$ 3,712,488	\$ 11,988,134	\$ 4,950,420	\$ 7,383,765
Food services	1,945,471	1,981,208	2,146,136	2,145,449	2,108,374	1,572,289	2,306,005	7,224,531	3,834,617	2,727,610
Other federal revenue	858,042	922,640	991,098	710,358	863,796	954,079	919,204	674,667	1,123,636	1,106,068
Total federal sources	5,322,712	5,934,405	5,846,937	5,427,409	4,811,798	4,169,097	6,937,697	19,887,332	9,908,673	11,217,443
State sources:										
State education finance program	9,821,384	9,961,750	10,053,206	10,295,209	10,095,786	9,838,228	10,179,796	10,854,103	14,118,476	13,152,013
Food services	36,829	37,586	38,640	39,607	37,871	41,637	39,261	52,227	28,558	30,272
State grants	916,115	1,178,473	1,029,317	1,937,685	1,749,210	1,551,053	1,319,893	1,447,388	1,626,047	1,477,178
Other state revenue	88,507	257	73,462	3,213	-	-	-	1,158	13,109	612,945
Total state sources	10,862,835	11,178,066	11,194,625	12,275,714	11,882,867	11,430,918	11,538,950	12,354,876	15,786,190	15,272,408
Local sources:										
Ad valorem taxes	165,033,942	188,479,373	186,066,318	199,549,780	208,863,940	214,198,809	208,955,577	217,169,804	223,260,416	238,264,016
Sales taxes	14,133,967	15,176,728	15,339,451	15,440,381	16,059,749	16,068,745	17,267,749	19,826,522	20,653,883	22,305,887
Other taxes	8,717,677	9,443,105	9,030,723	5,490,786	11,986,303	6,676,205	6,184,297	7,540,304	6,126,429	6,148,527
Food service sales	3,841,316	3,897,398	4,066,763	4,209,014	4,016,924	3,223,037	211,426	326,369	3,542,580	3,980,039
Interest income	4,887,791	1,151,501	2,041,106	4,106,542	2,586,215	2,667,061	584,057	342,605	7,859,394	14,674,566
VICC - cost reimbursement	7,694,360	7,733,242	7,824,350	7,890,932	7,635,466	7,440,890	7,187,346	6,702,858	5,734,943	4,834,708
Amounts received from other LEA's	2,391,324	2,293,952	2,466,492	2,884,503	299,184	2,160,062	1,049,898	1,599,720	4,212,475	2,853,240
Other local revenues	11,805,356	4,316,412	4,344,562	4,002,588	537,153	5,534,759	3,575,211	6,655,102	8,273,552	3,599,642
Total local sources	218,505,733	232,491,711	231,179,765	243,575,126	251,984,934	257,969,568	245,015,561	260,163,284	279,663,672	296,660,625
County sources:										
State assessed utilities	2,649,930	2,939,248	2,839,138	3,023,453	3,117,174	3,126,871	3,142,626	3,225,296	3,304,269	3,248,120
Other county revenues	1,409,247	1,280,023	1,259,260	972,409	1,094,978	1,825,411	1,349,365	1,178,290	1,352,355	1,562,433
Total county sources	4,059,177	4,219,271	4,098,398	3,995,862	4,212,152	4,952,282	4,491,991	4,403,586	4,656,624	4,810,553
Total revenues	\$ 238,750,457	\$ 253,823,453	\$ 252,319,725	\$ 265,274,111	\$ 272,891,751	\$ 278,521,865	\$ 267,984,199	\$ 298,809,078	\$ 310,015,159	\$ 327,961,029

Sources:
Annual Secretary to the Board Report
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction	\$ 117,175,106	\$ 123,560,230	\$ 125,654,750	\$ 128,027,526	\$ 130,102,046	\$ 131,731,663	\$ 131,914,461	\$ 138,209,396	\$ 135,410,930	\$ 144,004,489
Student activities	4,253,069	5,186,091	4,753,114	4,166,091	3,927,890	3,212,945	2,182,249	3,442,913	3,771,668	3,924,074
Attendance	541,869	551,101	600,908	641,081	601,125	571,025	557,344	545,917	610,739	958,884
Guidance/Social Workers	7,026,544	7,053,805	7,400,154	7,697,653	8,263,207	8,797,684	9,682,427	10,870,951	10,708,011	11,464,546
Health services	2,658,874	2,744,564	2,725,360	2,976,721	3,024,513	2,985,744	3,069,861	3,100,875	2,899,165	3,126,756
Improvement of Instruction	6,452,342	6,924,964	7,856,784	7,833,241	6,465,410	5,853,412	5,586,707	5,088,441	7,425,985	5,486,566
Professional development	25,000	27,796	26,093	27,084	51,263	64,852	23,420	-	-	-
Media Services	3,704,162	3,982,614	4,049,128	4,347,902	4,563,866	4,659,180	4,775,857	4,957,722	5,015,016	5,147,689
Board of Education services	556,555	264,232	283,120	307,945	402,685	268,521	256,146	286,846	491,138	338,580
Executive administration	2,219,580	2,440,665	2,343,467	2,357,627	2,417,115	2,425,212	2,474,007	2,480,354	2,414,037	2,476,220
Building level administration	19,087,152	17,716,897	17,958,587	18,426,288	18,450,508	17,905,021	17,192,474	17,699,948	17,950,337	18,878,416
Business and central services	11,975,535	10,517,277	11,875,060	10,913,623	12,560,135	13,329,532	11,143,731	11,330,080	12,556,949	18,313,024
Operation of plant	22,700,957	22,362,669	22,665,203	24,014,501	24,304,493	23,087,371	22,727,240	24,972,233	25,270,444	24,914,257
Security services	1,144,679	1,249,388	1,256,709	1,248,049	1,411,574	1,148,723	1,215,821	1,311,704	1,426,044	1,538,356
Pupil transportation	8,812,486	8,959,210	9,393,482	11,503,014	11,492,833	10,814,403	8,720,952	11,122,672	12,122,242	11,567,489
Food services	6,072,444	5,945,569	6,275,002	6,435,235	6,235,024	5,583,628	4,350,508	7,280,603	6,933,289	6,573,271
Adult basic education	1,067,682	1,030,881	978,678	1,554,584	1,534,898	1,536,404	1,389,986	2,147,008	2,104,374	2,145,912
Adult continuing education	785,905	629,800	724,394	850,504	-	-	-	-	-	-
Community services	3,400,915	3,622,191	4,033,334	4,237,794	5,374,360	5,962,323	6,136,440	4,766,307	5,292,366	5,561,542
Capital Outlay	9,209,510	21,194,358	31,195,502	20,902,626	19,429,528	32,746,028	24,201,334	19,272,276	33,498,752	17,203,228
Debt service:										
Principal retirement	9,164,235	11,099,359	11,300,786	15,690,000	16,185,000	42,325,000	14,670,000	15,800,000	14,877,376	15,898,606
Interest	6,500,963	6,843,684	7,202,892	8,039,968	8,050,206	9,324,155	8,133,015	8,559,158	7,831,349	10,811,507
Other expense	1,056,503	17,064	149,731	139,695	609,435	4,727	161,475	2,847	508,242	13,179
Total Expenditures	\$ 245,592,067	\$ 263,924,409	\$ 280,702,238	\$ 282,338,712	\$ 285,457,114	\$ 324,337,553	\$ 280,565,455	\$ 293,248,251	\$ 309,118,453	\$ 310,346,591

Debt service as a percentage of noncapital expenditures

	7.61%	7.99%	8.08%	10.05%	10.30%	21.53%	9.84%	9.76%	9.20%	10.03%
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Sources:

Annual Secretary to the Board Report

Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES -

GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess of revenues over (under) expenditures	\$ (6,841,610)	\$ (10,100,956)	\$ (28,382,513)	\$ (17,064,601)	\$ (12,565,363)	\$ (45,815,688)	\$ (12,581,256)	\$ 3,560,827	\$ 896,705	\$ 17,604,702
Other financing sources (uses)										
Issuance of general obligation bonds	77,080,000	-	44,000,000	27,405,000	55,000,000	-	55,000,000	-	90,000,000	-
Payment to refunded bond escrow agent	(30,708,828)	-	-	(6,606,518)	-	-	-	-	-	-
Premium on issuance of bonds	4,653,700	-	673,579	2,276,429	4,876,057	-	5,463,329	-	8,614,955	-
Sale of other property	50,868	29,959	33,521	35,219	42,873	5,359	14,854	38,178	13,337	9,736
Total other financing sources(uses)	51,075,740	29,959	44,707,100	23,110,130	59,918,930	5,359	60,478,183	38,178	98,628,292	9,736
Net change in fund balances	\$ 44,234,130	\$ (10,070,997)	\$ 16,324,587	\$ 6,045,529	\$ 47,353,567	\$ (45,810,329)	\$ 47,896,927	\$ 3,599,005	\$ 99,524,996	\$ 17,614,438

Sources:
Annual Secretary to the Board Report
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Actual Value				Total Taxable Value	Total Direct Rate
	Residential Property	Agricultural Property	Commercial Property	Personal Property		
2015	2,585,648,810	587,850	1,031,162,640	541,145,370	4,158,544,670	4.298
2016*	2,699,945,500	777,090	1,100,564,190	535,320,980	4,336,607,760	4.488
2017	2,709,242,350	778,860	1,105,349,770	555,289,350	4,370,660,330	4.350
2018*	2,986,427,610	1,625,570	1,165,892,910	551,335,980	4,705,282,070	4.255
2019	3,002,746,860	1,627,220	1,105,532,790	575,071,200	4,684,978,070	4.387
2020*	3,333,067,190	1,507,050	1,237,697,960	596,344,950	5,168,617,150	4.152
2021	3,350,306,140	1,502,410	1,253,543,820	629,457,700	5,234,810,070	4.142
2022*	3,624,014,530	1,256,720	1,210,925,620	682,815,860	5,519,012,730	4.003
2023	3,644,948,590	1,387,920	1,239,139,820	816,690,290	5,702,166,620	3.998
2024*	4,231,630,900	895,410	1,316,746,550	840,659,770	6,389,932,630	3.789

NOTE:

Valuations are determined as of December 31 preceding the tax collection year less Tax Increment Financing(TIF)

* Represents a reassessment year

Sources:

Annual Secretary to the Board Report

Annual Report of the County Clerk to State Board of Education

PARKWAY C-2 SCHOOL DISTRICT

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Parkway	St Louis County	Overlapping Rates							
			City of Chesterfield	City of Creve Coeur	City of Kirkwood	City of Manchester	Fire District Metro West	Fire District Monarch	Fire District Creve Coeur	Fire District West County EMS
2015										
Res	4.4617	0.2060	0.0000	0.0690	0.6000	0.2370	1.0130	0.8060	1.1550	1.2740
Agr	4.3817	0.1790	0.0000	0.0590	0.0000	0.0000	1.0260	0.6940	1.1800	1.3030
Com	4.6796	0.2050	0.0000	0.0740	0.6160	0.2340	1.0720	0.9420	1.1280	1.2940
Per Prop	4.2279	0.2090	0.0000	0.0000	0.6240	0.2430	1.1370	1.0080	1.1950	1.3250
2016										
Res	4.2163	0.2060	0.0000	0.0680	0.6130	0.2380	1.0110	0.8050	1.1790	1.2710
Agr	4.4129	0.1790	0.0000	0.0590	0.0000	0.0000	1.0240	0.6940	0.0000	1.3030
Com	4.7419	0.2050	0.0000	0.0760	0.6370	0.2380	1.0920	0.9420	1.1590	1.2920
Per Prop	4.2258	0.2090	0.0000	0.0000	0.6210	0.2430	1.1370	1.0080	1.2200	1.3250
2017										
Res	3.9857	0.1950	0.0000	0.1450	0.5920	0.0660	0.9680	0.7630	1.1260	1.1900
Agr	2.2709	0.1570	0.0000	0.1160	0.0000	0.0000	0.9940	0.5830	0.0000	1.3200
Com	4.8958	0.1980	0.0000	0.1580	0.6170	0.0690	1.0190	0.8990	1.1770	1.2450
Per Prop	4.3589	0.2090	0.0000	0.0820	0.6340	0.0740	1.1480	1.0080	1.2380	1.3250
2018										
Res	4.0640	0.1950	0.0000	0.1650	0.6200	0.3210	1.1010	0.8800	1.0920	1.1900
Agr	2.2559	0.1570	0.0000	0.1160	0.0000	0.0000	1.1000	0.8660	0.0000	1.3180
Com	5.2247	0.1980	0.0000	0.1650	0.6480	0.3210	1.2090	0.9400	1.1690	1.2490
Per Prop	4.3874	0.2090	0.0000	0.0820	0.6410	0.3300	1.2850	1.0080	1.2020	1.3250
2019										
Res	3.7661	0.1760	0.0000	0.1570	0.4630	0.3170	1.0440	0.8360	1.0000	1.1070
Agr	2.4353	0.1570	0.0000	0.1050	0.0000	0.0000	1.1960	0.8590	0.0000	1.3050
Com	5.1407	0.1860	0.0000	0.1590	0.5100	0.3170	1.1670	0.9160	1.0960	1.2240
Per Prop	4.2609	0.2090	0.0000	0.0820	0.5570	0.3300	1.2990	1.0080	1.2120	1.3250

PARKWAY C-2 SCHOOL DISTRICT

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Parkway	St Louis County	Overlapping Rates							
			City of Chesterfield	City of Creve Coeur	City of Kirkwood	City of Manchester	Fire District Metro West	Fire District Monarch	Fire District Creve Coeur	Fire District West County EMS
2020										
Res	3.8330	0.1760	0.0000	0.1570	0.4930	0.3170	1.0390	0.9050	1.0280	1.1060
Agr	2.4389	0.1570	0.0000	0.1050	0.0000	0.0000	1.1930	0.8720	0.0000	1.3050
Com	4.9077	0.1860	0.0000	0.1580	0.5560	0.3170	1.1640	0.9770	1.1240	1.2240
Per Prop	4.2608	0.2090	0.0000	0.0820	0.6390	0.3300	1.2960	1.0790	1.2400	1.3250
2021										
Res	3.6390	0.1650	0.0000	0.1410	0.4620	0.3150	0.9310	0.8960	0.9750	1.0560
Agr	3.1397	0.1460	0.0000	0.0920	0.0000	0.0000	0.9320	0.8210	0.0000	1.3270
Com	4.8988	0.1860	0.0000	0.1480	0.5240	0.3150	1.0810	0.9330	1.1540	1.2240
Per Prop	4.2608	0.2090	0.0000	0.0680	0.6390	0.3300	1.2360	1.0970	1.2400	1.3200
2022										
Res	3.6390	0.1650	0.0000	0.1410	0.4620	0.3150	0.9310	0.8960	0.9750	1.0560
Agr	3.1397	0.1460	0.0000	0.0920	0.0000	0.0000	0.9320	0.8210	0.0000	1.3270
Com	4.8988	0.1860	0.0000	0.1480	0.5240	0.3150	1.0810	0.9330	1.1540	1.2240
Per Prop	4.2608	0.2090	0.0000	0.0680	0.6390	0.3300	1.2360	1.0970	1.2400	1.3200
2023										
Res	3.6481	0.1650	0.0000	0.1550	0.4840	0.3140	0.9220	0.8740	0.9750	1.0490
Agr	2.8566	0.1460	0.0000	0.1060	0.0000	0.0000	1.1060	0.9590	0.0000	1.3270
Com	4.8472	0.1860	0.0000	0.1650	0.5970	0.3140	1.1230	0.9580	1.1930	1.2080
Per Prop	4.2608	0.2090	0.0000	0.0820	0.7200	0.3300	1.2360	1.0790	1.2400	1.3200
2024										
Res	3.2883	0.1490	0.0000	0.1490	0.4520	0.3110	0.8400	0.8040	0.9080	1.0080
Agr	2.3027	0.1330	0.0000	0.1060	0.0000	0.0000	1.1060	0.5510	0.0000	1.1680
Com	5.1134	0.1750	0.0000	0.1620	0.5480	0.3110	1.0710	0.9490	1.1460	1.2190

PARKWAY C-2 SCHOOL DISTRICT

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Overlapping Rates										
Fiscal Year	Parkway	St Louis County	City of Chesterfield	City of Creve Coeur	City of Kirkwood	City of Manchester	Fire District Metro West	Fire District Monarch	Fire District Creve Coeur	Fire District West County EMS
Per Prop	4.2608	0.2090	0.0000	0.0820	0.7200	0.3300	1.2360	1.0790	1.2400	1.3550

Source:
St. Louis County Department of Revenue website

PARKWAY C-2 SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Principal Taxpayers	2024 Taxable Assessed Value	Percentage of Total Taxable Value	2015 Taxable Assessed Value	Percentage of Total Taxable Value
Chapter 100 St Louis County	\$ 69,789,780	1.09%	\$ 49,767,420	1.20%
Missouri American Water Company	38,982,700	0.61%	-	0.00%
RNSI City Place Owner LLC (formerly Conerstone Opportunity Ventures LLC)	38,498,690	0.60%	37,975,250	0.91%
Bayer Research & Development Serv LLC (formerly Monsanto)	34,029,750	0.53%	-	0.00%
Ameren UE	26,624,680	0.42%	-	0.00%
Chesterfield Mall LLC	-	0.00%	25,954,720	0.62%
WPP LLC (formerly)US Reif Westport Plaza Fee LLC	22,618,810	0.35%	17,758,140	0.43%
Emerson Rd LLC	21,910,400	0.34%	-	0.00%
EDJ Leasing Co LLP	20,273,700	0.32%	-	0.00%
PASSCO Chesterfield DST	17,569,930	0.27%	-	0.00%
Mills West Pointe 1 LLC	16,027,420	0.25%	-	0.00%
Ramco Gershenson Properties	-	0.00%	14,099,820	0.34%
MRES CP6 Holdings LP	-	0.00%	12,085,220	0.29%
I&G Direct RE 18 LP-JP Morgan	-	0.00%	11,936,000	0.29%
I&G Direct Real Estate 18 LP	-	0.00%	11,668,800	0.28%
TKG Manchester Highlands Shopping Center	-	0.00%	11,065,380	0.27%
Lutheran Senior Services	-	0.00%	10,815,920	0.26%
Total	<u>\$ 306,325,860</u>	4.79%	<u>\$ 203,126,670</u>	4.88%

Sources:
St. Louis County Assessor's Office
Basic Financial Documents

PARKWAY C-2 SCHOOL DISTRICT

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	178,738,408	174,262,717	97.50%	700,215	174,962,932	97.89%
2016*	194,310,332	189,464,922	97.51%	(3,353,710)	186,111,212	95.78%
2017	190,141,207	185,075,125	97.34%	(1,622,329)	183,452,796	96.48%
2018*	200,205,047	195,161,263	97.48%	(2,511,773)	192,649,490	96.23%
2019	208,152,234	200,745,151	96.44%	(1,846,975)	198,898,176	95.55%
2020*	214,621,659	212,270,426	98.90%	2,225,753	214,496,179	99.94%
2021	216,846,772	209,884,659	96.79%	(929,082)	208,955,577	96.36%
2022*	220,937,118	216,381,963	97.94%	787,841	217,169,804	98.29%
2023	227,978,324	222,349,066	97.53%	911,350	223,260,416	97.93%
2024*	242,082,598	236,087,544	97.52%	(3,520,624)	232,566,920	96.07%

NOTE: Valuations are determined as of December 31 preceding the tax collection year less TIF

* Reassessment Year

Source:
Annual Secretary to the Board Report

PARKWAY C-2 SCHOOL DISTRICT

**OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital leases	\$ 3,098,912	\$ 2,635,121	\$ 2,227,015	\$ 1,810,660	\$ 1,385,523	\$ 1,018,836	\$ 710,861	\$ 395,983	\$ 118,607	\$ -
General obligation bonds	189,647,590	177,493,275	209,692,816	215,753,585	245,760,000	203,435,000	257,557,389	227,965,000	303,365,000	287,585,000
DNR note	-	-	-	-	-	-	-	-	-	-
Total primary government	\$ 192,746,502	\$ 180,128,396	\$ 211,919,831	\$ 217,564,245	\$ 247,145,523	\$ 204,453,836	\$ 258,268,250	\$ 228,360,983	\$ 303,483,607	\$ 287,585,000
Estimated actual value of taxable property	\$ 4,158,544,670	\$ 4,336,607,760	\$ 4,370,660,330	\$ 4,705,282,070	\$ 4,684,978,070	\$ 5,168,617,150	\$ 5,234,810,070	\$ 5,519,012,730	\$ 5,702,166,620	\$ 6,389,932,630
% of general bonded debt to estimated actual value of taxable property	4.56%	4.09%	4.80%	4.59%	5.25%	3.94%	4.92%	4.13%	5.32%	4.50%
Personal Income	8,543,391,176	8,801,059,853	9,066,499,819	9,339,945,454	9,621,638,208	9,911,826,817	10,210,767,514	10,518,724,262	10,835,968,986	11,162,781,810
% of Personal Income	2.2561%	2.0467%	2.3374%	2.3294%	2.5686%	2.0627%	2.5294%	2.1710%	2.8007%	2.5763%
Population	142,888	143,336	143,784	144,234	144,685	145,138	145,592	146,048	146,505	145,959
Per Capita	\$ 1,349	\$ 1,257	\$ 1,474	\$ 1,508	\$ 1,708	\$ 1,409	\$ 1,774	\$ 1,564	\$ 2,071	\$ 1,970

NOTE: Valuations are determined as of December 31 preceding the tax collection year less TIF

Sources:
Annual Secretary to the Board Report
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024**

<u>Taxing Body</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<u>Direct</u>			
Parkway School District	<u>\$ 287,585,000</u>	100.00%	<u>\$ 287,585,000</u>
<u>Overlapping</u>			
St. Louis County	59,790,000	18%	10,937,185
City of Creve Coeur	7,525,000	21%	1,568,225
City of Manchester	13,020,000	9%	1,126,854
Fire District-Metro West	6,080,000	43%	2,643,100
Fire District-West County EMS	<u>1,685,000</u>	19%	<u>320,125</u>
Subtotal of Overlapping Debt	<u>\$ 88,100,000</u>		<u>\$ 16,595,488</u>
Total	<u><u>\$ 375,685,000</u></u>		<u><u>\$ 304,180,488</u></u>

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is endured by the residents and businesses of the District. Percentage of overlap is calculated by the Collector of Revenue's office as follows: For the purpose of determining the appropriate composite property tax rates, all properties are within areas defined by what are called school district sub-codes. Each sub-code accounts for what taxing districts have jurisdiction over a particular parcel, or property. Periodic ledgers comprising the total assessed values for each sub-code area are generated by County Revenue. Appropriate percentage overlap values have been selected from the appropriate ledger.

Sources:

Annual Secretary to the Board Report
All municipalities and fire districts
St. Louis County websites

PARKWAY C-2 SCHOOL DISTRICT

**LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed value										
Debt limit (15% of assessed value)										
Debt applicable to limit										
Amount available in Debt Service Fund										
Legal debt margin										
	\$	6,389,932,630								
		958,489,895								
		(287,585,000)								
		29,150,345								
	\$	700,055,240								

	Fiscal Year																	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024								
Debt Limit	\$	623,781,701	\$	650,491,164	\$	655,599,050	\$	705,792,311	\$	702,746,711	\$	775,292,573	\$	827,851,910	\$	855,324,993	\$	958,489,895
Total net debt applicable to limit		173,631,583		158,688,494		187,852,640		170,227,015		209,600,781		192,175,611		244,913,310		279,772,875		258,434,655
Legal debt margin	\$	450,150,118	\$	491,802,670	\$	467,746,410	\$	535,565,296	\$	493,145,930	\$	583,116,962	\$	582,938,600	\$	575,552,118	\$	700,055,240
Total net debt applicable to the limit as a percentage of debt limit		27.84%		24.40%		28.65%		24.12%		29.83%		24.79%		29.58%		32.71%		26.96%

Note:
Legal debt limit is 15% of assessed value
Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate(1)
2015	142,442	8,543,391,176	59,978	5.80%
2016	142,888	8,801,059,854	61,594	4.60%
2017	143,336	9,066,499,819	63,253	3.90%
2018	143,784	9,339,945,454	64,958	3.40%
2019	144,234	9,621,638,208	66,709	3.40%
2020	144,685	9,911,826,817	68,506	9.70%
2021	145,138	10,210,767,514	70,352	5.30%
2022	145,050	10,518,724,262	72,518	2.80%
2023	145,504	10,835,968,986	74,472	3.50%
2024	145,959	11,162,781,810	76,479	4.30%

Sources:

Fred Economic Data

Missouri Census Data Center Demographic Profile

Missouri Economic Research and Information Center (MERIC)

PARKWAY C-2 SCHOOL DISTRICT

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2024		2015	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Parkway School District	2,284	0.42%	2,400	0.45%
Schnucks Markets, Inc.	14,500	2.64%	10,750	2.00%
Dierberg's Markets, Inc.	5,001	0.91%	4,000	0.75%
St. Luke's Health Corporation	4,093	0.75%	2,300	0.43%
CPC Logistics	3,700	0.67%	0	0.00%
Solutia Inc	3,400	0.62%	3,400	0.63%
Reinsurance Group of America	2,640	0.48%	0	0.00%
Missouri Baptist Medical Center	1,670	0.30%	2,878	0.54%
Laird Technologies, Inc.	1,440	0.26%	0	0.00%
Kellwood	1,132	0.21%	0	0.00%
Bayer/Monsanto	1,120	0.20%	1,200	0.22%
Mercy Medical Center (Mercy Health System)	0	0.00%	8,900	1.66%
Coldwell Banker Gundaker	0	0.00%	3,600	0.67%
Charter Communications LLC	0	0.00%	2,500	0.47%
Delmar Gardens	0	0.00%	1,800	0.34%
Total	<u>40,980</u>	7.55%	<u>43,728</u>	8.18%

Sources:

Zippia

Basic Financial Statements

Sorkins Directory of Business & Government

Dun & Bradstreet Million Dollar Directory

Book of Lists

PARKWAY C-2 SCHOOL DISTRICT**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Supervisory										
Instructional administrators	6	7	7	7	8	8	9	9	9	5
Non-instructional administrators	8	12	12	14	14	14	12	11	11	18
Consultants/supervisors of instruction	32	34	21	22	21	27	19	19	22	78
Principals	28	27	28	22	27	27	27	27	27	27
Assistant principals	38	39	47	48	48	47	47	47	48	52
Total Supervisory	112	119	115	113	118	123	114	113	117	180
Instruction										
Elementary teachers	468	524	512	517	514	530	555	535	556	529
Middle school teachers	275	280	284	287	282	292	288	292	289	269
High school teachers	359	351	362	354	362	354	351	342	334	331
ESL teachers	24	24	26	30	30	31	34	32	36	42
Other instructional teachers	148	114	118	115	118	90	104	86	69	37
Aides	121	133	117	108	100	114	95	95	103	124
Total Instruction	1,394	1,426	1,419	1,411	1,406	1,411	1,427	1,382	1,387	1,331
Student Services										
Guidance counselors	72	71	73	70	72	79	83	75	73	77
Social workers/Behavioral Support Specialists	12	9	14	16	20	13	19	28	27	34
Librarians	31	31	31	31	31	31	32	32	32	33
Nursing Staff	38	38	40	40	40	39	41	40	41	41
Total Student Services	152	148	157	157	163	161	175	175	173	184
Support and Administration										
Managers	5	4	5	9	10	12	8	10	15	15
Clerical Support	41	37	19	17	18	16	14	14	16	10
Secretarial Staff	193	196	191	178	174	167	159	158	162	152
Service workers	325	340	335	333	334	311	254	192	163	163
Skilled crafts	44	46	40	37	37	36	32	32	31	29
Mechanical/Transportation	178	174	168	169	168	172	138	140	131	129
Other Support Staff	92	90	114	110	109	99	98	95	99	91
Total support and administration	878	887	872	853	850	813	703	641	617	589
Total	2,536	2,580	2,563	2,534	2,537	2,508	2,419	2,311	2,294	2,284

Source:
Basic Staffing Budgets

PARKWAY C-2 SCHOOL DISTRICT

**OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Government Wide Expenses	Cost Per Pupil	Percentage Change	Certified Instructional Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2015	17,279	202,015,622	11,691	1.76%	224,942,957	13,018	-7.02%	1,435	12.04	20.10%
2016	17,314	205,828,265	11,888	1.68%	233,159,982	13,467	3.44%	1,411	12.27	19.40%
2017	17,498	228,099,184	13,036	9.65%	255,899,815	14,625	8.60%	1,415	12.37	20.00%
2018	17,928	214,456,535	11,962	-8.24%	259,174,149	14,456	-1.15%	1,424	12.59	18.70%
2019	17,928	217,014,547	12,105	1.19%	262,844,453	14,661	1.42%	1,421	12.62	19.20%
2020	17,534	216,790,748	12,364	2.14%	270,568,020	15,431	5.25%	1,423	12.32	18.60%
2021	17,194	216,744,295	12,606	1.96%	284,981,619	16,574	7.41%	1,423	12.08	19.70%
2022	17,283	230,346,061	13,328	5.73%	239,475,117	13,856	-16.40%	1,382	12.51	12.30%
2023	16,757	244,564,175	14,595	9.51%	267,656,404	15,973	15.28%	1,387	12.08	18.70%
2024	17,146	253,266,548	14,771	1.21%	287,543,664	16,770	4.99%	1,331	12.88	18.80%

Sources:

Core Data Report
 Annual Secretary of the Board Report
 Annual Report of School Data (DESE website)
 Historical Information from Budget Report
 Basic Financial Statements

NOTE: Operating Expenditures exclude Debt Service, Bond Issue and Student Activity Expenditures. Debt Service, Bond Issue and Student Activity expenditures are unrelated to the education of the pupils and for the most part, out of the control of the District.

PARKWAY C-2 SCHOOL DISTRICT

**TEACHER BASE SALARIES
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>County Average Salary</u>	<u>Statewide Average Salary</u>
2015	41,500	92,200	57,001	47,393
2016	41,800	93,400	59,753	47,955
2017	42,400	95,400	60,461	48,619
2018	42,600	95,650	60,901	49,300
2019	42,800	97,200	61,692	51,220
2020	43,000	98,000	62,589	51,980
2021	44,000	99,000	63,622	52,000
2022	44,300	101,000	64,345	52,839
2023	47,000	103,000	65,648	54,537
2024	47,500	105,000	65,810	55,849

Sources:

Annual Report of School Data (DESE website)
Cooperating School District Core Data Reports
District salary schedules
District Profile reports

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APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

Dated as of November 1, 2025

by the

PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI

\$100,000,000*

**Parkway C-2 School District, St. Louis County, Missouri
General Obligation Bonds
Series 2025**

* Preliminary; subject to change.

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of November 1, 2025 (this “*Undertaking*”) is executed and delivered by the **PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI** (the “*Issuer*”).

RECITALS

1. This Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$100,000,000* General Obligation Bonds, Series 2025** (the “*Bonds*”), pursuant to a resolution adopted by the governing body of the Issuer on October 15, 2025 (the “*Resolution*”).

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

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

Section 1. Definitions.

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

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

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

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

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

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

* Preliminary; subject to change.

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

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

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

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

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

Section 2. Provision of Annual Reports.

- (a) The Issuer shall not later than **180 days** after the end of the Issuer’s Fiscal Year, commencing with the Fiscal Year ended June 30, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the *“Annual Report”*):
 - (1) The audited financial statements of the Issuer for the prior Fiscal Year prepared in accordance with the accounting principles described in the notes to the financial statements included as **Appendix B** to the final Official Statement for the Bonds and audited by its independent auditors. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data related to the Bonds, as described in **Exhibit A** hereto, with such modifications to the formatting and general presentation thereof as deemed appropriate by the Issuer; provided, any substantive change to information provided shall be effected only in accordance with **Section 6** hereof.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been 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 Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** hereof.

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

Section 3. Reporting of Material Events.

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

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of bondholders, if material;
- (h) bond calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer (which shall be deemed to occur as provided in the Rule);
- (m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (o) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)** hereof, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a

timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation.

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

Section 5. Dissemination Agent.

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

Section 6. Amendment; Waiver.

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

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

Section 7. Additional Information.

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

Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default.

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

Section 9. Beneficiaries.

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

Section 10. Severability.

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

Section 11. Electronic Transactions.

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

Section 12. Governing Law.

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

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IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed this 5th day of November, 2025.

**PARKWAY C-2 SCHOOL DISTRICT,
ST. LOUIS COUNTY, MISSOURI**

By: _____
Title: President of the Board of Education

EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING

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

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

1. **“THE DISTRICT – History of Enrollment.”**
2. **“DEBT STRUCTURE OF THE DISTRICT – Debt Ratios and Related Information,”**
“– General Obligation Indebtedness” and “– Debt Service Requirements for General
Obligation Bonds Outstanding.”
3. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property**
Valuations – *History of Property Valuations*,” “– Tax Rates – *Tax Rates – Allocation by*
***Fund*,” “– Tax Collections” and “– Major Property Taxpayers.”**