

NEW ISSUE
BOOK-ENTRY ONLY

S&P Direct Deposit Program Rating: AA+
S&P Underlying Rating: AA
See “BOND RATINGS” herein

In the opinion of Thompson Coburn LLP, Bond Counsel, conditioned on continuing compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri. Also in the opinion of Bond Counsel, interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax; however, Bond Counsel notes that for tax years beginning after December 31, 2022, 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. In the opinion of Bond Counsel, the Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense). See “TAX MATTERS” herein and the form of opinion of Bond Counsel attached hereto as APPENDIX C.

\$37,880,000*
PATTONVILLE R-III SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI
General Obligation Refunding Bonds
(Missouri Direct Deposit Program)
Series 2025

Dated: Date of Delivery

Due: As shown on the inside cover

The General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025 (the “Bonds”) will be issued by the Pattonville R-III School District, St. Louis County, Missouri (the “District”) for the purpose of providing funds, together with other legally available funds of the District, to (1) refund the Refunded Bonds, as defined and described herein, and (2) pay the costs of issuance of the Bonds.

The Bonds will be issued as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as bondowner and nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or integral multiples thereof. Purchasers of the Bonds (the “Beneficial Owners”) will not receive certificates representing their interest in the Bonds. So long as Cede & Co. is the owner of the Bonds, as nominee of DTC, references herein to the owners of the Bonds or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See the section herein captioned “THE BONDS – Book-Entry Only System.”

Principal of the Bonds will be payable 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 March 1, 2026. So long as DTC or its nominee, Cede & Co., is the bondowner, such payments will be made by UMB Bank, N.A., St. Louis, Missouri, as paying agent and bond registrar (the “Paying Agent”), directly to such bondowner. Disbursement of such payments to the DTC Participants is the responsibility of DTC. Distribution of such payments to Beneficial Owners is the responsibility of the DTC Participants and Indirect Participants, as more fully described herein. See the section herein captioned “THE BONDS – Book-Entry Only System.”

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.

The Bonds are offered when, as and if issued by the District, subject to the approval of their validity by Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel, and subject to certain other conditions. Certain legal matters related to this Official Statement will be passed upon by Thompson Coburn LLP, St. Louis, Missouri. 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 December 2, 2025.

The date of this Official Statement is November 3, 2025.

* Preliminary, subject to change.

\$37,880,000*
PATTONVILLE R-III SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2025

MATURITY SCHEDULE*
Base CUSIP: 791400

<u>Year</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
2027	\$3,795,000	%	%	
2028	3,965,000			
2029	4,095,000			
2030	4,280,000			
2031	1,925,000			
2032	2,020,000			
2033	2,065,000			
2034	2,165,000			
2035	2,260,000			
2036	3,620,000			
2037	3,770,000			
2038	3,920,000			

* Preliminary, subject to change.

**PATTONVILLE R-III SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI**

11097 St. Charles Rock Road
St. Ann, Missouri 63074
(314) 213-8005

BOARD OF EDUCATION

Jeanne Schottmueller, *President and Director*
Lisa Kickbusch, *Vice-President and Director*
Jan Schweiss, *Secretary and Director*
Rená Simmons, *Treasurer and Director*
Mary Kay Campbell, *Director*
Dr. Brian J. Gray, *Director*
Dr. Dan Wentz, *Director*

ADMINISTRATION

Dr. Barry Nelson, *Superintendent of Schools*
Mary Jo Gruber, *Chief Financial/Operating Officer*
Dr. Latoria Cain, *Assistant Superintendent of Student Services*
David Besgrove, *Chief Human Resource Officer*
Kelly Gordon, *Chief Communications Officer*

BOND COUNSEL AND DISCLOSURE COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

PAYING AGENT

UMB Bank, N.A.
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. 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 responsibility 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 OVER-ALLOT 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.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS INDICATED UNDER THE CAPTION “CONTINUING DISCLOSURE UNDERTAKING.”

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OFFICIAL STATEMENT

\$37,880,000*
PATTONVILLE R-III SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI
General Obligation Refunding Bonds
(Missouri Direct Deposit Program)
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 pages 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 pages and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of \$37,880,000* aggregate principal amount of General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025 (the “**Bonds**”) by the Pattonville R-III School District, St. Louis County, Missouri (the “**District**”). The issuance and sale of the Bonds is authorized by a resolution expected to be adopted by the Board of Education of the District on October 14, 2025 (the “**Resolution**”). All capitalized terms not otherwise defined herein have the meanings assigned to those terms in the Resolution.

Authority for and Purpose of the Bonds

The Bonds are being issued pursuant to and in full compliance with the Constitution and statutes of the State of Missouri and the Resolution. See the captions “**THE BONDS**” and “**SECURITY FOR THE BONDS**.” The Bonds are being issued for the purpose of providing funds, together with other legally available funds of the District, to (1) refund the Refunded Bonds, as defined and described under the section herein captioned “**PLAN OF FINANCING – Refunding of the Refunded Bonds**,” and (2) pay the costs of issuance of the Bonds. See the section herein captioned “**PLAN OF FINANCING**.”

Security for the Bonds

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

Direct Deposit Agreement. Pursuant to a Direct Deposit Agreement, among the Office of the Treasurer of the State of Missouri, the Department of Elementary and Secondary Education of the State of Missouri, the Health and Educational Facilities Authority of the State of Missouri, BOKF, N.A. and the District, the District will agree that a portion of its State Aid payments will be transferred to BOKF, N.A.,

* Preliminary, subject to change.

as Direct Deposit Trustee, in order to pay the debt service on the Bonds. See the section herein captioned **“SECURITY FOR THE BONDS — Direct Deposit of State Aid Payments.”**

Continuing Disclosure

The District will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and operating data and notices of the occurrence of certain events. See the section herein captioned **“CONTINUING DISCLOSURE UNDERTAKING.”**

Descriptions 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 will be issued in the aggregate principal amount of \$37,880,000* and will consist of fully registered bonds without coupons numbered from R-1 upward in order of issuance in denominations of \$5,000 or any integral multiple thereof (**“Authorized Denominations”**). All of the Bonds will be dated the date of initial issuance and delivery thereof and will become due in the amounts on the Stated Maturities and will bear interest at the rates shown on the inside cover page hereof (computed on the basis of a 360-day year of twelve 30-day months) from the date thereof or from the most recent date to which interest has been paid or duly provided for, payable semiannually on March 1 and September 1 in each year (each an **“Interest Payment Date”**), beginning on March 1, 2026.

The interest payable on each Bond on any Interest Payment Date will be paid to the person in whose name such Bond is registered (the **“Registered Owner”**) of such Bond 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 such Interest Payment Date (the **“Record Date”**) for such interest (1) by check or draft mailed by UMB Bank, N.A., whose principal payment office is located in St. Louis, Missouri and any successors or assigns (the **“Paying Agent”**) to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner, or (2) in the case of an interest payment to any Registered Owner of \$500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner and given to the Paying Agent not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), its ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed.

The principal or Redemption Price of each Bond will be paid at Maturity by check or draft to the Registered Owner at the Maturity thereof, upon presentation and surrender of such Bond at the principal payment office of the Paying Agent located in St. Louis, Missouri, or such other payment office designated by the Paying Agent.

* Preliminary, subject to change.

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds or portions thereof maturing on March 1, 2036 and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2035 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

The Paying Agent shall call Bonds for redemption and payment and shall give notice of such redemption as provided in the Resolution upon receipt by the Paying Agent at least 45 days prior to the Redemption Date of the District's written instructions specifying the principal amount, Stated Maturities, Redemption Date and Redemption Prices of the Bonds to be called for redemption. The Paying Agent may in its discretion waive such notice period so long as the notice requirements set forth in the Resolution are met.

Bonds shall be redeemed only in Authorized Denominations. 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 and bearing interest at the same interest rate 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 and Effect of Call for Redemption

Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on 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.

All official notices of redemption shall be dated and shall contain the following information: (i) the Redemption Date; (ii) the Redemption Price; (iii) if less than all Outstanding Bonds are to be redeemed, the identification number, if any, of each Bond being redeemed, Stated Maturity and, in the case of partial redemption of any Bonds, the respective principal amounts of the Bonds to be redeemed; (iv) a statement that on the Redemption Date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the Redemption Date; and (v) the place where such Bonds are to be surrendered for payment of the Redemption Price, which shall be the principal payment office of the Paying Agent.

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

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 herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds of the same Stated Maturity and interest rate 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 as provided in the Resolution and shall not be reissued.

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.

Book-Entry Only System

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

General. The 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.

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.

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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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 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 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 position 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. Upon surrender of any Bond at the principal payment office of the Paying Agent or such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any Authorized Denomination and 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 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.

SECURITY FOR THE BONDS

General

Pledge of Full Faith and Credit. The Bonds will be general obligations of the District payable as to both principal or Redemption Price 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.

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 or Redemption Price of and interest on the Bonds as the same becomes due and payable in each year. Such taxes shall be extended upon the tax rolls in each year of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the District's other ad valorem taxes are levied and collected. Except as otherwise provided under the heading **"SECURITY FOR THE BONDS – Direct Deposit of State Aid Payments,"** the proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the District and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

Direct Deposit of State Aid Payments

Pursuant to Section 360.111 *et seq.* of the Revised Statutes of Missouri, as amended, and related statutes (the **"Deposit Law"**), the State of Missouri (the **"State"**) and the District may agree to transfer to BOKF, N.A., as direct deposit trustee (the **"Deposit Trustee"**), a portion of the District's State aid payments and distributions normally used for operational purposes (**"State Aid"**) in order to provide for payment of debt service on the Bonds. On the date of issuance of the Bonds, the District will enter into a Direct Deposit Agreement (the **"Deposit Agreement"**), with the Office of the Treasurer of the State of Missouri (**"Treasurer's Office"**), the Department of Elementary and Secondary Education of the State of Missouri (**"DESE"**), the Health and Educational Facilities Authority of the State of Missouri and the Deposit Trustee. The Deposit Agreement will provide for payment of one-tenth (1/10) of the debt service due on March 1, 2026 and September 1, 2026 to be paid in each of the ten (10) months March 2026 through September 2026 and December 2026 through February 2027, and each succeeding ten (10) similar months (i.e., March through September and December through February) for each bond year after the Bonds are issued as long as the Bonds are outstanding. Amounts of State Aid to the District in excess of the one-tenth (1/10) monthly deposit will not be deposited with the Deposit Trustee but will be transferred directly to the District as has historically been the case with all State Aid.

Each month, pursuant to the terms of the Deposit Agreement, DESE will advise the Treasurer's Office of the amount of the District's State Aid to be deposited with the Deposit Trustee for the purpose of paying the Bonds, as specified in the Deposit Agreement. If there is a shortfall in a monthly payment, it is to be made up in the succeeding monthly payment of State Aid. Following receipt of the deposits, the Deposit Trustee will invest the amounts for the benefit of the District. The Deposit Trustee will transfer to the Paying Agent the amount necessary for payment of debt service on the Bonds not later than the day prior to each payment date with respect to the Bonds. The District remains obligated to provide funds to the Paying Agent for debt service on the Bonds if the amounts of State Aid transferred are not sufficient to pay the Bonds when due.

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

RISK FACTORS

The following is a discussion of certain risks that could affect the payments to be made by the District with respect to the Bonds. Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds or a determination that the interest on the Bonds might be deemed taxable for purposes of federal income taxation. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Potential Impact of Pandemics

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, 2020 through 2024 are set forth under the caption “**FINANCIAL INFORMATION CONCERNING THE DISTRICT – Summary of Revenues and Expenditures**” in **APPENDIX A** to this Official Statement.

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 or Redemption Price 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 – Historic Assessed Valuation**” in **APPENDIX A: INFORMATION REGARDING THE DISTRICT** of this Official Statement. In addition, the issuance of additional general obligation bonds by the District or other indebtedness by other political subdivisions in the District would increase the tax burden on taxpayers in the District. See “**DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying Indebtedness**” in **APPENDIX A: INFORMATION REGARDING THE DISTRICT** 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 – Debt Limitation and Debt Capacity**” in **APPENDIX A: INFORMATION REGARDING THE DISTRICT** 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 and

counties, which are limited to general obligation debt of 20% and 10% of the 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. In calendar year 2020, no single property owner owned more than 4.54% of the total taxable property in the District. See **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Taxpayers"** in **APPENDIX A: INFORMATION REGARDING THE DISTRICT** 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. On October 17, 2023, the St. Louis County Council passed a bill implementing the Senior Property Tax Credit Program in St. Louis County, which became law on November 1, 2023, and will be effective beginning for the 2024 property tax cycle. Such ordinance excludes relief to taxpayers from paying dedicated ad valorem taxes levied for the payment of bonded indebtedness.

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.

Missouri Property Tax Cap

In June 2025, the Missouri General Assembly passed Senate Bill 3, which authorizes counties to grant property tax credits in the form of a cap on increases to residential real property tax bills. For certain counties, the real property tax liability on an eligible taxpayer's home may be increased by no more than five percent per year or the percent increase in the Consumer Price Index, whichever is greater. For other counties the real property tax liability on an eligible taxpayer's home may not be increased above the liability incurred during the initial credit year. The City of St. Louis and 17 counties, including St. Louis County, are exempt from the bill. The initial credit year is 2024 or, if the eligible taxpayer's real property tax liability is lower in a subsequent year, the initial credit year is that subsequent calendar year. All non-exempt counties are required to place a question of whether to enact this real property tax cap on the ballot by no later than the April 2026 general election. If a majority of the votes cast on the question are in favor of the cap, the credit shall be in effect and the county shall grant the property tax credit to eligible taxpayers. The County Collector will note the amount of any credit on the real property tax bills sent to eligible taxpayers. The potential financial impact of Senate Bill 3 on the District is not yet ascertainable. Multiple lawsuits challenging the constitutionality of Senate Bill 3 have been filed; however, such litigation is ongoing, and it is not possible to determine the final outcome or any potential impact of such proceedings on the District at this time.

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

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

Ratings

The Rating Agency (defined herein) has assigned the Bonds the ratings set forth in the section herein captioned **"BOND RATINGS."** Such ratings reflect only the views of the Rating Agency, and an explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by the Rating Agency if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

State Aid and Direct Deposit Agreement

Approximately ____% of the District's revenue is derived from State Aid. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue"** and **"– State Revenue"** in **APPENDIX A** of this Official Statement. A portion of the District's State Aid is currently pledged to the payment of the Bonds and will be directly deposited by the State with the Deposit Trustee for payment of the Bonds. See **"SECURITY FOR THE BONDS – Direct Deposit of State Aid Payments"** in this Official Statement. Reductions in State Aid could occur in the future if, for example, the State 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.

Amendment of the Resolution

Certain amendments, effected by resolution of the District, to the Bonds and the Resolution may be made with consent of the 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.

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 of Missouri 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 or State of Missouri income tax purposes. See the section herein captioned **“TAX MATTERS.”**

The Internal Revenue Service (the **“Service”**) has 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 Service, 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. 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.

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 the State of Missouri. Section 108.180 of the Revised Statutes of Missouri, as amended, requires that any interest and sinking fund moneys only be used to pay principal and interest on the Bonds. The District, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

Pensions 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 **“THE DISTRICT – Pension and Retirement Plans”** in **APPENDIX A** of this Official Statement. Future required contribution increases beyond the current fiscal year may require the District to increase its revenues, reduce its expenditures, or some combination thereof, which may impact the District’s operations or limit the District’s ability to generate additional revenues in the future.

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.

PLAN OF FINANCING

General

The Bonds are being issued for the purpose of providing funds, together with other legally available funds of the District, to (1) refund the Refunded Bonds, as defined and further discussed below, and (2) pay the costs of issuance of the Bonds.

Refunding of the Refunded Bonds

The District will use a portion of the proceeds of the Bonds for the purpose of providing funds to refund (1) a portion of the District’s remaining outstanding General Obligation Refunding Bonds, Series 2017A (the **“Series 2017 Bonds”**), being those Series 2017 Bonds maturing on March 1 in the years 2027 and thereafter (the **“Refunded Series 2017 Bonds”**), aggregating the principal amount of \$16,190,000, and (2) all of the District’s remaining outstanding General Obligation Bonds, Series 2018A (the **“Series 2018 Bonds”**), being those Series 2018 Bonds maturing on March 1 in the years 2031 and thereafter (the **“Refunded Series 2018 Bonds”** and together with the Refunded Series 2017 Bonds, the **“Refunded Bonds”**), aggregating the principal amount of \$23,000,000. On the date of issuance of the Bonds, the District will transfer a portion of the proceeds of the Bonds to UMB Bank, N.A., St. Louis, Missouri, as the paying agent for the Refunded Bonds, for payment of the principal of and interest on the Refunded Bonds.

Sources and Uses of Funds

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

Sources of Funds

Par Amount of Bonds	\$37,880,000*
Plus: Original Issue Premium	
Total	<u>\$</u>

Use of Funds

Refunding of the Refunded Bonds	\$
Costs of issuance (including Underwriter's discount)	
Total	<u>\$</u>

THE DISTRICT

The District is located in St. Louis County, Missouri and encompasses approximately twenty-seven square miles. The District includes portions of unincorporated St. Louis County, as well as areas in the following municipalities: Bridgeton, Maryland Heights and St. Ann. The District has a population of approximately 44,747. The District is located just three miles from Lambert International Airport. The District may be accessed by three highways: Interstate 70, Interstate 270 and Highway 370. This network of highways provides convenient access to the entire St. Louis Metropolitan Area. See **APPENDIX A: INFORMATION REGARDING THE DISTRICT** for further information regarding the District.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Bonds are subject to the approving legal opinion of Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel. Bond Counsel has participated in the preparation of this Official Statement; however, Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof except for the matters appearing in the section of this Official Statement captioned "**THE BONDS**" (other than the information appearing in the subsection captioned "**Book-Entry Only System**"), "**SECURITY FOR THE BONDS**," "**BONDOWNERS' RISKS**," "**LEGAL MATTERS**," "**TAX MATTERS**," "**CONTINUING DISCLOSURE UNDERTAKING**," and **APPENDIX C: FORM OF OPINION OF BOND COUNSEL**. Certain legal matters related to this Official Statement will be passed upon by Thompson Coburn LLP, St. Louis, Missouri.

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

* Preliminary, subject to change.

BOND RATINGS

S&P Global Ratings, a division of S&P Global Inc. (the “**Rating Agency**”), has assigned a municipal bond rating of “___” to the Bonds based upon the District’s participation in the Missouri Direct Deposit Program, and has assigned a municipal bond rating of “___” to the Bonds based on the underlying credit of the District.

Such ratings reflect only the views of the Rating Agency, and an explanation of the significance of each rating may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by Rating Agency if, in its judgment, circumstances warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Certificate, the District is required to bring to the attention of the holders of the Bonds any change to the ratings of the Bonds but has not undertaken any responsibility to oppose any such change. See the section herein captioned “**CONTINUING DISCLOSURE UNDERTAKING.**” Any revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds.

TAX MATTERS

Tax Exemption

The opinion of Thompson Coburn LLP, Bond Counsel, to be delivered upon the issuance of the Bonds, a form of which is attached hereto as **APPENDIX C: FORM OF OPINION OF BOND COUNSEL**, will state that, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

Bond Counsel’s opinion will be subject to the condition that the District comply with all requirements of the Code that must be satisfied in order that interest on the Bonds be, and continue to be, excluded from gross income for federal income tax purposes and exempt from income taxation by the State of Missouri. The District is to covenant in the Resolution and the Tax Compliance Agreement to comply with all such requirements. In addition, Bond Counsel will rely on representations by the District and others, with respect to matters solely within their knowledge, which Bond Counsel has not independently verified. Failure to comply with the requirements of the Code (including due to the foregoing representations being determined to be inaccurate or incomplete) may cause interest on the Bonds to be included in gross income for federal income tax purposes and not be exempt from income taxation by the State of Missouri retroactive to the date of issuance of the Bonds. Bond Counsel has not been retained to monitor compliance with requirements such as described above subsequent to the issuance of the Bonds. In addition, the Resolution does not require the District to redeem the Bonds or to pay any additional interest or penalty in the event that interest on the Bonds becomes taxable.

In addition, the opinion of Bond Counsel will state that, under existing law, interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax. Furthermore, the opinion of Bond Counsel will state that, under existing law, the Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

Except as stated above, the opinion of Bond Counsel will express no opinion as to any federal, state or local tax consequences arising with respect to the Bonds.

Bond Counsel’s opinions are based on Bond Counsel’s knowledge of facts as of the date thereof. Further, Bond Counsel’s opinions are based on existing legal authorities, cover certain matters not directly

addressed by such authorities and represent Bond Counsel's legal judgment as to the proper treatment of the Bonds for federal and State of Missouri income tax purposes. Such opinions are not a guarantee of result and are not binding on the Service or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the Service. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur.

Original Issue Discount

The initial public offering prices of certain maturities of the Bonds, as set forth on the inside cover page of this Official Statement, may be less than the respective stated redemption prices at maturity (such Bonds are hereinafter referred to as "**OID Bonds**"). An amount equal to the difference between the initial public offering price of an OID Bond (assuming a substantial amount of such maturity is first sold at that price) and its stated redemption price at maturity constitutes original issue discount. The amount of original issue discount properly accruable with respect to an OID Bond is excluded from gross income for federal income tax purposes (subject to the condition of compliance by the District with the requirements of the Code) and is exempt from income taxation by the State of Missouri. The amount of properly accruable original issue discount during the period that the owner holds an OID Bond is added to the owner's tax basis for purposes of determining gain or loss upon maturity, redemption, prior sale or other disposition of such OID Bond.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues during any accrual period to an owner of an OID Bond who purchases such OID Bond in this initial offering at the initial offering price generally equals (1) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity of such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (3) any interest on such OID Bond payable during, or otherwise allocable to, such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period. Each owner of an OID Bond may select accrual periods that may vary in length over the term of the OID Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period.

Owners of OID Bonds (and particularly those not purchasing in this initial offering at the initial offering prices) should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal and State of Missouri income tax purposes and with respect to other federal, state, local and foreign consequences of owning or disposing of such OID Bonds.

Premium

An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes amortizable bond premium on such Bond. A purchaser of a Bond generally must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield on the Bond to maturity; provided that the premium must be amortized over the period to a call date with respect to the Bond, based on the purchaser's yield on the Bond to such call date, if the call by the District on such date would minimize the purchaser's yield on the Bond. As premium is amortized, the purchaser's basis in such Bond (and the amount of tax-exempt stated interest received) will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal and State of Missouri income tax purposes

upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal or State of Missouri income tax deduction is allowed.

Owners of Bonds who purchase at a premium (whether at the time of initial issuance or subsequent thereto) should consult their own tax advisors with respect to the determination and treatment of premium for federal and State of Missouri income tax purposes and with respect to other tax consequences of owning or disposing of such Bonds.

Market Discount

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, in the case of a Bond other than an OID Bond (or, its revised issue price, in the case of an OID Bond, defined as the sum of the issue price of such OID Bond and the aggregate amount of the original issue discount previously accrued thereon), the purchaser will be treated as having purchased such Bond at a "market discount," unless such market discount is less than a statutory de minimis amount). Under the market discount rules, an owner of a Bond will be required to treat any principal payment (or, in the case of an OID Bond, any payment that does not constitute qualified stated interest) on, or any gain realized on the sale, exchange, retirement or other disposition (including certain nontaxable dispositions such as gifts) of, such Bond as ordinary income to the extent of the market discount which has previously not been included in gross income and is treated as having accrued on such Bond at the time of such payment or disposition. An owner of a Bond may instead elect to include market discount in gross income each taxable year as it accrues with respect to all debt instruments (including a Bond) acquired in the taxable year for which the election is made. Such election would apply to the taxable year for which it is made and for all subsequent taxable years and could be revoked only with the consent of the Service. The accrued market discount on a Bond is generally determined on a ratable basis, unless the owner of the Bond elects with respect to such Bond to determine accrued market discount under a constant yield method similar to that applicable to original issue discount.

The applicability of the market discount rules may adversely affect the liquidity or secondary market price of a Bond. Owners of Bonds should consult their own tax advisors regarding the potential implications of the market discount rules with respect to the Bonds.

Sale, Exchange, or Retirement of Bonds.

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

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other federal and State of Missouri income tax consequences to certain taxpayers, including, without limitation, financial institutions, insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers who have incurred or continued indebtedness to purchase or carry, or have paid or incurred certain expenses allocated to, the Bonds, individuals who may be eligible for the earned income credit, owners who dispose of any Bond prior to its stated maturity (whether by sale or otherwise) and owners who purchase any Bond at a price different from its initial offering price. All

prospective purchasers of the Bonds should consult their own tax advisors as to the applicability and the impact of any other tax consequences (which may depend upon their particular tax status or other tax items), as well as to the treatment of interest on the under state or local laws other than those of the State of Missouri.

Under the Code, all taxpayers are required to report on their federal income tax returns the amount of interest (including properly allocable original issue discount) received or accrued during the year that is excluded from gross income for federal income tax purposes. This requirement applies to interest on all tax-exempt obligations, including, but not limited to, the Bonds. Also, the Code requires the reporting by payors of tax-exempt interest in a manner similar to that for interest on taxable obligations. Generally, payors (including paying agents and other middlemen and nominees) of tax-exempt interest (such as interest on the Bonds) to non-corporate payees are subject to federal income tax annual information return and payee statement reporting and recordkeeping requirements. Also, as to payor reportable payments of tax-exempt interest (such as payments to non-corporate payees of interest on the Bonds), the general rules of federal income tax backup withholding will apply to such payments, unless the payor obtains from the payee a completed, certified Form W-9, Request for Taxpayer Identification Number and Certification. However, no backup withholding for tax-exempt original issue discount will be required until such time as the Service provides future guidance and payor reporting for tax-exempt original issuance discount is not to be required except for tax-exempt obligations acquired on or after January 1, 2017.

Bond Counsel notes that for tax years beginning after December 31, 2022, 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.

Future Legislation

Federal, state or local legislation, if enacted in the future, may cause interest on the Bonds to be subject, directly or indirectly, to federal or State of Missouri income taxation or otherwise adversely affect the federal, state or local tax consequences of ownership or disposition of, and, whether or not enacted, may adversely affect the value and liquidity of, the Bonds.

CONTINUING DISCLOSURE UNDERTAKING

The District will enter into the Continuing Disclosure Certificate to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the “**Rule**”) and to provide certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events relating to the District and the Bonds. The financial information, operating data and notices of events will be filed in compliance with Rule. The District is the only “obligated person” with responsibility for continuing disclosure. Included in **APPENDIX D** of this Official Statement is the proposed form of Continuing Disclosure Certificate. The District has made similar undertakings with respect to its various outstanding obligations to file an Annual Report for each fiscal year of the District within 180 days of each fiscal year end. The District filed its audited financial statements for the fiscal year ended June 30, 2020 late along with notice of the same; however, it filed certain unaudited financial statements and the required operating data for the fiscal year ended June 30, 2020 by the required deadline. In December 2023, the District entered into a master equipment lease/purchase agreement, but did not file notice of the incurrence of such financial obligation until April 2024. The District has adopted written policies and procedures to promote future compliance with its undertakings to disclose financial information and operating data under the Rule.

ABSENCE OF LITIGATION

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

UNDERWRITING

_____ (the “**Underwriter**”) has agreed to purchase the Bonds from the District at a price equal to \$_____ (which is equal to the aggregate principal amount of the Bonds, less an underwriting discount of \$_____, plus original issue premium of \$_____, less original issue discount of \$_____). The Underwriter is purchasing the Bonds for resale in the normal course of the Underwriter’s business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

FINANCIAL ADVISOR

Piper Sandler & Co., St. Louis, Missouri (the “**Financial Advisor**”), is employed as Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing in connection with the sale of the Bonds. Under the terms of its engagement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, other than this section.

The Financial Advisor’s duties, responsibilities and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Bonds. The Financial Advisor’s compensation is conditional on the successful closing of the Bonds.

CERTAIN RELATIONSHIPS

Thompson Coburn LLP, St. Louis, Missouri, has represented the Paying Agent in transactions unrelated to the issuance of the Bonds, but is not representing them in connection with the issuance of the Bonds.

MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights of the Owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Financial Advisor; following delivery of the Bonds, copies of such documents may be examined at the offices of the District. The information contained in this Official Statement has been compiled from official and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is

made that any of the estimates will be realized. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the information presented herein since the date hereof. This Official Statement is not to be construed as a contract or agreement between the District, the Paying Agent, or the Underwriter and the purchasers or Owners of any Bonds.

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

**PATTONVILLE R-III SCHOOL DISTRICT,
ST. LOUIS COUNTY, MISSOURI**

By: _____
President of the Board of Education

APPENDIX A
INFORMATION REGARDING THE DISTRICT

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THE DISTRICT

General

The District was reorganized in 1953 and is located in the northwest section of St. Louis County, Missouri. The District encompasses approximately twenty-seven square miles. This area includes portions of unincorporated St. Louis County, as well as portions of the municipalities of Bridgeton, Maryland Heights and St. Ann.

The District estimates that the total population within the District is approximately 44,747. The District employs approximately 509 certificated instructional staff members, 41 administrators and 388 support personnel full-time equivalent for the 2024-2025 academic year and the student/teacher ratio is approximately 15 to 1 for the same period. The proportional attendance rate for the District for the 2023-2024 school year was 77.7%. The cost of instruction in the District was approximately \$16,262 per pupil for the fiscal year 2024.

Board of Education

The District is governed by a seven-member Board of Education (the “**Board**”). The Board is the policy-making body of the District. The Board has control over local school matters within the boundaries set by the Missouri General Assembly and the rules and regulations of the State Board of Education. Board members are elected for staggered three-year terms of office. The Board elects a President and Vice President from its members, and a Secretary and Treasurer, for one-year terms. The present members are listed below.

<u>Name</u>	<u>Office</u>	<u>Original Term Began (April)</u>	<u>Current Term Expires (April)</u>
Jeanne Schottmueller	President and Director	2009	2027
Lisa Kickbusch	Vice-President and Director	2022	2026
Jan Schweiss	Secretary and Director	2024	2027
Rená Simmons	Treasurer and Director	2024	2027
Mary Kay Campbell	Director	2015	2028
Dr. Brian J. Gray	Director	2016	2026
Dr. Dan Wentz	Director	2022	2028

Administration

Dr. Barry Nelson became Superintendent of the District effective July 1, 2022. Dr. Nelson served as the District’s Assistant to the Superintendent, Human Resource Center, since 2009. He previously worked as principal of Rose Acres Elementary School in the District for eight years and also served as an interim administrative intern at Rose Acres Elementary School and as a physical education teacher at Carrollton Oaks Elementary School in the District. Dr. Nelson has also served as a teacher at Twillman Elementary School in the Hazelwood School District. Dr. Nelson holds a bachelor’s degree in education from Southern Illinois University at Edwardsville as well as master’s, specialist’s and doctorate degrees in education administration from Lindenwood University.

Mary Jo Gruber became the Chief Financial Officer of the District effective July 1, 2022. Ms. Gruber served as the Chief Financial Officer of the School District of Clayton since 2011 after working

as that school district's director of accounting for 11 years. She also served as the business manager for the former Wellston School District and as an auditor and audit manager in the private sector. Ms. Gruber earned a bachelor's degree in business administration from McKendree University and a master's degree in business administration from Fontbonne University. Her professional certifications include certified public accountant (CPA), administrator of school finance and operations and chartered global management accountant.

Professional Staff

The average teacher employed by the District has 14.1 years of teaching experience. Approximately 81.1% of teachers in the District hold a master's degree or higher.

The following table shows the number of the District's certificated and non-certificated personnel for the school years shown below:

<u>School Year</u>	<u>Certificated Instructional Personnel</u>	<u>Administrators</u>	<u>Support Personnel</u>	<u>Total Staff</u>
2020-21	499	41	392	932
2021-22	507	38	419	964
2022-23	515	39	384	938
2023-24	511	40	388	939
2024-25	509	41	388	938

Source: District.

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Enrollment

Listed below are the District's fall enrollment figures for the school years shown:

<u>Grade</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
K	391	385	418	414	445
1 st	396	418	410	436	435
2 nd	454	399	420	412	460
3 rd	452	466	418	429	407
4 th	472	452	462	410	450
5 th	483	472	475	460	422
6 th	444	469	478	501	468
7 th	494	449	486	486	497
8 th	478	494	461	482	487
9 th	481	620	654	569	597
10 th	524	462	481	530	471
11 th	431	411	383	409	469
12 th	<u>388</u>	<u>404</u>	<u>413</u>	<u>407</u>	<u>427</u>
TOTAL⁽¹⁾	<u>5,888</u>	<u>5,901</u>	<u>5,959</u>	<u>5,945</u>	<u>6,035</u>
% Change	-1.98%	+0.22%	+0.98%	-0.23%	+1.51%

Source: District.

⁽¹⁾ District's enrollment totals do not include preschool services provided by the District.

School Rating and Accreditation

The Missouri Department of Elementary and Secondary Education (“DESE”) administers the Missouri School Improvement Program (“MSIP”), the State of Missouri’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.

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

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School Facilities

The District operates five K-5 elementary schools, one K-8 traditional school, two middle schools, one high school and one alternate high school. The District also provides preschool services at various locations throughout the District. The schools and facilities (except the alternate high school) are listed below. The following fall enrollment numbers are based on the 2024-25 school year.

Bridgeway Elementary School
Location: 11635 Oakbury Court
Enrollment: 417

Willow Brook Elementary School
Location: 11022 Schuetz Road
Enrollment: 465

Robert Drummond Elementary School
Location: 3721 St. Bridget Lane
Enrollment: 668

Holman Middle School
Location: 11055 St. Charles Rock Road
Enrollment: 644

Parkwood Elementary School
Location: 3199 Parkwood Lane
Enrollment: 409

Pattonville Heights Middle School
Location: 195 Fee Fee Road
Enrollment: 683

Remington Traditional School
Location: 102 Fee Fee Road
Enrollment: 394

Pattonville Senior High School
Location: 2497 Creve Coeur Mill Road
Enrollment: 1,964

Rose Acres Elementary School
Location: 2905 Rose Acres Lane
Enrollment: 391

Pattonville Pre-School
*Location: Various locations throughout
the District*
Enrollment: 216

Source: District.

Educational Programs and Services

The District participates in various educational programs, including, but not limited to, Parents as Teachers home-school partnership, a gifted program for students who need more challenging opportunities and a vocational program for technology-based career building.

National School Lunch Program

Certain District students are eligible to receive free or reduced price lunches (“FRL”) under The National School Lunch Program (the “NSLP”), which includes students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program) or that qualify based on household income. The table below shows the percentage of the students in each of the District’s schools that qualify for FRL.

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<u>School</u>	<u>January 2025 Full-Time Membership</u>	<u>January 2025 Full-Time Enrollment FRL Count</u>	<u>January 2025 Percentage of FRL Participation</u>
Pattonville Senior High School	1,854	847	45.69%
Holman Middle School	638	368	57.68
Pattonville Heights Middle School	677	316	46.68
Bridgeway Elementary School	421	195	46.32
Parkwood Elementary School	420	246	58.57
Robert Drummond Elementary School	665	460	69.17
Remington Traditional School	386	103	26.68
Rose Acres Elementary School	386	139	36.01
Willow Brook Elementary School	460	234	50.87

Source: District and DESE.

Employee Relations

The District’s teaching staff is not unionized, but may join professional groups or associations. The District, pursuant to State of Missouri (the “**State**”) law, conducts a meet and confer process with the representative teacher organization.

Pension and Retirement Plans

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 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 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 of the Revised Statutes of Missouri, as amended. 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 533 and 530 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/About-Us>. The link to the 2024 PSRS/PEERS ACFR is provided for general background information only, and the information in the 2024 PSRS/PEERS ACFR is not incorporated by reference herein. The 2024 PSRS/PEERS ACFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plans.

PSRS and PEERS Contributions. Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2024, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their

employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

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

PSRS and PEERS Funded Status. PSRS and PEERS reported funded ratios of 87.2% and 88.1%, respectively, as of June 30, 2024, according to the 2024 PSRS/PEERS ACFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan's actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a 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:

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

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

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

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.

As stated in the District's audited financial statements, which are prepared on a modified cash basis of accounting, the District's contributions to PSRS and PEERS for the years shown were as follows:

District Contributions to PSRS and PEERS

Year Ended June 30,	PSRS		PEERS	
	Annual Contribution ⁽¹⁾	Contribution (% of Payroll)	Annual Contribution ⁽¹⁾	Contribution (% of Payroll)
2024	\$7,447,330	14.50%	\$1,483,903	6.86%
2023	7,034,302	14.50	1,388,118	6.86
2022	7,095,340	14.50	1,423,612	6.86
2021	6,818,097	14.50	1,351,440	6.86
2020	6,583,609	14.50	1,336,406	6.86

Source: District's audited financial statements for the fiscal years ended June 30, 2020 – 2024.

⁽¹⁾ The annual contributions equaled the amounts required by the PSRS and PEERS Board for each year.

The District's contribution to PSRS and PEERS during the fiscal year ended June 30, 2024 constituted approximately 5.88% of the District's total expenditures during the fiscal year. The District

will be required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal year ending June 30, 2025, equal to the contribution percentages for the fiscal years ended June 30, 2023 and June 30, 2024.

Estimated Proportionate Share of PSRS/PEERS Liability. The District has not implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, because the District’s financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. PSRS and PEERS, however, have implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Accordingly, PSRS and PEERS are required annually to provide each contributing Missouri school district reports estimating each district’s proportionate share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each district by multiplying the net pension liability of a plan (calculated by determining the difference between the plan’s total pension liability and fiduciary net position) by a percentage reflecting the district’s proportionate share of contributions to the plan during the fiscal year (calculated by dividing the District’s actual contributions by the actual contributions of all participating employers for PSRS and PEERS, respectively, for the fiscal year ended June 30, 2024). At June 30, 2025 (measured as of June 30, 2024), the District’s proportionate share of the net pension liability of PSRS and PEERS will be \$63,152,764 and \$7,979,910, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. At June 30, 2025 (measured as of June 30, 2024), the District’s contribution to PSRS and PEERS will represent 0.9122% and 0.9257%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ending June 30, 2025, the District will recognize pension expense of \$6,476,847 for PSRS and \$1,423,940 for PEERS, its proportionate share of the total pension expense. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in Actuarial Section the 2024 PSRS/PEERS ACFR.

The net pension liability of PSRS and PEERS is based on a 7.3% discount rate, which was also the assumed investment rate of return for the plans effective for the fiscal year ending June 30, 2025. PSRS and PEERS further advised the District that its proportionate share of the net pension liability using a 1.0% higher or lower discount rate at June 30, 2025 (measured as of June 30, 2024) would be as follows:

Proportionate Share of Net Pension Liability Sensitivity

	<u>1.0% Decrease (6.3%)</u>	<u>Current Discount Rate (7.3%)</u>	<u>1.0% Increase (8.3%)</u>
District’s proportionate share of PSRS net pension liability	\$131,043,720	\$63,152,674	\$6,939,478
District’s proportionate share of PEERS net pension liability / (asset)	\$16,829,609	\$7,979,910	\$605,905

Source: PSRS/PEERS.

For additional information regarding the District’s pensions and employee retirement plans, see Note E 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, many state and local governments, including the District, provide other postemployment benefits (“OPEB”) as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the District’s OPEB obligations, including the District’s past contributions relative to its required contributions, its assumptions as to future healthcare and other costs and its unfunded actuarial accrued liability, see Note H to the District’s financial statements included in **Appendix B** to this Official Statement.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The accounts of the District are organized on the basis of legally established funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. 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 and account groups are used by the District:

General (Incidental) Fund – This fund 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 – This fund is used to account for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State and the local tax levy for the payment of teacher salaries and certain employee benefits.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt.

Capital Projects (Building) Fund – This fund is used to account for the accumulation of resources to be used for the acquisition or construction of major capital assets.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The financial statements are prepared using a modified cash basis of accounting. This basis of accounting recognizes assets, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions except that the purchases of investments are recorded as assets and payroll withholdings are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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 of the Revised Statutes of Missouri, the District adopts a budget for each fund.

2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board 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, the budget document is available for public inspection.
4. Prior to July 1, the budget is enacted by a vote of the Board.
5. Subsequent to its formal approval of the budget, the Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

The financial statements of the District are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. The firm of Schowalter & Jabouri, P.C., St. Louis, Missouri, audited the financial statements of the District for the fiscal year ended June 30, 2024, a copy of which is included in this Official Statement as **Appendix B**. A summary of significant accounting policies of the District is contained in the notes to the financial statements. ***The District neither requested nor received the consent of Schowalter & Jabouri, P.C. to the inclusion of its audit report in this Official Statement. Neither the firm of Schowalter & Jabouri, P.C., nor any other independent accountants, has examined the District's records, or performed any procedures with respect to the District since the date of the District's audit for the fiscal year ended June 30, 2024.***

Sources of Revenue

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

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 its revenue from State and federal aid amounts rather than local taxes.

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The following table shows the District's sources of revenues for the fiscal years shown below:

Source of Revenue⁽²⁾	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Local Revenue ⁽¹⁾	\$95,521,422	\$ 90,647,891	\$ 92,234,452	\$100,637,128	\$107,682,269
County Revenue	1,180,081	1,145,976	1,038,003	1,075,928	1,139,303
State Revenue	10,014,348	10,557,864	10,175,245	12,072,926	12,818,819
Federal Revenue ^{(3), (4)}	<u>1,819,175</u>	<u>6,479,218</u>	<u>5,450,848</u>	<u>5,214,849</u>	<u>7,174,210</u>
TOTAL	<u>\$108,535,026</u>	<u>\$108,830,949</u>	<u>\$108,898,548</u>	<u>\$119,000,831</u>	<u>\$128,814,601</u>

Source: District's audited financial statements for the fiscal years ended June 30, 2020 – 2024.

- (1) Under the provisions of an initiative petition adopted by the voters of the State on November 2, 1982, 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. See the section below captioned "**Local Revenue.**"
- (2) Net of proceeds from the sale of bonds and other funds.
- (3) Includes Elementary and Secondary School Emergency Relief ("**ESSER**") Funds received for the fiscal years ended June 30, 2021 through 2024.
- (4) Includes certain funds attributable to the NSLP and Title I, authorized under the Elementary and Secondary Education Act (ESEA) of 1965, as reauthorized by the Every Student Succeeds Act (ESSA).

Local Revenue

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

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

Fiscal Year Ended	Proposition C Revenue
<u>June 30</u>	<u>Per Pupil</u>
2024	\$1,574
2023	1,287
2022	1,214
2021	1,046
2020	1,006

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 enrollments in each district and in part on the taxes levied by each district. County revenue also includes certain fines and forfeitures collected with respect to violations within the boundaries of the school district.

State Revenue

The primary source of state revenue or “State Aid” is provided under a formula enacted under Chapter 163 of the Revised Statutes of Missouri, as amended, that is primarily student-needs-based. See “**Missouri School Finance Laws**” for a description of the State Aid distribution laws.

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 replaced 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.

Missouri School Finance Laws

State Aid. 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 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 the 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, such as the District, 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, 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, 2020 through June 30, 2024, the State Adequacy Target was \$6,375 per pupil. For the fiscal year ending June 30, 2025, the State Adequacy Target is expected to be \$6,760 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 the 2023-2024 fiscal year was 1.092, and the DVM for the District for the 2024-2025 fiscal year and the 2025-2026 fiscal year is 1.088.

Local Effort. For the 2006-2007 fiscal year, the Local Effort figure utilized in a district’s State Aid calculation was the amount of locally generated revenue that the 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 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 district. Growth in assessed valuation and operating levy increases will result in additional local revenue to the 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 funds received from the State 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>
2024	\$472
2023	426
2022	430
2021	435
2020	327 ⁽¹⁾

Source: DESE.

⁽¹⁾ Casinos were temporarily closed during the fiscal year ended June 30, 2020 due to COVID-19, resulting in less gaming revenue for such period.

Classroom Trust Fund dollars are subtracted from the State Aid formula described above and thus do not increase the amount of State Aid a school district receives.

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.

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

Capital Projects Fund Levy. Prior to setting tax rates for the 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 2024-2025 fiscal year is \$0.04 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 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.

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.

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Summary of Revenues and Expenditures

Shown below is a summary of revenues, expenditures and fund balances for the General (Incidental) Fund, Special Revenue (Teachers') Fund, Debt Service Fund and the Capital Projects (Building) Fund shown below. A copy of the District's audited financial statements for the fiscal year ended June 30, 2024 is located in **Appendix B** herein. Copies of the audited financial statements of the District for any of the fiscal years shown on the following table are available upon request from the Chief Financial Officer.

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**SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Fiscal Years Ended June 30**

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>General (Incidental) Fund</u>					
Balance--Beginning of Year	\$ 35,320,467	\$ 38,566,942	\$ 41,143,363	\$ 37,824,736	\$ 42,145,372
Cash Receipts	53,881,941	48,442,468	52,113,887	59,641,101	55,212,850
Cash Disbursement	(36,255,948)	(33,628,449)	(37,881,732)	39,765,402	43,099,058
Transfers In (Out)	<u>(14,379,518)</u>	<u>(12,237,598)</u>	<u>(17,550,782)</u>	<u>(15,555,063)</u>	<u>(11,248,114)</u>
Balance--End of Year	<u>\$ 38,566,942</u>	<u>\$ 41,143,363</u>	<u>\$ 37,824,736</u>	<u>\$ 42,145,372</u>	<u>\$ 43,011,050</u>
<u>Special Revenue (Teachers') Fund</u>					
Balance--Beginning of Year	\$ 0	\$ 73,882	\$ 0	\$ 0	\$ 0
Cash Receipts	39,631,322	43,499,882 ⁽²⁾	41,973,031	42,790,343	50,260,973
Cash Disbursement	(53,936,958)	(55,811,362)	(59,523,813)	58,345,406	61,509,087
Transfers In (Out)	<u>14,379,518</u>	<u>12,237,598</u>	<u>17,550,782</u>	<u>15,555,063</u>	<u>11,248,114</u>
Balance--End of Year	<u>\$ 73,882</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Debt Service Fund</u>					
Balance--Beginning of Year	\$ 25,360,662 ⁽¹⁾	\$ 3,512,716	\$ 6,605,488	\$ 9,804,567	\$ 12,138,948
Cash Receipts	7,839,705	10,551,493	10,605,894	7,873,201	9,168,277
Cash Disbursement	(29,687,651)	(7,458,721)	(7,406,815)	5,538,820	11,389,695
Transfers In (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance--End of Year	<u>\$ 3,512,716</u>	<u>\$ 6,605,488</u>	<u>\$ 9,804,567</u>	<u>\$ 12,138,948</u>	<u>\$ 9,917,530</u>
<u>Capital Projects (Building) Fund</u>					
Balance--Beginning of Year	\$ 13,988,998	\$ 2,013,036	\$ 3,579,446	\$ 4,004,892	\$ 2,290,415
Cash Receipts	7,182,058	7,122,128	4,890,951	8,696,186	14,172,501
Cash Disbursement	(19,158,020)	(5,555,718)	(4,465,505)	10,410,664	35,835,661
Transfers In (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,618,468</u>
Balance--End of Year	<u>\$ 2,013,036</u>	<u>\$ 3,579,446</u>	<u>\$ 4,004,892</u>	<u>\$ 2,290,414</u>	<u>\$ 41,245,723</u>
<u>Total Funds</u>					
Balance--Beginning of Year	\$ 74,670,127	\$ 44,166,576	\$ 51,328,297	\$ 51,634,195	\$ 56,574,735
Cash Receipts	108,535,026	109,615,971	109,583,763	119,000,831	128,814,601
Cash Disbursement	(139,038,577)	(102,454,250)	(109,277,865)	114,060,292	151,833,501
Transfers In (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,618,468</u>
Balance--End of Year	<u>\$ 44,166,576</u>	<u>\$ 51,328,297</u>	<u>\$ 51,634,195</u>	<u>\$ 56,574,734</u>	<u>\$ 94,174,303</u>

Source: District's audited financial statements for the fiscal years ended June 30, 2020 – 2024.

⁽¹⁾ This amount includes moneys deposited in an irrevocable escrow fund for the payment of the District's Taxable General Obligation Bonds (Build America Bonds – Direct Pay), Series 2010.

⁽²⁾ Includes ESSER funds.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Historic Assessed Valuation

The table below shows the assessed valuation of property in the District as of January 1, as finalized on December 31, for each of the years shown:

<u>Year</u>	<u>Total Assessed Valuation⁽¹⁾</u>	<u>Percentage Change</u>
2025	\$2,130,826,330 ⁽²⁾	+12.43
2024	1,895,287,230	+0.39
2023	1,887,891,510	+16.58
2022	1,610,818,550	+4.67
2021	1,539,032,060	N/A

Source: District and St. Louis County Assessor's Office.

- ⁽¹⁾ Net of incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District.
⁽²⁾ As of January 1, 2025, as adjusted through July 1, 2025.

Assessed Valuation

The following table shows the total assessed valuation and the estimated actual value by category, of all taxable tangible property (excluding State assessed railroad and utility property) situated in the District as of January 1, 2025, as adjusted through July 1, 2025:

	<u>Total Assessed Valuation⁽²⁾</u>	<u>Assessment Rate</u>	<u>Total Estimated Actual Valuation</u>
Real Estate			
Residential	\$ 764,188,130	19%	\$4,022,042,789
Commercial	997,954,750	32	3,118,608,594
Agricultural	<u>200,130</u>	12	<u>1,667,750</u>
Total Real Estate	<u>\$1,762,343,010</u>		<u>\$7,142,319,133</u>
Personal Property ⁽¹⁾	<u>\$ 368,483,320</u>	33-1/3	<u>\$1,105,560,516</u>
TOTAL	<u><u>\$2,130,826,330</u></u>		<u><u>\$8,247,879,649</u></u>

Source: St. Louis County Assessor's Office.

- ⁽¹⁾ Locally assessed railroad and utility property is included in the real estate and personal property totals.
⁽²⁾ Net of incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District.

Tax Assessments and Collections

The District does not assess or collect *ad valorem* property taxes, but instead delegates those responsibilities to St. Louis County (the "County"), as described below.

On or before the first day of September in each year, the Board estimates the amount of taxes that will be required during the ensuing school year to pay interest due on bonds issued and the principal of bonds maturing in such year and the costs of operation and maintenance plus such amount as may be required to cover emergencies and anticipated tax delinquencies, and the tax rate required to produce that amount. The Board certifies the tax rate to the County Clerk. The officers of the County, at the time they make the levy for State, county, city, school district, and other *ad valorem* taxes, levy the tax rate certified by the Board upon all taxable tangible property in the District. All officers of the County and of the State concerned with the assessment and collection of taxes, fines, and penalties must perform their duties in relation to the levy, assessment, and collection of the District taxes as they do in relation to State, county, city, school district, and other *ad valorem* taxes. All District taxes levied must be based upon the assessed valuation of lands and other taxable tangible property in the District as may be determined by the records in the offices of the County Assessor and County Clerk, and must be collected and remitted to the District. All the rights and remedies provided by the laws of the State for the collection of State, county, city, school district, and other *ad valorem* taxes are applicable to the collection of taxes authorized to be collected by the District.

The County levies taxes against real and tangible personal property, other than inventory of merchants and manufacturers and household goods of individuals. Prior to January 1, 1985, State law required that property be assessed at 33½ percent of its true value. A 1982 amendment to the Constitution of the State changed the provisions requiring uniformity in taxation of real property by directing such property to be subclassed as agricultural, residential or commercial and permitting different assessment ratios for each subclass. As a result of the 1982 amendment, agricultural property is assessed at 12 percent of true value, residential property is assessed at 19 percent of true value, and commercial property is assessed at 32 percent of true value. Real property within the County is assessed by the County Assessor.

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 County Board of Equalization has the authority to adjust and equalize the assessment of properties appearing on the tax rolls.

Certain properties, such as those used for charitable, educational, and religious purposes, are exempt from *ad valorem* taxes. In addition, pursuant to State statutes, the County may grant real property tax abatement, under certain conditions, to businesses building or rehabilitating property within the County.

District's Rights in Event of Tax Delinquency. Taxes on real estate become delinquent on January 1 and the collector is required to enforce the State's lien by offering the property for sale on the fourth Monday 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 Rates

Debt Service Levy. 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 may set the tax rate for debt service, without limitation as to the rate or amount, at the level required to make such payments.

Operating Levy. The District’s operating levy for the 2025 fiscal year (all funds except the debt service fund levy) is \$4.0843 per \$100 of assessed valuation.

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

Fiscal Year Ended June 30	General (Incidental) Fund	Special Revenue (Teachers’) Fund	Debt Service Fund	Capital Projects (Building) Fund	Total Levy
2025	\$2.2943	\$1.7500	\$0.4900	\$0.0400	\$4.5743
2024	2.7952	1.7500	0.4900	0.0400	5.0752
2023	2.6424	1.7500	0.4900	0.0400	4.9224
2022	2.8245	1.7500	0.4900	0.0400	5.1045
2020	2.8752	1.7500	0.4900	0.0400	5.1552

Source: District.

Tax Collection Record

The following table sets forth tax collection information for the District for each of the years shown:

Fiscal Year Ending June 30⁽¹⁾	Total Adjusted Levy (per \$100 of Assessed Value)	Assessed Valuation as of 12/31 in Prior Year Net of TIF	Total Taxes Levied	Current and Delinquent Taxes Collected^{(1), (2), (3)}	
				Amount	%
2024	\$4.5372	\$1,887,891,510	\$85,657,414	\$80,878,633	94.4%
2023	5.0752	1,610,818,550	81,752,263	78,870,555	96.5
2022	4.9224	1,539,032,360	75,757,329	72,972,383	96.3
2021	5.1045	1,509,208,440	77,037,545	74,280,291	96.4
2020	5.1552	1,505,365,420	77,604,598	77,059,774	99.3

Source: Annual Secretary of the Board report for the fiscal years ended June 30, 2020 – June 30, 2024.

⁽¹⁾ Taxes are levied and collected on a calendar year basis. Numbers shown reflect taxes levied and collected in the District’s fiscal year, as indicated.

⁽²⁾ Tax collection figures reflect the taxes actually received by the District and are therefore net of any payments in lieu of taxes allocable to the incremental increase in assessed valuation over the established base assessed valuation for real property within tax increment financing districts within the District.

⁽³⁾ Current and Delinquent Taxes Collected also includes the current year’s protested taxes which have been released.

Major Taxpayers

The ten largest identifiable taxpayers within the District as of December 31, 2023 are listed below. These taxpayers represent 9.97% of the District’s 2024 assessed valuation of \$1,887,891,510.

<u>Taxpayer</u>	<u>2024 Assessed Valuation⁽²⁾</u>	<u>% of Total Assessed Valuation</u>
1. GLP Capital LP	\$ 68,933,990	3.65%
2. Pool 6 Industrial Mo LLC	22,644,800	1.20
3. Galaxy MO LP	13,830,560	0.73
4. Curium US LLC	13,277,990	0.70
5. American Water	13,241,820	0.70
6. World Wide Technology LLC	12,469,090	0.66
7. Chapter 100 St. Louis County	11,977,970	0.63
8. Pingree 2000 Real Estate Holdings	11,391,390	0.60
9. SSM Health Care Central Region	10,751,930	0.57
10. Ryder Truck Rental Inc.	<u>10,031,570</u>	<u>0.53</u>
TOTAL	<u>\$188,551,110</u>	<u>9.97%</u>

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

⁽¹⁾ Net of the incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District.

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, Revised Statutes of Missouri, as amended. In lieu of ten year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, Revised Statutes of Missouri, as amended, may seek real property tax abatement for a total period of 25 years. In addition, the Industrial Development Law, Chapter 100, Revised Statutes of Missouri, as amended, authorizes real and personal property tax abatement for corporations for projects for industrial development.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri, as amended, 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. Neither tax abatement nor tax increment financing would diminish the amount of property tax revenues currently collected by the District in the affected areas, but instead would act to freeze such revenues at current levels and would deprive the District of future increases in ad valorem property tax revenues which would otherwise have resulted from increases in assessed valuation in such areas until the tax increment financing obligations issued are repaid and the tax abatement period terminates. According to the County Assessor’s Office, the tax increment financing increment attributable to property in the District is \$28,518,620 for the 2024 tax year.

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DEBT STRUCTURE OF THE DISTRICT

Debt Ratios and Related Information

Estimated Population, District	44,747
Assessed Valuation (2025) ⁽¹⁾	\$2,130,826,330.00
Estimated Actual Value (2025) ⁽¹⁾	\$8,247,879,649.00
Outstanding Direct General Obligation Debt ^{*, (2)}	\$ 151,735,000.00
Overlapping General Obligation Debt	\$ 50,564,081.50
Total Direct and Overlapping General Obligation Debt ^{*, (2)}	\$ 202,299,081.50
Per Capita Direct Debt ^{*, (2)}	\$ 3,390.95
Per Capita Direct and Overlapping General Obligation Debt ^{*, (2)}	\$ 4,520.95
Ratio of Direct Debt to Assessed Valuation ^{*, (2)}	7.12%
Ratio of Direct Debt to Estimated Actual Value ^{*, (2)}	1.84%
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation ^{*, (2)}	9.49%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value ^{*, (2)}	2.45%

Source: District; St. Louis County Assessor's Office.

* Preliminary, subject to change.

(1) Net of incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District.

(2) Includes the Bonds and excludes the Refunded Bonds.

General Obligation Bonds Outstanding

The following table sets forth the outstanding general obligation indebtedness of the District, including the Bonds and excluding the Refunded Bonds:

<u>Description of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Amount Outstanding</u>
General Obligation Refunding Bonds, Series 2017A	August 9, 2017	\$ 3,665,000
General Obligation Bonds (Missouri Direct Deposit Program), Series 2023	August 23, 2023	41,000,000
General Obligation Bonds (Missouri Direct Deposit Program), Series 2025	October 2, 2025	30,000,000
General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025	December 2, 2025	<u>37,880,000*</u>
TOTAL		<u>\$151,735,000*</u>

Source: District.

* Preliminary, subject to change.

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History of General Obligation Indebtedness

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

<u>As of June 30</u>	<u>Total Outstanding Principal</u>	<u>Assessed Valuation as of 12/31 in Prior Year Net of TIF ⁽¹⁾</u>	<u>Debt as % of Assessed Value</u>
2024	\$91,930,000	\$1,887,891,510	4.87%
2023	49,860,000	1,610,818,550	3.10
2022	53,145,000	1,539,032,360	3.45
2021	58,040,000	1,509,208,440	3.85
2020	63,785,000	1,505,365,420	4.24

Source: District's audited financial statements for the fiscal years ended June 30, 2020 – 2024.

⁽¹⁾ Net of incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District.

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

General Obligation Debt Service Requirements

The following schedule shows the yearly total principal and interest requirements for all outstanding general obligation bonds of the District, including the Bonds, which are payable from amounts in the 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.

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The Bonds

Fiscal Year	Outstanding				
Ending	Bonds				
June 30	Total Debt	Principal*	Interest	Total	Total Debt
	Service				Service
2026	\$ 3,665,000	\$ -			
2027	3,810,000	625,391			
2028	3,975,000	1,511,013			
2029	4,110,000	1,511,013			
2030	4,295,000	1,511,013			
2031	3,575,000	2,511,013			
2032	3,750,000	2,451,013			
2033	3,925,000	1,391,013			
2034	4,115,000	1,391,013			
2035	4,315,000	2,391,013			
2036	4,530,000	2,396,013			
2037	4,765,000	2,337,113			
2038	5,010,000	2,213,613			
2039	5,285,000	-			
2040	5,585,000	-			
2041	5,890,000	-			
2042	6,210,000	-			
2043	6,545,000	-			
TOTAL	<u>\$83,355,000</u>	<u>\$37,880,000</u>			

* Preliminary, subject to change.

Lease Obligations

Obligations secured by annually appropriated funds do not constitute an indebtedness for purposes of any State statutory or constitutional debt limit. Such obligations are payable solely from annually appropriated funds of a governmental body available therefor and neither taxes nor a specific source of revenues can be pledged to make payments on such obligations. Any increase in taxes required to generate sufficient funds with which to make payments on such obligations are subject to voter approval.

In May 2016, the District delivered the Certificates of Participation (Pattonville R-III School District Energy Improvements Project), Series, 2016 (the “**Series 2016 Certificates**”) for the purpose of providing funds for the acquisition and installation of certain equipment in District school buildings and facilities designed to reduce energy consumption or operating costs, including (1) replacement of heating, ventilation and air conditioning units, components or controls, (2) upgrades to interior, exterior and parking lot lighting and (3) other miscellaneous capital improvements to the District’s school buildings and facilities. As of the date hereof, the outstanding principal amount of the Series 2016 Certificates is \$1,700,000.

In August 2018, the District delivered the Certificates of Participation, (Pattonville R-III School District Energy Improvements Project), Series, 2018 (the “**Series 2018 Certificates**”) for the purpose of providing funds for the acquisition and installation of certain equipment in District school buildings and facilities designed to reduce energy consumption or operating costs, including (1) lighting efficiency improvements, (2) weatherization measures, (3) water efficiency improvements, (4) main water isolation valve replacements, (5) improvements to heating, ventilation and air conditioning units, components or

controls, (6) installation of building automation systems, (7) electrical metering and building performance optimization, (8) replacement of an elementary school roof, (9) window replacements and (10) other miscellaneous capital improvements to the District's school buildings and facilities. As of the date hereof, the outstanding principal amount of the Series 2018 Certificates is \$6,600,000.

In April 2019, the District delivered the Certificates of Participation, (Pattonville R-III School District Energy Improvements Project), Series, 2019 (the "**Series 2019 Certificates**") for the purpose of providing funds for the acquisition and installation of certain equipment in District school buildings and facilities designed to reduce energy consumption or operating costs, including, but not limited to, (1) improvements to heating, ventilation and air conditioning units, components or controls, (2) installation of building automation systems, (3) boiler replacement, (4) lighting efficiency, electrical, roofing, masonry, hot water and gas line improvements and (5) other miscellaneous capital improvements to the District's school buildings and facilities. As of the date hereof, the outstanding principal amount of the Series 2019 Certificates is \$3,140,000.

In December 2023, the District, as lessee, entered into a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp, as lessor (the "**Series 2023 Obligation**"), for the acquisition, financing and leasing of certain equipment consisting of energy efficiency improvements throughout District school buildings and facilities. As of the date hereof, the outstanding principal amount of the Series 2023 Obligation is \$4,970,000.

Debt Limitation and Debt Capacity

The total principal amount of indebtedness in the District cannot exceed 15% of the value of taxable tangible property in the District according to the last completed assessment for State and county purposes at the time such bonds are approved by the voters. The tax from which the bonds are payable is not limited as to rate or amount. Under the \$1,895,287,230 assessed valuation as of January 1, 2024 (as finalized December 31, 2024), which does not include the incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District, the District's legal debt capacity is \$284,293,084. The total outstanding indebtedness of the District, after giving effect to the issuance of the Bonds, is \$151,735,000* resulting in a legal debt margin of the District of approximately \$132,558,084*. The District anticipates utilizing remaining voted authorization to issue bonds over the next few years to complete the Project and refinance certain obligations approved at the Election, as defined and described below under "**Future Plans.**"

Overlapping or Underlying Indebtedness

The following table sets forth overlapping and underlying indebtedness of political subdivisions with boundaries overlapping the District as of August 1, 2025, and the percent attributable to the District. The table was compiled from information furnished by the jurisdictions responsible for the debt, and the District has not independently verified the accuracy or completeness of such information. To the knowledge of the District, there are no other political subdivisions with boundaries overlapping the District or lying wholly within the District that have any general obligation bonds outstanding. However, political subdivisions may have ongoing programs requiring the issuance of bonds, the amounts of which cannot be determined at this time.

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<u>Taxing Body</u>	<u>General Obligation Debt</u>	<u>Approximate Percent Applicable</u>	<u>Amount of Overlapping Debt</u>
City of Hazelwood	\$ 1,045,000	0.68%	\$ 7,106.00
City of St. Ann	49,323,625 ⁽¹⁾	50.00	24,661,812.50
Community Fire Protection District	10,275,000	5.30	544,575.00
Creve Coeur Fire Protection District	13,175,000	13.88	1,828,690.00
Maryland Heights Fire Protection District	11,865,000	62.93	7,466,644.50
Pattonville Fire Protection District	13,910,000	74.86	10,413,026.00
Robertson Fire Protection District	4,285,000	12.99	556,621.50
St. Louis County	49,860,000	4.88	2,433,168.00
West Overland EMS and Fire Protection District	<u>3,180,000</u>	83.41	<u>2,652,438.00</u>
TOTAL	<u>\$156,918,625</u>		<u>\$50,564,081.50</u>

Source: Individual taxing jurisdiction's records and telephone calls to finance officers of respective taxing bodies and Municipal Securities Rulemaking Board via the Electronic Municipal Market Access (EMMA).

⁽¹⁾ As of December 31, 2024 per City of St. Ann, Missouri audited financial statements posted on EMMA.

Other Borrowings

The District has entered into certain lease purchase agreements for the purchase of computer equipment, office equipment and school buses. The following table sets forth the principal and interest amounts of future minimum lease payments of the District in connection with such obligations:

<u>Year Ended June 30</u>	<u>Lease Payment</u>
2025	\$1,217,855
2026	<u>484,281</u>
Total	<u><u>\$1,702,136</u></u>

For additional information regarding such lease payments, see Note D to the District's audited financial statements for the fiscal year ended June 30, 2024 in **Appendix B** hereto.

Future Plans

On April 5, 2022 (the "**Election**"), the voters of the District approved the issuance of \$111,000,000 for the purpose of (1) constructing, renovating, repairing, expanding, improving, furnishing and equipping school sites, buildings and related facilities for school purposes in the District, including, but not limited to new construction, renovation and/or upgrading of classrooms, science labs, fine and performing arts spaces, library media centers, gymnasiums, outdoor spaces, parking and building operational components, including safety, security and technology infrastructure and increasing energy efficiency, at the early childhood center, five elementary schools, the traditional school, two middle schools and the high school (collectively, the "**Project**") and, (2) to the extent of funds available after completing the District's master facilities plan, as it may be modified or supplemented from time to time, refinancing obligations, including certificates of participation and lease obligations, previously issued to finance energy conservation improvements in the District's buildings and facilities. In 2023, the District issued \$50,000,000 of general obligation bonds authorized at the Election to complete a portion of the Project. In October 2025, the District issued \$30,000,000 of general obligation bonds authorized at the Election to complete a portion of the Project. The District anticipates utilizing the remaining voted authorization to issue bonds over the next few years to complete the Project and refinance certain obligations approved at the Election.

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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PATTONVILLE R-3 SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2024

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Independent Auditors' Report

Board of Education
Pattonville R-3 School District

Opinions

We have audited the modified cash basis financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Pattonville R-3 School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pattonville R-3 School District as of June 30, 2024, and the respective changes in the modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Pattonville R-3 School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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, 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 Pattonville R-3 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 Pattonville R-3 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budgetary comparison schedules 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 December 5, 2024, on our consideration of the Pattonville R-3 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 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 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 Pattonville R-3 School District's internal control over financial reporting and compliance.

Kaehler, Eck & Braeckel LLP

St. Louis, Missouri
December 5, 2024

Pattonville R-3 School District
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
June 30, 2024

	Governmental activities
ASSETS	
Cash and investments	\$ 55,759,792
Restricted cash and investments	<u>45,154,955</u>
TOTAL ASSETS	100,914,747
LIABILITIES	
Payroll liabilities	<u>892,931</u>
NET POSITION	
Restricted for	
Debt service	9,917,530
Capital projects	29,389,912
Food service	1,856,194
For future insurance claims	5,847,513
Unrestricted	<u>53,010,667</u>
TOTAL NET POSITION	<u><u>\$ 100,021,816</u></u>

The accompanying notes are an integral part of this statement.

Pattonville R-3 School District
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year ended 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	\$ 58,208,446	\$ 1,799,224	\$ 8,660,432	\$ -	\$ (47,748,790)
Guidance	2,887,764	-	-	-	(2,887,764)
Health, psych, speech and audio	877,115	-	-	-	(877,115)
Improvement of instruction	3,471,165	-	-	-	(3,471,165)
Professional development	24,992	-	-	-	(24,992)
Media services	2,064,872	-	-	-	(2,064,872)
Board of Education services	519,591	-	-	-	(519,591)
Executive administration	5,776,420	-	-	-	(5,776,420)
Building level administration	6,713,765	-	-	-	(6,713,765)
Operation of plant	9,826,822	-	-	-	(9,826,822)
Pupil transportation	5,447,973	-	2,240,922	-	(3,207,051)
Food services	2,928,210	892,153	2,335,560	-	299,503
Central office support services	3,572,225	-	-	-	(3,572,225)
Security services	715,752	-	-	-	(715,752)
Community services	1,158,454	-	-	-	(1,158,454)
Facilities, acquisition and construction	32,040,459	-	55,680,000	6,617,602	30,257,143
Debt service:					
Principal	10,775,293	-	-	-	(10,775,293)
Interest and other charges	4,409,604	-	93,319	-	(4,316,285)
<hr/>					
Total governmental activities	\$ 151,418,922	\$ 2,691,377	\$ 69,010,233	\$ 6,617,602	(73,099,710)
<hr/>					
General revenues					
Taxes					
Property taxes					80,911,637
Sales taxes					8,685,095
Other taxes					10,388,961
State aid					5,076,977
Fines and escheats					97,313
State assessed utilities					1,041,990
Investments earnings					4,911,885
<hr/>					
Total general revenues					111,113,858
<hr/>					
Change in net position					38,014,148
<hr/>					
Net position at July 1, 2023					62,007,668
<hr/>					
Net position at June 30, 2024					\$ 100,021,816

The accompanying notes are an integral part of this statement.

Pattonville R-3 School District
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
June 30, 2024

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 43,903,981	\$ -	\$ -	\$ 11,855,811	\$ 55,759,792
Restricted cash and investments	-	-	9,917,530	29,389,912	39,307,442
TOTAL ASSETS	\$ 43,903,981	\$ -	\$ 9,917,530	\$ 41,245,723	\$ 95,067,234
LIABILITIES					
Payroll liabilities	\$ 892,931	\$ -	\$ -	\$ -	\$ 892,931
FUND BALANCES					
Restricted for					
Debt service	-	-	9,917,530	-	9,917,530
Capital projects	-	-	-	29,389,912	29,389,912
Food service	1,856,194	-	-	-	1,856,194
Assigned to					
Capital projects	-	-	-	11,855,811	11,855,811
Unrestricted	41,154,856	-	-	-	41,154,856
Total fund balance	43,011,050	-	9,917,530	41,245,723	94,174,303
TOTAL LIABILITIES AND FUND BALANCES	\$ 43,903,981	\$ -	\$ 9,917,530	\$ 41,245,723	\$ 95,067,234

Reconciliation to Statement of Net Position

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances of governmental funds	\$ 94,174,303
Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The net position of the internal service fund is included in the governmental activities in the Statement of Net Position.	5,847,513
Net position of governmental activities	<u>\$ 100,021,816</u>

The accompanying notes are an integral part of this statement.

Pattonville R-3 School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
Year ended June 30, 2024

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 40,641,484	\$ 31,207,654	\$ 8,738,143	\$ 10,713,317	\$ 91,300,598
Sales taxes	-	8,685,095	-	-	8,685,095
Investment income	2,804,453	84,000	255,319	1,768,112	4,911,884
Student activities	1,239,908	-	-	-	1,239,908
Food service	892,153	-	-	-	892,153
Other local	144,316	508,315	-	-	652,631
	45,722,314	40,485,064	8,993,462	12,481,429	107,682,269
County sources					
State assessed utilities	486,857	368,384	174,815	11,934	1,041,990
Other county	-	97,313	-	-	97,313
	486,857	465,697	174,815	11,934	1,139,303
State sources					
Basic formula	-	5,076,977	-	-	5,076,977
State grants and contributions	5,173,526	2,268,316	-	300,000	7,741,842
	5,173,526	7,345,293	-	300,000	12,818,819
Federal sources	3,830,153	1,964,919	-	1,379,138	7,174,210
Total revenues	55,212,850	50,260,973	9,168,277	14,172,501	128,814,601
Expenditures					
Instruction	6,761,653	51,678,401	-	-	58,440,054
Guidance	468,086	2,431,168	-	-	2,899,254
Health, psych, speech and audio	880,605	-	-	-	880,605
Improvement of instruction	2,981,719	503,258	-	-	3,484,977
Professional development	25,091	-	-	-	25,091
Media services	907,895	1,165,193	-	-	2,073,088
Board of Education services	521,658	-	-	-	521,658
Executive administration	4,429,108	1,370,296	-	-	5,799,404
Building level administration	2,725,107	4,015,372	-	-	6,740,479
Operation of plant	9,865,922	-	-	-	9,865,922
Pupil transportation	5,469,650	-	-	-	5,469,650
Food service	2,939,861	-	-	-	2,939,861
Central office support services	3,241,040	345,399	-	-	3,586,439
Security services	718,600	-	-	-	718,600
Community services	1,163,063	-	-	-	1,163,063
Capital outlay	-	-	-	32,040,459	32,040,459
Debt service					
Principal	-	-	7,930,000	2,845,293	10,775,293
Interest and other charges	-	-	3,459,695	949,909	4,409,604
Total expenditures	43,099,058	61,509,087	11,389,695	35,835,661	151,833,501
Revenues over (under) expenditures	12,113,792	(11,248,114)	(2,221,418)	(21,663,160)	(23,018,900)
Other financing sources (uses)					
Proceeds from the issuance of debt	-	-	-	55,680,000	55,680,000
Bond premium	-	-	-	4,938,468	4,938,468
Transfers	(11,248,114)	11,248,114	-	-	-
Total other financing sources (uses)	(11,248,114)	11,248,114	-	60,618,468	60,618,468
NET CHANGE IN FUND BALANCES	865,678	-	(2,221,418)	38,955,308	37,599,568
Fund balance at July 1, 2023	42,145,372	-	12,138,948	2,290,415	56,574,735
Fund balance at June 30, 2024	\$ 43,011,050	\$ -	\$ 9,917,530	\$ 41,245,723	\$ 94,174,303

Reconciliation to Statement of Activities

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

Net change in fund balances for governmental funds	\$ 37,599,568
Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The change in net position of the internal service fund is included in governmental activities in the Statement of Activities.	414,580
Change in net position of governmental activities	\$ 38,014,148

The accompanying notes are an integral part of this statement.

Pattonville R-3 School District
STATEMENT OF NET POSITION - MODIFIED CASH BASIS – PROPRIETARY FUND
June 30, 2024

	Governmental Activities - Internal Service Fund
	<hr/>
ASSETS	
Restricted cash and investments	\$ 5,847,513
	<hr/>
NET POSITION	
Restricted for	
Future insurance claims	\$ 5,847,513
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Pattonville R-3 School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - MODIFIED
CASH BASIS - PROPRIETARY FUND
Year ended June 30, 2024

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Contributions by employees and retirees	\$ 2,892,257
Contributions by employer	9,237,750
Rebates and other income	<u>1,573,296</u>
 Total operating revenues	 13,703,303
OPERATING EXPENSES	
Medical claims	13,171,653
Administrative fees	<u>117,070</u>
 Total operating expenses	 <u>13,288,723</u>
 CHANGE IN NET POSITION	 414,580
 Net position at July 1, 2023	 <u>5,432,933</u>
 Net position at June 30, 2024	 <u><u>\$ 5,847,513</u></u>

The accompanying notes are an integral part of this statement.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE A | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pattonville R-3 School District (the District) 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.

These financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP) as further discussed in this footnote under Basis of Accounting. Generally accepted accounting principles include relevant Governmental Accounting Standards Board (GASB) pronouncements.

Principles Determining the Scope of Reporting Entity

Generally accepted accounting principles require that the financial reporting entity 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 that should be presented with the District.

While parent-teacher organizations of the District's schools provide financial support exclusively to the District, they are not included as a component unit because the amount of financial support provided is of a de minimus nature.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no material business-type activities.

The 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 charges paid by the students for goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues. 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 District.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column.

The major funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is used to account for expenditures for noncertified employees, pupil transportation, operation of plant, fringe benefits, student body activities, community services, the food service program and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for specific revenue sources that are restricted, committed or assigned for the payment of salaries and certain employee benefits for certified personnel.

Debt Service Fund

The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned for the periodic payment of principal, interest and fiscal charges on general long-term debt.

Capital Projects Fund

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Fund

Internal Service Fund

The Internal Service Fund accounts for premiums collected for the payment of claims associated with the District's self insurance activities (primarily medical and dental benefits). Expenses consist of claims paid and administrative fees.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

Basis of Accounting

The government-wide financial statements and fund financial statements are prepared using a modified cash basis of accounting. This basis of accounting recognizes assets, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets and payroll withholdings are recorded as liabilities, when applicable. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable and general obligation bonds payable and obligations under capital leases) and certain expenses (such as expenses for goods or services received but not yet paid) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the governmental fund financial statements would use the modified accrual basis of accounting, while the government-wide and proprietary financial statements would be presented on the accrual basis of accounting.

Cash and Investments

Cash resources from all funds, except the Debt Service Fund, are combined to form a pool of cash and temporary investments. State law requires that all deposits of the Debt Service Fund be kept separate from all other funds of the District. Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumentality obligations, repurchase agreements collateralized by government securities, time certificates of deposit and A1-P1 commercial paper. Investments are reported at cost.

Restricted Assets

Restricted assets include cash and investments that are legally restricted as to their use. The restricted assets consist of amounts escrowed for future general obligation bond principal and interest payments included in the Missouri Direct Deposit Program, amounts for food services, and amounts held for future medical claim payments.

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.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board.

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. Amounts may be assigned by the Board of Education, or a body or official granted such authority by the Board of Education. The chief operating officer has such authority.

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 for those purposes, a negative unassigned balance may be reported.

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 District has not reported any nonspendable, committed, or assigned fund balances.

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

Net Position

In the government-wide financial statements, equity is classified as net position. 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 creditors, grantors, contributors, 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 and then unrestricted resources as they are needed.

Interfund Activity

Interfund transfers are reported as other financing sources (uses) in governmental funds. During the year, the District transferred \$11,248,114 from the General Fund to the Special Revenue Fund in order to achieve a zero fund balance in the Special Revenue Fund.

Teachers' Salaries

The salary payment schedule of the District for the year ended June 30, 2024, requires the payment of salaries over a twelve month period. Consequently, the July and August 2024 payroll checks are included in the accompanying financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE B | CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law.

The District also participates in the Missouri Security Investment Program (MOSIP) and Missouri Capital Asset Advantage Treasury (MOCAAT). MOSIP and MOCAAT are external investment pools in which a district's monies are pooled with other districts' monies to purchase investments that are permitted by state statutes. All funds of these programs are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each school district owns a pro rata share of each investment or deposit which is held in the name of the Fund.

The cash and investments held at June 30, 2024, are reported at cost as follows:

	Cost	Investment maturities 0 to 1 year	Investment maturities 1 to 3 years
Cash and demand deposits	\$ 4,355,438	N/A	N/A
Investments			
Money market mutual funds	7,232,673	N/A	N/A
External investment pools			
MOCAAT			
US Government	5,841,710	5,218,232	623,478
Liquid series	6,368,735	6,368,735	-
Missouri Security Investment Program			
Money market funds	67,065,191	67,065,191	-
CD Program	1,701,000	1,701,000	-
Term	8,350,000	8,350,000	-
Total investments	96,559,309	88,703,158	623,478
Total deposits and investments	\$ 100,914,747	\$ 88,703,158	\$ 623,478

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. The District has a custodial credit risk policy for repurchase agreement investments and for certificates of deposit which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less any insurance (FDIC or NCUSIF), as applicable. The District's deposits were not exposed to custodial credit risk at year end.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent, but not in the government's name. The District does not have a policy for custodial credit risk for investments. The District's investments were not exposed to custodial credit risk at year end.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Credit Risk

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer by pre-qualifying the institution with which the District will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

The credit ratings of the District's investments at June 30, 2024, are summarized in the schedule below.

	<u>Cost</u>	<u>Credit rating</u>
Investments		
Money market mutual funds	\$ 7,232,673	AAAm
External investment pools		
MOCAAT		
US Government	5,841,710	A-1
Liquid series	6,368,735	AAAm
Missouri Security Investment Program		
Money market funds	67,065,191	AAAm
CD Program	1,701,000	Unrated
Term	<u>8,350,000</u>	AAAf
	<u>\$ 96,559,309</u>	

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments).

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

As a means of limiting its exposure to losses arising from concentration of investments, the District's investment policy mandates that the portfolio not have a concentration of assets in specific maturity, specific issuer or specific class of securities. At a minimum, diversification standards by security type and issuer are established as: (a) U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. Government, 100%; (b) collateralized time and demand deposits, 100%; (c) U.S. Government agencies and government sponsored enterprises, no more than 75%; (d) collateralized repurchase agreements, no more than 75%; (e) U.S. Government agency callable securities, no more than 50%; (f) commercial paper and bankers' acceptances, no more than 50%. At June 30, 2024, the District's investments were not exposed to concentration of credit risk.

NOTE C | 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. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on a prior year weighted average attendance.

The assessed valuation of the tangible taxable property (excluding state assessed railroad and utilities) for the calendar year 2023 for the purposes of local taxation was:

Real estate	
Residential	\$ 656,769,700
Agricultural	187,460
Commercial	856,453,150
Personal property	<u>374,481,200</u>
 Total	 <u>\$ 1,887,891,510</u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 2.4538	\$ 2.2572
Special Revenue Fund	1.7500	1.7500
Debt Service Fund	0.4900	0.4900
Capital Projects Fund	<u>0.0400</u>	<u>0.0400</u>
 Total	 <u>\$ 4.7338</u>	 <u>\$ 4.5372</u>

The receipts of current property taxes during the fiscal year ended June 30, 2024, aggregated approximately 94.42 percent of the current assessment computed on the basis of the levy as shown above.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE D | LONG-TERM OBLIGATIONS

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

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts due within one year
Bonds payable	\$ 49,860,000	\$ 50,000,000	\$ (7,930,000)	\$ 91,930,000	\$ 8,575,000
Certificates of participation	13,685,000	-	(1,085,000)	12,600,000	1,160,000
Certificates of participation - privately placed	-	5,680,000	(60,000)	5,620,000	295,000
	<u>\$ 63,545,000</u>	<u>\$ 55,680,000</u>	<u>\$ (9,075,000)</u>	<u>\$ 110,150,000</u>	<u>\$ 10,030,000</u>

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund. Payments of certificates of participation are made from the Capital Projects Fund.

General Obligation Bonds

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

	Original issue amount	Maturity date	Interest rates	Balance at June 30, 2024
Series 2017	\$ 19,855,000	2030	4.00%	\$ 19,855,000
Series 2018	23,000,000	2038	4-5%	23,000,000
Series 2021	13,460,000	2025	4%	3,575,000
Series 2023	50,000,000	2043	4-5%	45,500,000
				<u>\$ 91,930,000</u>

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

Year ending June 30,	Principal	Interest	Total
2025	\$ 8,575,000	\$ 4,359,588	\$ 12,934,588
2026	3,665,000	4,016,588	7,681,588
2027	3,810,000	3,869,988	7,679,988
2028	3,975,000	3,717,588	7,692,588
2029	4,110,000	3,558,588	7,668,588
2030-2034	19,660,000	15,250,738	34,910,738
2035-2039	23,905,000	10,288,112	34,193,112
2040-2043	24,230,000	3,278,150	27,508,150
Total	<u>\$ 91,930,000</u>	<u>\$ 48,339,340</u>	<u>\$ 140,269,340</u>

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

Certificates of Participation

Certificates of participation consists of the following at June 30, 2024,:

	Original issue amount	Maturity date	Interest rates	Balance at June 30, 2024
Series 2016	\$ 3,855,000	2031	2-3%	\$ 1,960,000
Series 2018	10,085,000	2033	3-4%	7,200,000
Series 2019	4,795,000	2034	3-4%	3,440,000
Series 2023 - Privately placed	5,680,000	2039	4-5%	5,620,000
				<u>\$ 18,220,000</u>

The annual requirements to amortize certificates of participation are as follows at June 30, 2024:

Year ending June 30,	Certificates of Participation			Privately Placed Certificates of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,160,000	\$ 437,463	\$ 1,597,463	\$ 295,000	\$ 256,047	\$ 551,047
2026	1,215,000	397,963	1,612,963	305,000	242,607	547,607
2027	1,285,000	356,338	1,641,338	320,000	228,711	548,711
2028	1,350,000	311,463	1,661,463	335,000	214,132	549,132
2029	1,415,000	264,313	1,679,313	355,000	198,869	553,869
2030-2034	6,175,000	593,588	6,768,588	2,030,000	736,477	2,766,477
2035-2039	-	-	-	1,980,000	230,078	2,210,078
Total	<u>\$ 12,600,000</u>	<u>\$ 2,361,128</u>	<u>\$ 14,961,128</u>	<u>\$ 5,620,000</u>	<u>\$ 2,106,921</u>	<u>\$ 7,726,921</u>

Legal Debt Margin

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

Constitutional debt limit	\$ 283,183,727
General obligation bonds payable	(91,930,000)
Amount available in Debt Service Fund	<u>9,917,530</u>
Legal debt margin	<u>\$ 201,171,257</u>

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

Leases

During the year ended June 30, 2021, the District entered into a lease purchase agreement for \$1,803,914. The proceeds of the lease were used to purchase school buses. The lease calls for six annual payments of \$319,105 including interest through August 15, 2025 with interest at 2.35 percent.

During the year ended June 30, 2022, the District entered into a lease purchase agreement for \$2,235,256. The proceeds of the lease were used to purchase computer equipment. The lease calls for four annual payments of \$558,814 through July 15, 2024.

During the year ended June 30, 2022, the District entered into a lease purchase agreement for \$699,040. The proceeds of the lease were used to purchase computer equipment. The lease calls for four annual payments of \$174,760 through July 5, 2024.

During the year ended June 30, 2024, the District entered into a lease purchase agreement for \$495,530. The proceeds of the lease were used to purchase computer equipment. The lease calls for three annual payments of \$165,177 through January 15, 2026.

Payments on leases payable are made from the Capital Projects Fund. Current year lease payments totaled \$1,700,293.

The annual requirements to retire the leases described above are as follows:

Year ending June 30,	Principal	Interest	Total
2025	\$ 1,203,370	\$ 14,485	\$ 1,217,855
2026	476,954	7,327	484,281
Total	<u>\$ 1,680,324</u>	<u>\$ 21,812</u>	<u>\$ 1,702,136</u>

NOTE E | PENSION PLANS

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

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

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

Benefits Provided. PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a onetime 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, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for “Rule of 80” or “30-and-out” are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

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

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for 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.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member. Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2024, 2023 and 2022. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

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

The District's contributions to PSRS and PEERS were \$7,447,330 and \$1,483,903, respectively, for the year ended June 30, 2024.

NOTE F | CONTINGENCIES

Grant Audits

The District receives Federal grants and State funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursements or to withholding of future funding for expenditures disallowed under, or other noncompliance with terms of the grants and funding. The District is not aware of any noncompliance with Federal or State provisions that might require the District to provide reimbursement.

Litigation

Various claims and lawsuits are pending against the District. In the opinion of District management and legal counsel, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

NOTE G | INSURANCE PROGRAM

The District, along with various other local school districts, participates in the Missouri United School Insurance Council ("MUSIC"), an insurance association for workers' compensation, general liability, and property and casualty insurance. The purpose of MUSIC is to distribute the cost of self-insurance over similar entities. MUSIC requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of MUSIC have no legal interest in the assets, liabilities, or fund balances of the insurance association. However, although MUSIC purchases stoploss insurance for excessively large claims, the District retains a contingent liability to fund its pro rata share of any deficit incurred by MUSIC should it cease operations at some future date. The District's premium assessment from MUSIC for the year ended June 30, 2024, was \$1,405,643. Settled claims have not exceeded insurance coverage in any of the past three years.

Pattonville R-3 School District
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE H | POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note E, the District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS or PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100 percent of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. 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. A stand alone financial report is not available for the plan. During the current year, 900 individuals participated in the District's health and dental insurance plans.

NOTE I | SELF-INSURANCE

The District has a self-insurance plan which covers participating employees' and retirees' medical and dental coverage. Both the members and the District contribute to a reserve maintained by an insurance administrator, which is used to pay claims. The District utilizes an Internal Service Fund to account for the activity of the plan. A premium is charged to each fund that accounts for employees' salaries based on past trends and experience. Provisions are also made for unexpected or unusual claims.

NOTE J | TAX ABATEMENTS

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 \$2,151,173, as a result of these abatements for year ended June 30, 2024. These tax abatements are considered immaterial to the overall financial statements.

Pattonville R-3 School District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL - GENERAL FUND - UNAUDITED

Year ended June 30, 2024

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 48,752,040	\$ 48,506,860	\$ 45,722,314	\$ (245,180)	\$ (2,784,546)
County sources	500,000	541,120	486,857	41,120	(54,263)
State sources	4,976,410	4,965,880	5,173,526	(10,530)	207,646
Federal sources	3,639,220	3,139,063	3,830,153	(500,157)	691,090
Total revenues	57,867,670	57,152,923	55,212,850	(714,747)	(1,940,073)
Expenditures					
Instruction	6,906,510	7,453,760	6,761,653	(547,250)	692,107
Guidance	416,370	455,030	468,086	(38,660)	(13,056)
Health, psych, speech and audio	995,540	731,600	880,605	263,940	(149,005)
Improvement of instruction	2,558,810	3,073,139	2,981,719	(514,329)	91,420
Professional development	164,240	164,240	25,091	-	139,149
Media services	871,710	893,731	907,895	(22,021)	(14,164)
Board of Education services	268,110	408,666	521,658	(140,556)	(112,992)
Executive administration	4,046,460	4,600,222	4,429,108	(553,762)	171,114
Building level administration	2,194,460	2,731,171	2,725,107	(536,711)	6,064
Operation of plant	10,966,970	10,628,368	9,865,922	338,602	762,446
Pupil transportation	4,904,520	5,528,266	5,469,650	(623,746)	58,616
Food service	3,018,960	3,052,770	2,939,861	(33,810)	112,909
Central office support services	2,641,660	2,323,111	3,241,040	318,549	(917,929)
Security services	544,790	611,849	718,600	(67,059)	(106,751)
Adult basic education	229,930	112,220	-	117,710	112,220
Community services	546,420	586,904	1,163,063	(40,484)	(576,159)
Total expenditures	41,275,460	43,355,047	43,099,058	(2,079,587)	255,989
Revenues over expenditures	16,592,210	13,797,876	12,113,792	(2,794,334)	(1,684,084)
Other financing uses					
Transfers	(14,749,230)	(13,381,742)	(11,248,114)	1,367,488	2,133,628
NET CHANGE IN FUND BALANCE	\$ 1,842,980	\$ 416,134	865,678	\$ (1,426,846)	\$ 449,544
Fund balance at July 1, 2023			<u>42,145,372</u>		
Fund balance at June 30, 2024			<u>\$ 43,011,050</u>		

Pattonville R-3 School District

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED
CASH BASIS - BUDGET TO ACTUAL - SPECIAL REVENUE FUND - UNAUDITED**

Year ended June 30, 2024

				Variances -	
				positive (negative)	
	Budgeted amounts		Actual	Original	Final
Original	Final	to final		to actual	
Revenues					
Local sources	\$ 37,350,640	\$ 39,526,300	\$ 40,485,064	\$ 2,175,660	\$ 958,764
County sources	342,120	418,170	465,697	76,050	47,527
State sources	6,975,730	6,925,330	7,345,293	(50,400)	419,963
Federal sources	2,007,530	1,423,780	1,964,919	(583,750)	541,139
Total revenues	46,676,020	48,293,580	50,260,973	1,617,560	1,967,393
Expenditures					
Instruction	50,753,370	51,532,502	51,678,401	(779,132)	(145,899)
Guidance	2,525,190	2,531,000	2,431,168	(5,810)	99,832
Improvement of instruction	623,500	626,910	503,258	(3,410)	123,652
Media services	1,267,970	1,164,200	1,165,193	103,770	(993)
Executive administration	1,522,560	1,388,060	1,370,296	134,500	17,764
Building level administration	4,289,100	4,040,320	4,015,372	248,780	24,948
Central office support services	443,560	392,330	345,399	51,230	46,931
Total expenditures	61,425,250	61,675,322	61,509,087	(250,072)	166,235
Revenues over (under) expenditures	(14,749,230)	(13,381,742)	(11,248,114)	1,367,488	2,133,628
Other financing sources					
Transfers	14,749,230	13,381,742	11,248,114	(1,367,488)	(2,133,628)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -	\$ -
Fund balance at July 1, 2023			-		
Fund balance at June 30, 2024			\$ -		

Pattonville R-3 School District**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED
CASH BASIS - BUDGET TO ACTUAL - DEBT SERVICE FUND - UNAUDITED****Year ended June 30, 2024**

	Budgeted amounts			Variances -	
				positive (negative)	
	Original	Final	Actual	Original to final	Final to actual
Revenues					
Local sources	\$ 8,212,180	\$ 8,872,950	\$ 8,993,462	\$ 660,770	\$ 120,512
County sources	175,000	199,210	174,815	24,210	(24,395)
Total revenues	8,387,180	9,072,160	9,168,277	684,980	96,117
Expenditures					
Debt service:					
Principal	3,430,000	7,930,000	7,930,000	(4,500,000)	-
Interest and other charges	2,272,400	3,459,760	3,459,695	(1,187,360)	65
Total expenditures	5,702,400	11,389,760	11,389,695	(5,687,360)	65
NET CHANGE IN FUND BALANCE	\$ 2,684,780	\$ (2,317,600)	(2,221,418)	\$ (5,002,380)	\$ 96,182
Fund balance at July 1, 2023			12,138,948		
Fund balance at June 30, 2024			\$ 9,917,530		

Pattonville R-3 School District

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS - BUDGET TO ACTUAL – CAPITAL PROJECTS FUND - UNAUDITED

Year ended June 30, 2024

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local sources	\$ 6,667,670	\$ 8,606,625	\$ 12,481,429	\$ 1,938,955	\$ 3,874,804
County sources	15,000	13,880	11,934	(1,120)	(1,946)
State	-	300,000	300,000	300,000	-
Federal	2,195,000	3,789,972	1,379,138	1,594,972	(2,410,834)
Total revenues	8,877,670	12,710,477	14,172,501	3,832,807	1,462,024
Expenditures					
Capital outlay	34,688,820	47,343,113	32,040,459	(12,654,293)	15,302,654
Debt Service:					
Principal	2,920,120	3,285,000	2,845,293	(364,880)	439,707
Interest and other charges	555,710	503,412	949,909	52,298	(446,497)
Total expenditures	38,164,650	51,131,525	35,835,661	(12,966,875)	15,295,864
Revenues over (under) expenditures	(29,286,980)	(38,421,048)	(21,663,160)	16,799,682	16,757,888
Other financing sources					
Proceeds from the issuance of debt	40,000,000	55,680,000	55,680,000	15,680,000	-
Bond premium	4,000,000	4,688,463	4,938,468	688,463	250,005
Total other financing sources	44,000,000	60,368,463	60,618,468	16,368,463	250,005
NET CHANGE IN FUND BALANCE	<u>\$ 14,713,020</u>	<u>\$ 21,947,415</u>	38,955,308	<u>\$ 33,168,145</u>	<u>\$ 17,007,893</u>
Fund balance at July 1, 2023			<u>2,290,415</u>		
Fund balance at June 30, 2024			<u>\$ 41,245,723</u>		

Pattonville R-3 School District
NOTES TO OTHER INFORMATION

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 Chief Operating Officer, 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.
6. Budgets are adopted on the modified cash basis of accounting for all governmental funds.

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel, proposes to issue its approving opinion upon the delivery of the Bonds in substantially the following form:

Pattonville R-III School District,
St. Louis County, Missouri
St. Ann, Missouri

Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

Re: \$_____ Pattonville R-III School District, St. Louis County, Missouri General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025

Ladies and Gentlemen:

The Pattonville R-III School District, St. Louis County, Missouri, has on this date issued its General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025 (the “Bonds”), dated as of the date hereof in the aggregate principal amount of \$_____.

The Bonds have been authorized and issued under and pursuant to the Constitution and laws of the State of Missouri, including in particular Article VI, Sections 26 and 28 of the Constitution of the State of Missouri and Chapter 164 and Section 108.140 of the Revised Statutes of Missouri, as amended (the “Act”). The Bonds are further issued pursuant to a Resolution (the “Bond Resolution”) adopted by the Board of Education of the District on October 14, 2025 for the purpose of providing funds to refund (1) a portion of the District’s remaining outstanding General Obligation Refunding Bonds, Series 2017A (the “Series 2017 Bonds”), being those Series 2017 Bonds maturing on March 1 in the years 2027 and thereafter, aggregating the principal amount of \$16,190,000 and (2) all of the District’s remaining outstanding General Obligation Refunding Bonds, Series 2018A (the “Series 2018 Bonds”), being those Series 2018 Bonds maturing on March 1 in the years 2031 and thereafter, aggregating the principal amount of \$23,000,000, and (2) pay the costs of issuance of the Bonds.

In connection with the issuance of the Bonds, we have examined the following:

A. The Constitution of the State of Missouri, the Act and such other statutes and laws as we deem relevant to this opinion.

B. A certified copy of the proceedings of the Board of Education of the District, preliminary to and in connection with the issuance of the Bonds, authorizing, among other things, the following:

- (i) the issuance, sale and delivery of the Bonds;
- (ii) the execution and delivery of the Direct Deposit Agreement (the “Direct Deposit Agreement”) dated as of the event date herewith, by and among the District, the Office of the Treasurer of the State of Missouri, the Health and Educational Facilities Authority of the State of Missouri, and BOKF, N.A.; and
- (iii) the execution and delivery of the Tax Compliance Agreement of the District in connection with the Bonds (the “Tax Compliance Agreement”), dated as of even date herewith.

C. Original certified copies of the Bond Resolution, and executed counterparts of the Tax Compliance Agreement and the Direct Deposit Agreement.

D. A specimen of the Bonds.

E. Representations and certifications of the District and Piper Sandler & Co., as financial advisor to the District.

In rendering the opinions set forth herein we have assumed, without undertaking to verify the same by independent investigation, (1) as to questions of fact, the accuracy and completeness of all representations of the District set forth in the Bond Resolution, the Direct Deposit Agreement and the Tax Compliance Agreement and all representations and certifications of officers, officials and representatives of the District and others examined by us, (2) the conformity to original documents of all documents submitted to us as copies and the authenticity of such original documents and all documents submitted to us as originals, (3) that the proceeds of the Bonds will be used in accordance with the Bond Resolution, the Direct Deposit Agreement and the Tax Compliance Agreement and (4) that all covenants and requirements of the Bond Resolution, the Direct Deposit Agreement and the Tax Compliance Agreement will be duly complied with and fulfilled.

We have not, as Bond Counsel, undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated January 12, 2025 with respect to the Bonds or other offering material relating to the Bonds (except to the extent stated therein), and we express no opinion relating thereto (except to the extent stated therein). We further express no opinion as to the ability of the District to comply with its obligations under the Bond Resolution, the Direct Deposit Agreement and the Tax Compliance Agreement.

Based upon the foregoing and subject to the exceptions and clarifications set forth herein, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are in proper form, have been authorized and issued in accordance with the Constitution and statutes of the State of Missouri, and constitute valid and legally binding general obligations of the District, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District, except to the extent that the enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally or by general principles of equity, whether enforcement is considered in a proceeding at law or in equity.

2. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied in order that the interest on the Bonds (including any original issue discount properly allocable to an owner thereof) be, and continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with the requirements of the Code may cause interest on the Bonds (including any original issue discount properly allocable to an owner thereof) to be included in gross income for federal income tax purposes and not be exempt from income taxation by the State of Missouri, retroactive to the date of issuance of the Bonds.

3. The Bonds are not "specified private activity bonds" within the meaning of the alternative minimum tax provisions of the Code and, accordingly, interest on the Bonds (including any original issue

discount properly allocable to an owner thereof) is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals.

4. The Bonds are not “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

We express no opinion regarding federal, state or local tax consequences arising with respect to the Bonds (including, without limitation, those from the inclusion of interest and original issue discount, if any, on the Bonds in a corporate taxpayer’s adjusted current earnings for purposes of determining its federal alternative minimum tax liability), other than as expressly set forth herein.

This letter expresses our legal opinion as to the matters set forth herein and is based upon our professional knowledge and judgment at this time; however, it is not to be construed as a guaranty, nor is it a warranty that a court considering such matters would not rule in a manner contrary to the opinions set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity or in connection with any other transaction without our prior written consent. The opinions set forth in this letter are given as of the date hereof, and we disclaim any obligation to advise the addressees or to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur. Other than as expressly set forth herein, we express no opinion herein relative to compliance with federal or state securities laws.

Very truly yours,

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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CONTINUING DISCLOSURE CERTIFICATE

Dated December 2, 2025

By

**PATTONVILLE R-III SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI**

**\$ _____
Pattonville R-III School District
St. Louis County, Missouri
General Obligation Refunding Bonds
(Missouri Direct Deposit Program)
Series 2025**

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CONTINUING DISCLOSURE CERTIFICATE

This **CONTINUING DISCLOSURE CERTIFICATE** dated December 2, 2025 (this “**Continuing Disclosure Certificate**”) is executed and delivered by the **PATTONVILLE R-III SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI** (the “**Issuer**” or the “**District**”).

RECITALS

1. This Continuing Disclosure Certificate is executed and delivered by the Issuer in connection with the issuance by the Issuer of \$_____ General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025 (the “**Bonds**”), pursuant to a Resolution adopted by the governing body of the Issuer (the “**Resolution**”).

2. The Issuer is entering into this Continuing Disclosure Certificate 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 (the “**Rule**”). The Issuer is the only “obligated person” with responsibility for continuing disclosure hereunder.

In consideration of the mutual covenants and agreements herein, 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 Continuing Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

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

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

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

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

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

Section 2. Provision of Annual Reports.

- (a) The Issuer shall not later than 180 days after the end of the Issuer's fiscal year, commencing with the year ending June 30, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"), in substantially the form attached as **Exhibit A**:
- (1) The audited financial statements of the Issuer for the prior fiscal year prepared in accordance with the accounting principles in the notes to the financial statements set forth in Appendix B to the final Official Statement. 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) Information relating to the District and its operations set forth in the tables under the following sections in Appendix A of the final Official Statement: "**THE DISTRICT – Enrollment,**" "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT - Historic Assessed Valuation,**" "**– Tax Rates,**" "**– Tax Collection Record**" and "**– Major Taxpayers**" and "**DEBT STRUCTURE OF THE DISTRICT – Debt Ratios and Related Information (excluding Overlapping General Obligation Debt).**"

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 is 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**.

- (b) In addition to the foregoing requirements of this Section, the Issuer agrees to provide copies of the most recent Annual Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same has been filed with the MSRB.

Section 3. Reporting of Material Events. Not 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**"):

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

For purposes of the events identified in paragraphs (1) – (16) above, the term “security” means Bonds, “security holders” means Bond holders, and “obligated person” means the Issuer. For purposes of the events identified in paragraphs (15) and (16) above, the term “financial obligation” means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). 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.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall in a timely manner 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 Continuing Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer’s obligations under this Continuing Disclosure Certificate are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Certificate in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

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

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Certificate, the Issuer may amend this Continuing Disclosure Certificate and any provision of this Continuing Disclosure Certificate may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the 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 Continuing Disclosure Certificate.

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

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

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

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

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

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

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Certificate to be executed as of the day and year first above written.

**PATTONVILLE R-III SCHOOL DISTRICT,
ST. LOUIS COUNTY, MISSOURI**

By: _____
Title: President of the Board

EXHIBIT A

FORM OF ANNUAL REPORT

Annual Report Pursuant to SEC Rule 15c2-12
_____, 20__

Name of Obligated Person: Pattonville R-III School District, St. Louis County, Missouri

Fiscal Year Ended: June 30, 20__

6-Digit CUSIP Numbers to Which this Annual Report relates: 791400 and 791450

FINANCIAL INFORMATION ENCLOSED

The District's audited financial statements for the fiscal year ended June 30, 20__ can be found on the EMMA website at www.emma.msrb.org, and are herein incorporated by reference.

Included below is the operating data for the District for the fiscal year ended June 30, 20__, which is required to be filed pursuant to the District's Continuing Disclosure Obligations.

THE DISTRICT

Enrollment

Listed below are the District's fall enrollment figures for the current and preceding four school years:

<u>Grade</u>	<u>20__</u>	<u>20__</u>	<u>20__</u>	<u>20__</u>	<u>20__</u>
K					
1 st					
2 nd					
3 rd					
4 th					
5 th					
6 th					
7 th					
8 th					
9 th					
10 th					
11 th					
12 th					
TOTAL¹					
% Change	%	%	%	%	%

Source: District.

¹ District's enrollment totals do not include preschool services provided by the District.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Historic Assessed Valuation

The table below shows the assessed valuation of property in the District as of January 1, as finalized on December 31, for each of the last five years:

<u>Year</u>	<u>Total Assessed Valuation¹</u>	<u>Percentage Change</u>
20__	\$	%
20__		
20__		
20__		
20__		

Source: St. Louis County Assessor's Office.

¹ Net of incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District.

Tax Rates

The following table shows the District's adjusted tax levies (per \$100 of assessed valuation) for each of the last five fiscal 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 (Building) Fund</u>	<u>Total Levy</u>
20__	\$	\$	\$	\$	\$
20__					
20__					
20__					
20__					

Source: District.

[Remainder of page intentionally left blank]

Tax Collection Record

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

Fiscal Year Ending June 30	Total Adjusted Levy (per \$100 of Assessed Value)	Assessed Valuation as of 12/31 Net of TIF	Total Taxes Levied²	Current and Delinquent Taxes Collected^{1, 2, 3}	
				<u>Amount</u>	<u>%</u>
20__	\$	\$	\$	\$	
20__					
20__					
20__					
20__					

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

¹ Tax collection figures reflect the taxes actually received by the District and are therefore net of any payments in lieu of taxes allocable to the incremental increase in assessed valuation over the established base assessed valuation for real property within tax increment financing districts within the District.

² Taxes are levied and collected on a calendar year basis. Numbers shown reflect taxes levied and collected in the District's fiscal year, as indicated.

³ Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of current and delinquent taxes collected to exceed 100%. Current and Delinquent Taxes Collected also includes the current year's protested taxes which have been released.

Major Taxpayers

The ten largest taxpayers according to their 20__ assessed valuations are listed below. These taxpayers represent __% of the District's 20__ assessed valuation of \$_____.

<u>Taxpayer</u>	<u>Assessed Valuation</u>
	\$

Source: St. Louis County Assessor's Office.

DEBT STRUCTURE OF THE DISTRICT

Debt Ratios and Related Information (excluding Overlapping General Obligation Debt)

Estimated Population, District:		
Assessed Valuation (20__)	\$	(1)
Estimated Actual Value (20__)	\$	(1)
Outstanding Direct General Obligation Debt	\$	
Per Capita Direct Debt	\$	
Ratio of Direct Debt to Assessed Valuation		%
Ratio of Direct Debt to Estimated Actual Value		%

Source: District; St. Louis County Assessor's Office.

⁽¹⁾ Net of incremental increase in assessed valuation over the established assessed valuation base within tax increment financing districts within the District.

The requirement to annually file the updated financial information and operating data in the above-referenced tables may be satisfied by filing the District's audited financial statements, to the extent the financial information and operating data in the audited financial statements appear in substantially the form shown above.