

BOOK-ENTRY ONLY

S&P DIRECT DEPOSIT RATING: AA+

S&P UNDERLYING RATING: A+

See “BOND RATINGS” herein

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

\$10,195,000*

**CAPE GIRARDEAU SCHOOL DISTRICT NO. 63
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2025**

Dated: Date of Delivery

Due: March 1, as shown on the inside cover

The General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025 (the “Bonds”) will be issued by the Cape Girardeau School District No. 63 (the “District”) for the purpose of providing funds, together with other legally available funds of the District, to (1) refund certain of the District’s outstanding general obligation bonds, as further described under the section captioned “**PLAN OF FINANCING – Refunding of the Refunded Bonds,**” and (2) pay the costs of issuance related to the Bonds.

The Bonds will be issued as fully-registered bonds in the denomination of \$5,000 or integral multiples thereof. Principal of the Bonds will be payable annually 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 September 1, 2025, by check or draft mailed (or by wire transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the 15th day of the month preceding the applicable interest payment date.

The Bonds are subject to redemption prior to maturity as described herein under the section captioned “**THE BONDS – Redemption Provisions.**”

The Bonds are subject to certain risks. See the section captioned “**RISK FACTORS.**”

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 and accepted by the Underwriter, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the District, and subject to certain other conditions. Bond Counsel will also pass on certain matters relating to this Official Statement. 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 April 24, 2025.

STIFEL

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

* Preliminary; subject to change.

\$10,195,000*
CAPE GIRARDEAU SCHOOL DISTRICT NO. 63
GENERAL OBLIGATION REFUNDING BONDS
(MISSOURI DIRECT DEPOSIT PROGRAM)
SERIES 2025

MATURITY SCHEDULE*

Base CUSIP: 139465

<u>Due</u> <u>(March 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u>
2027	\$ 820,000	%	%	
2028	895,000			
2029	970,000			
2030	1,065,000			
2031	1,485,000			
2032	1,600,000			
2033	1,615,000			
2034	1,745,000			

* Preliminary; subject to change.

CAPE GIRARDEAU SCHOOL DISTRICT NO. 63

301 North Clark Street
Cape Girardeau, Missouri 63701
(573) 335-1867

BOARD OF EDUCATION

Mr. Jared Ritter, President and Member
Mr. Casey Cook, Vice President and Member
Mr. Paul Cairns, Member
Ms. Kristal Flentge, Member
Ms. Veronica Langston, Member
Dr. Missy Phegley, Member
Mr. Matthew Welker, Member

DISTRICT ADMINISTRATION

Dr. Howard Benyon, *Superintendent*
Mr. James Russell, *Assistant Superintendent of Academic Services*
Mr. Brice Beck, *Deputy Superintendent of Elementary Education*
Ms. Lindsey Dudek, *Chief Financial Officer*

BOND AND DISCLOSURE COUNSEL

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

UNDERWRITER

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

PAYING AGENT AND ESCROW AGENT

UMB Bank, N.A.
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 in this Official Statement 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 responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

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

**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 (1) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (2) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (3) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT WILL PROVE TO BE ACCURATE. UNDUE RELIANCE SHOULD NOT BE PLACED ON FORWARD-LOOKING STATEMENTS. ALL FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE DISTRICT ON THE DATE HEREOF, AND THE DISTRICT ASSUMES NO OBLIGATION TO UPDATE ANY SUCH FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR OR FAIL TO OCCUR, OTHER THAN AS SET FORTH IN **APPENDIX C**.

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OFFICIAL STATEMENT

\$10,195,000*

**CAPE GIRARDEAU SCHOOL DISTRICT NO. 63
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, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and appendices, should be considered in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, including the cover page and appendices, is furnished to prospective purchasers in connection with the offering and sale of \$10,195,000* aggregate principal amount of General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025 (the “**Bonds**”) by the Cape Girardeau School District No. 63 (the “**District**”). The issuance and sale of the Bonds is authorized by a resolution of the Board of Education of the District adopted on February 24, 2025, as supplemented by a Final Terms Certificate (together, the “**Resolution**”). All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.

Purpose of the Bonds

The Bonds are being issued for the purpose of providing funds, together with other legally available funds of the District, to (a) currently refund a portion of the District’s outstanding General Obligation Refunding and Improvement Bonds (Missouri Direct Deposit Program), Series 2016, being those bonds maturing in the years 2027 through 2034, in the aggregate principal amount of \$10,435,000 (the “**Refunded Bonds**”) and (b) pay the costs of issuing the Bonds. See the section 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 on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable tangible property, real and personal, within the territorial limits of the District. See the section captioned “**SECURITY FOR THE BONDS.**”

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

* Preliminary; subject to change.

Continuing Disclosure

The District will agree in a Continuing Disclosure Undertaking dated as of April 1, 2025 (the “**Continuing Disclosure Undertaking**”) to provide certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events relating to the Bonds. The financial information, operating data and notice of events will be filed in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section captioned “**CONTINUING DISCLOSURE UNDERTAKING.**”

Description of Documents

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

THE BONDS

General

The Bonds are being issued in the original principal amount of \$10,195,000*. The Bonds are dated the date of original delivery thereof. Principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page, subject to redemption and payment prior to maturity, upon the terms and conditions described under the section captioned “**THE BONDS – Redemption Provisions.**” Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or from the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 (each a “**Bond Payment Date**”), beginning September 1, 2025.

The interest payable on each Bond on any Bond Payment Date will be paid to the person in whose name such Bond is registered (the “**Registered Owner**”) as shown on the registration books (the “**Bond Register**”) at the close of business on the 15th day (whether or not a Business Day) of the calendar month next preceding such Bond Payment Date (the “**Record Date**”) for such interest by (1) check or draft mailed by UMB Bank, N.A., a national banking association with a payment office located in St. Louis, Missouri (the “**Paying Agent**”), to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner, or (2) 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, the bank’s ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed, and an acknowledgment that an electronic transfer fee may be applicable.

The principal or Redemption Price of each Bond will be paid by check, electronic transfer or draft to the Registered Owner of such Bond at the maturity thereof, upon presentation and surrender of such Bond at the payment office designated by the Paying Agent.

* Preliminary; subject to change.

Book-Entry Only System

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

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

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

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

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

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

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

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

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

Payments of Principal, Redemption Price and Interest. Payment of principal or Redemption Price of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or 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 interest in the Bonds may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Registration, Transfer and Exchange of Bonds

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

Upon surrender of any Bond at the principal payment office of the Paying Agent or at such other office designated by the Paying Agent, the Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

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 (1) register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent in accordance with the Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (2) register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Resolution.

Redemption Provisions

At the option of the District, the Bonds or portions thereof maturing on March 1, 20__ and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 20__ and thereafter as a whole or in part at any time at the Redemption Price of 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date (as defined herein).

Selection of Bonds to be Redeemed

Bonds shall be redeemed only in the principal amount of \$5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as determined by the District, and Bonds of less than a full Stated Maturity 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 fails to present such Bond to the Paying Agent for payment and exchange as aforesaid, such

Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

Notice of Redemption

Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption shall be given by the Paying Agent on the District's behalf by mailing a copy of an official redemption notice by first class mail at least 30 days but not more than 60 days prior to the Redemption Date to each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register.

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

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

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.

Effect of Call for Redemption

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall become due and payable on the Redemption Date, at the Redemption Price therein specified, and from and after the Redemption Date (unless the District defaults in the payment of the Redemption Price) such Bonds or portion of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with such notice, the Redemption Price of such Bonds shall be paid by the Paying Agent. Installments of interest due on or prior to the Redemption Date shall be payable as provided in the Resolution for payment of interest. Upon surrender for any partial redemption of any Bond, the Paying Agent shall prepare for the Registered Owner a new Bond or Bonds of the same Stated Maturity in the amount of the unpaid principal as provided in the Resolution. All Bonds that have been surrendered for redemption shall be cancelled and destroyed by the Paying Agent as provided in the Resolution and shall not be reissued.

Defeasance

When any or all of the principal of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Resolution and the pledge of the District's faith and credit under the Resolution and all other rights granted thereby shall terminate with respect to the principal of the Bonds or scheduled interest payments thereon so paid and discharged. Principal of the 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 located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of the principal of said Bonds or the scheduled interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on

any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the District has elected to redeem such Bonds, and (2) either notice of such redemption has been given, or the District has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with the Resolution.

Any money and Defeasance Obligations that at any time shall be deposited by or on behalf of the District with the Paying Agent or other commercial bank or trust company for the purpose of paying and discharging any of the Bonds or scheduled interest payments thereon shall be assigned, transferred and set over to the Paying Agent or other bank or trust company in trust for the respective Registered Owners of the Bonds, and such money shall be irrevocably appropriated to the payment and discharge thereof. All money and Defeasance Obligations deposited with the Paying Agent or other bank or trust company shall be deemed to be deposited in accordance with and subject to all of the provisions of the Resolution.

Defeasance Obligations include non-callable United States Government Obligations, defined in the Resolution as bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America.

SECURITY FOR THE BONDS

General

Pledge of Full Faith and Credit. The Bonds will constitute general obligations of the District and will be payable as to both principal 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. The full faith, credit and resources of the District are irrevocably pledged for the prompt payment of the principal or Redemption Price of and interest on the Bonds as the same become due.

Levy and Collection of Annual Tax. Under the Resolution, there is levied upon all of the taxable tangible property within the District a direct annual tax sufficient to produce the amounts necessary for the payment of the principal or Redemption Price of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the District are levied and collected. Except as otherwise provided 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 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 (**“Missouri State Treasurer”**), the Department of Elementary and Secondary Education of the State (**“DESE”**), the Health and Educational

Facilities Authority of the State and the Deposit Trustee. Under the Deposit Agreement, the District will pledge its State Aid to the payment of the Bonds. The Deposit Agreement will provide for payment of one-eighth (1/8) of the debt service due on September 1, 2025 and March 1, 2026 to be paid in each of the eight (8) months of May 2025 through September 2025 and December 2025 through February 2026, one-tenth (1/10) of the debt service due on September 1, 2026 and March 1, 2027 to be paid in each of the ten (10) months of 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 School 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 Missouri State Treasurer 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 of 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.

PLAN OF FINANCING

Refunding of the Refunded Bonds

On the date of issuance of the Bonds, the District will transfer a portion of the proceeds of the Bonds, together with other legally available funds of the District, to UMB Bank, N.A., as escrow agent, for deposit into an Escrow Fund (the "**Escrow Fund**") to pay the principal of and interest on the Refunded Bonds. Such moneys deposited into the Escrow Fund will be used to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "**Escrowed Securities**"). The Escrowed Securities will mature in such amounts and at such times as shall be sufficient, together with any cash deposit to the Escrow Fund, to redeem and pay the Refunded Bonds on July 22, 2025. All moneys deposited in the Escrow Fund will be irrevocably pledged to the payment of the Refunded Bonds.

Robert Thomas CPA, LLC, Shawnee Mission, Kansas, a firm of independent certified public accountants, will provide a report to the effect that the cash and Escrowed Securities held in the Escrow Fund will provide sufficient moneys to make the required payments in accordance with the District's refunding plan as described in this Official Statement.

Sources and Uses of Funds

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

<u>Sources of Funds:</u>	<u>Total</u>
Par Amount of Bonds	\$
Plus: *Net* Original Issue Premium	
District Contribution	
Total	<u>\$</u>
<u>Uses of Funds:</u>	
Deposit to Escrow Fund	\$
Costs of Issuance (including Underwriter's Discount)	
Total	<u>\$</u>

RISK FACTORS

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

Ad Valorem Property Taxes

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

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

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

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

Ratings

S&P Global Ratings, a division of S&P Global Inc. (**"S&P"**), has assigned the Bonds the ratings set forth in the section captioned **"BOND RATINGS."** Such ratings reflect only the views of S&P, 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 the ratings will not be revised, either downward or upward, or withdrawn entirely, by S&P if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Pensions and Other Postemployment Benefits

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

State Aid and Direct Deposit Agreement

Approximately 26% of the District's revenue for the fiscal year ended June 30, 2024 was derived from moneys provided by the State as State Aid. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – 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.

Enrollment

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

Amendment of the Resolution

Certain amendments, effected by resolution of the District, to the Bonds and the Resolution may be made with the written consent of the Registered Owners of not less than a majority in principal amount of the Bonds then outstanding. Such amendments may adversely affect the security of the owners of the Bonds; provided that, no amendments may (a) extend the maturity of any payment of principal or interest due upon any Bond; (b) alter the optional Redemption Date of any Bond; (c) effect a reduction in the amount which the District is required to pay as principal of or interest on any Bond; (d) permit preference or priority of any Bond over any other Bond; or (e) reduce the percentage in principal amount of Bonds required for the written consent to any modification or alteration of the provisions of the Resolution; without the written consent of the Registered Owners of all of the Bonds at the time outstanding.

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 federal gross income for federal and 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 income tax purposes. See **"TAX MATTERS"** in this Official Statement.

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

Defeasance Risks

When any or all of the principal of the Bonds or scheduled interest payments thereon have been paid and discharged, then 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 principal of the Bonds or scheduled interest payments thereon so paid and discharged. Principal of the 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 located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said principal of the Bonds or scheduled interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments.

Defeasance Obligations include non-callable United States Government Obligations, defined in the Resolution as bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. There is no legal requirement in the Resolution that Defeasance Obligations be rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

Cybersecurity Risks

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

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. In 2025, the County Commission of Cape Girardeau County, Missouri plans to consider implementing the Senior Property Tax Credit Program in Cape Girardeau County.

The potential financial impact of the Senior Property Tax Credit Program on the District is not yet ascertainable. If the District's property tax revenues are reduced in a given year as a result of the Senior Property Tax Credit Program, there will be less property tax revenues available to pay principal of and interest on the Bonds. In addition, the District is permitted to retain in its debt service fund up to one year's debt service payments and can increase the debt service levy for future years to address the potential decrease from

implementation of the Senior Property Tax Credit Program and to ensure continued payment of the principal of and interest on the Bonds. See **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT”** in **APPENDIX A** of this Official Statement.

Potential Impact of Public Health Emergencies

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus in December 2019 (**“COVID-19”** or the **“Pandemic”**), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues, extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The District cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the District associated with operating during any public health emergencies including, but not limited to, the amount of (1) increases in required services of the District, (2) costs to clean, sanitize and maintain its facilities, (3) costs to hire additional and/or substitute employees, (4) costs to acquire supporting goods and services, or (5) costs to operate remotely and support the employees of the District. Accordingly, the District cannot predict the effect any public health emergencies will have on the finances or operations of the District or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds. The District receives the majority of its revenue from property taxes, and the District did not experience a decrease in revenues due to COVID-19. Historical revenues and expenditures for the District’s General Fund for the fiscal years ended June 30, 2021 through 2024 are set forth under the caption **“FINANCIAL INFORMATION CONCERNING THE DISTRICT – Fund Balances Summary”** in **APPENDIX A** of this Official Statement.

THE DISTRICT

The District is located in the southeastern portion of the State, approximately 125 miles southeast of the City of St. Louis, Missouri. The District is located within Cape Girardeau County, Missouri. The District’s headquarters are located in the City of Cape Girardeau, Missouri. The District encompasses approximately 50 square miles. See **APPENDIX A** of this Official Statement for further information regarding the District.

LEGAL MATTERS

Legal matters with respect to the authorization, execution and delivery of the Bonds are subject to the approval of Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the District, whose approving opinion will be available at the time of delivery of the Bonds. Gilmore & Bell, P.C. will also pass upon certain legal matters relating to this Official Statement.

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

BOND RATINGS

S&P has assigned a rating of “AA+” to the Bonds based upon the District’s participation in the Missouri Direct Deposit Program. In addition, S&P has assigned an underlying rating of “A+” to the Bonds based on the credit of the District. The District has furnished S&P with certain information and materials relating to the Bonds and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. Such ratings reflect only the views of S&P, and an explanation of the significance of the 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 S&P 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 Undertaking, 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 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

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

Opinion of Bond Counsel

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

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

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

Bank Qualification. The Bonds have not been designated as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”).

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

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

Other Tax Consequences

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

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

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax,

financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

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

CONTINUING DISCLOSURE UNDERTAKING

The District will enter into the Continuing Disclosure Undertaking 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 Bonds. The financial information, operating data and notice of events will be filed in compliance with Rule. The District is the only “obligated person” with responsibility for continuing disclosure. Included in **APPENDIX C** of this Official Statement is the proposed form of the Continuing Disclosure Undertaking.

The District believes that in the past five years it has complied in all material respects with its prior undertakings under the Rule, except the District inadvertently did not link the financial information and operating data for the fiscal year ended June 30, 2024 to all applicable CUSIP numbers when such financial information and operating data were initially filed on December 17, 2024. Such financial information and operating data were linked to the missing CUSIP numbers on March 11, 2025.

ABSENCE OF LITIGATION

As of the date of this Official Statement, there is no controversy, suit or other proceeding of any kind pending or, to the District’s knowledge, threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the District or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act in connection with the authorization, issuance and sale of the Bonds, or the constitutionality or validity of the Bonds or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof, or which might affect the District’s ability to meet its obligations to pay the Bonds.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the “**Underwriter**”), has agreed to purchase the Bonds at a price of \$_____ (which is equal to the original principal amount of the Bonds, less an underwriting discount of \$_____, plus an original issue premium 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.

The Underwriter and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

CERTAIN RELATIONSHIPS

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

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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 Underwriter. The information contained in this Official Statement has been compiled from official and other sources that are 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.

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

CAPE GIRARDEAU SCHOOL DISTRICT NO. 63

By: _____
President of the Board of Education

APPENDIX A

INFORMATION REGARDING THE DISTRICT

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THE DISTRICT

General

The District is located in the southeastern portion of the State of Missouri (the “**State**”), approximately 125 miles southeast of the City of St. Louis, Missouri. The District is located within Cape Girardeau County, Missouri (the “**County**”). The District’s headquarters are located in the City of Cape Girardeau, Missouri (the “**City**”). The District encompasses approximately 50 square miles.

Board of Education

The District is governed by the Board of Education (the “**Board**”), consisting of seven members, whose members are elected by the voters within the District for 3-year terms of office. The Board is a policy making body whose primary function is to establish policies for the District, provide for the general operation and personnel of the District, and to oversee the property and affairs of the District. The present Board members are as follows:

<u>Title</u>	<u>Name</u>	<u>Year First Elected</u>	<u>Current Term Expires</u>
President and Member	Jared Ritter	2017	2026
Vice President and Member	Casey Cook	2020	2026
Member	Paul Cairns	2021	2027
Member	Kristal Flentge	2024	2027
Member	Veronica Langston	2022	2025
Member	Dr. Missy Phegley	2020	2026
Member	Matthew Welker	2019	2025

Administration

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

Dr. Howard Benyon began as the new Superintendent on July 1, 2023. Dr. Benyon previously served as the Deputy Superintendent of Elementary Education at the District. Dr. Benyon has 26 years of educational experience with 20 years as an administrator. Dr. Benyon holds a Doctorate in Education from Saint Louis University, a Master of Science in Teaching, Learning, and Leadership from Oklahoma State University, and a Bachelor of Science in Elementary Education from Southwest Missouri State University.

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Professional Staff

The following table sets forth the number of staff employed by the District:

<u>School Year</u>	<u>Certificated Personnel</u>	<u>Non-Certificated Personnel</u>	<u>Total Staff</u>
2020-21	450	300	750
2021-22	486	346	832
2022-23	460	362	852
2023-24	473	380	853
2024-25	473	380	853

Source: District.

Union and Other Employee Organizations

The District's teaching staff is not unionized, but may join professional groups or associations and participate in collective bargaining with the District pursuant to State law.

Enrollment

The following table shows total student enrollment in the District as of September for each of the following school years:

<u>School Year</u>	<u>Elementary</u>	<u>Middle School</u>	<u>Junior High</u>	<u>High School</u>	<u>Total</u>
2020-21	1,591	581	653	1,213	4,038
2021-22	1,637	601	612	1,249	4,099
2022-23	1,606	596	604	1,298	4,104
2023-24	1,761	601	589	1,284	4,235
2024-25	1,751	618	624	1,241	4,234

Source: District.

School Rating and Accreditation

DESE administers the Missouri School Improvement Program ("MSIP"), the State's school accountability system for reviewing and accrediting public school districts in Missouri. Under MSIP, the District is accredited, which is currently the highest level of accreditation under MSIP. 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 currently owns and operates one early childhood center, five elementary schools, one middle school, one junior high school, one senior high school, one career and technology center and one academy. Listed below is information about each of the schools operated by the District.

Central High School

Location: 1000 S. Silver Springs Road

Enrollment: 1,091

Clippard Elementary School

Location: 2990 Hopper Road

Enrollment: 379

Terry W. Kitchen Central Junior High School

Location: 1910 Whitener Street

Enrollment: 624

Franklin Elementary School

Location: 1550 Themis Street

Enrollment: 234

Central Middle School

Location: 1900 Thilenius

Enrollment: 618

Jefferson Elementary School

Location: 520 S. Minnesota

Enrollment: 490

Alma Schrader Elementary School

Location: 1360 Randol

Enrollment: 325

Cape Girardeau Career and Technology Center

Location: 1080 S. Silver Springs Road

Blanchard Elementary School

Location: 1829 N. Sprigg Street

Enrollment: 323

Early Childhood Center

Location: 1910 Whitener Street

Cape Central Academy

Location: 1301 N. Main Street

Enrollment: 150

Other District Statistics

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

	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>
Ave. Daily Attendance (ADA)	3,890	3,607	3,710	3,707	3,764
Rate of Attendance	89.1%	74.6%	74.8%	78.4%	82.3%
Current Expenditures Per ADA	\$10,700	\$12,456	\$12,777	\$12,344	\$12,663
Students per Teacher	12	11	11	11	11
Students per Classroom Teacher	17	16	16	16	16

Source: DESE.

National School Lunch Program

Certain 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 Healthy, Hunger-Free Kids Act of 2010 passed by Congress offers school districts the Community Eligibility Provision (“CEP”) as an alternative to reduce the administrative burden of the National School Breakfast and NSLP. In order to participate in the CEP, districts must demonstrate that at least 40% of students would automatically qualify for free meals based on participation in other need based programs. A qualifying school must agree to serve free breakfasts and lunches to all students. In exchange, the district is exempt from collecting and processing household applications. All of the District’s schools participate in CEP for the 2024-2025 school year.

GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT

Population

The following table shows population figures for the District, the City, the County and the State from the last three decennial censuses and the latest available estimate:

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
District	36,054	38,472	39,685	40,157
City	35,349	37,941	39,540	40,047
County	68,693	75,674	81,710	82,180
State	5,595,211	5,988,927	6,154,913	6,168,181

Source: U.S. Bureau of the Census 2000, 2010 and 2020 Censuses and 2023 American Community Survey 5-Year Estimates.

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

Estimated Population Distribution by Age

<u>Age</u>	<u>District</u>	<u>City</u>	<u>County</u>	<u>State</u>
Under 5 years	2,181	2,213	4,658	359,915
5-19 years	6,943	6,939	16,139	1,187,955
20-24 years	6,294	6,313	8,342	402,879
25-44 years	9,109	9,163	19,777	1,596,432
45-64 years	8,035	7,816	19,092	1,541,871
65 years and over	<u>7,595</u>	<u>7,603</u>	<u>14,172</u>	<u>1,079,129</u>
Total	<u>40,157</u>	<u>40,047</u>	<u>82,180</u>	<u>6,168,181</u>
Median age	34.4	34.2	37.0	38.9

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

Commerce, Industry and Employment

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

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>
Saint Francis Healthcare Services	Healthcare	2,800
Mercy Health Southeast	Healthcare	2,200
Southeast Missouri State University	Higher Education	1,100
Jackson R-II Schools	Public Education	1,100
The District	Public Education	1,100
Proctor & Gamble Paper Products	Manufacturer	1,100
Newell Rubbermaid	Manufacturer	850
City of Cape Girardeau	Municipal Government	500
Mondi	Manufacturer	428
Community Counseling Center	Mental Health Services	400

Source: Southeast Missouri Regional Economic Development, Inc.

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

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024⁽¹⁾</u>
<i>City</i>					
Total Labor Force	20,662	20,444	20,472	20,820	21,303
Unemployed	1,161	759	507	603	658
Unemployment Rate	5.6%	3.7%	2.5%	2.9%	3.1%
<i>County</i>					
Total Labor Force	40,217	39,864	39,967	40,650	41,628
Unemployed	2,083	1,370	925	1,115	1,257
Unemployment Rate	5.2%	3.4%	2.3%	2.7%	3.0%
<i>State</i>					
Total Labor Force	3,025,785	3,028,635	3,036,611	3,087,759	3,139,685
Unemployed	186,168	125,794	79,259	94,172	102,543
Unemployment Rate	6.2%	4.2%	2.6%	3.0%	3.3%
<i>United States</i>					
Total Labor Force	160,742,000	161,204,000	164,287,000	167,116,000	168,164,000
Unemployed	12,947,000	8,623,000	5,996,000	6,080,000	6,708,000
Unemployment Rate	8.1%	5.3%	3.6%	3.6%	4.0%

Source: U.S. Bureau of Labor Statistics.

⁽¹⁾ Figures are preliminary and for the month of November, not an annualized calculation.

Medical and Health Facilities

The City has the largest regional medical centers between St. Louis and Memphis. Mercy Hospital Southeast, a 245-bed regional medical complex, and Saint Francis Medical Center, a 306-bed regional medical center, provide services for general health care and acute illnesses.

Mercy Hospital Southeast, whose headquarters are in St. Louis, Missouri, provides numerous other services at various sites in the region, including Southeast Medical Plaza, Southeast Cancer Center, Southeast Hospice, Southeast Home Health and HealthPoint Fitness.

Saint Francis Medical Center also provides other services at various sites in the region, including the Healing Arts Center, the Health and Wellness Center and the Heart Hospital and Cancer Institute. The Doctor's Park, a comprehensive health care complex, provides medical, dental, ambulatory and diagnostic services to the region as well.

Special services for physically and mentally disabled children and adults are offered by the Parkview State School for the Severely Disabled. Vocational and self-development training programs are also offered by Parkview. A variety of nursing and retirement facilities provide the City's elderly with care and medical assistance.

Transportation

The District is traversed by Interstate 55 and is bordered by the Mississippi River. The Bill Emerson Memorial Bridge, a four-lane suspension bridge, carries traffic across the Mississippi River from Illinois into the City and connects to Interstate 55. Other highways serving the District include U.S. Highway 61, Missouri Highways 34 and 177, and Illinois Highways 3 and 146. Regular bus service is available in the City.

The Cape Girardeau Regional Airport is located approximately 7 miles from downtown. The airport, situated on 557 acres, consists of two runways, one terminal, an avionics shop, a pilots club and a growing industrial park. SkyWest Airlines serves the airport (on behalf of United Airlines) by providing two round-trip flights daily from the City to Chicago, Illinois.

Income and Home Values

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

<u>Year</u>	<u>County Per Capita Personal Income</u>	<u>State Per Capita Personal Income</u>
2023	\$54,568	\$62,604
2022	50,857	59,007
2021	48,579	56,639
2020	46,261	52,145
2019	43,334	48,425

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

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

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

Median Household Income

District	\$55,158
City	54,870
County	68,912
State	68,920

Source: United States Census Bureau, 2023 American Community Survey, 5-year Estimates.

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

	<u>Number of Owner- Occupied Units</u>	<u>Median Home Value</u>
District	19,865	\$186,300
City	19,616	186,100
County	53,783	208,300
State	4,303,057	215,600

Source: United States Census Bureau, 2023 American Community Survey, 5-year Estimates.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Sources of Revenue

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

State and federal revenue, as well as “Proposition C” sales tax revenue (included in the **“Local Revenue”** category below), are received on a continuous monthly basis throughout the fiscal year. Local taxes, however, are received primarily in January, approximately 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.

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

<u>Source</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Local Revenue	\$34,727,890	\$34,987,837	\$36,968,910	\$40,206,689	\$43,042,274
County Revenue	1,059,427	1,166,864	1,223,281	1,269,705	1,356,192
State Revenue	13,917,832	14,187,126	14,523,136	15,251,371	20,305,139
Federal Revenue	7,980,255 ⁽¹⁾	9,048,397 ⁽¹⁾	13,940,454 ⁽¹⁾	14,834,187 ⁽¹⁾	14,810,837 ⁽¹⁾
Other Revenue	<u>922,554</u>	<u>1,001,604</u>	<u>1,044,644⁽²⁾</u>	<u>1,104,595⁽³⁾</u>	<u>1,230,052</u>
TOTAL	<u>\$58,607,959</u>	<u>\$60,391,827</u>	<u>\$67,700,425</u>	<u>\$72,666,547</u>	<u>\$80,744,494</u>

⁽¹⁾ Includes Elementary and Secondary School Emergency Relief (“ESSER”) Funds in the approximate amount of \$756,000 in the fiscal year ended June 30, 2020, \$367,000 in the fiscal year ended June 30, 2021, \$4,517,000 in the fiscal year ended June 30, 2022, \$4,858,000 in the fiscal year ended June 30, 2023 and \$5,400,000 in the fiscal year ended June 30, 2024.

⁽²⁾ Excludes proceeds from the sale of the District's General Obligation Bonds (Missouri Direct Deposit Program), Series 2021.

⁽³⁾ Excludes proceeds from the sale of the District's General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2023.

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

Local Revenue

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

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

<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Proposition C Revenue</u> <u>Per Pupil</u>
2024	\$1,475
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, RSMo, that is primarily student-needs-based.

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

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

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for FRL students who qualify for free and reduced-price lunch, 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. Certain school districts who operate early childhood education programs will also be able to claim a portion of their pre-kindergarten FRL students in their calculation of ADA; however, the portion of pre-kindergarten FRL students included in the calculation of ADA cannot exceed 4% of the total number of FRL students between the ages of 5 and 18 who are included in the school district’s calculation of ADA. The District’s State Aid revenues would be adversely affected by decreases in its Weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP and LEP students. However, in the event that the District’s Weighted ADA is substantially reduced for any current fiscal year, the District may use the higher of the District’s Weighted ADA for the immediately preceding fiscal year or the second preceding fiscal year. This process is designed to absorb a one-year attendance irregularity.

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

State Adequacy Target. The State Aid formula requires DESE to calculate a “**State Adequacy Target**,” which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE’s calculation of the State Adequacy Target is based upon amounts spent, excluding federal and state transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated thereafter. For the fiscal year ended June 30, 2024, the State Adequacy Target was \$6,375. The State Adequacy Target is expected to be \$6,760 per pupil for the fiscal year ending June 30, 2025.

Dollar Value Modifier. The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for 2023-2024 was 1.0240 and for 2024-2025 the DVM for the District is 1.0230.

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

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

Classroom Trust Fund (Gambling Revenue) Distributions. A portion of the State Aid received under the formula will be in the form of a distribution from the "**Classroom Trust Fund**," a fund in the state treasury containing a portion of the state's gambling revenues. This money is distributed to school districts on the basis of ADA (versus *Weighted ADA*, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district except that 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 June 30	Classroom Trust Fund (Per Pupil)
2024	\$472
2023	426
2022	430
2021	435
2020	327 ⁽¹⁾

⁽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.

Source: DESE.

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

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

In addition to these mandatory deposits, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses (1) and (2) of the preceding paragraph. 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. The formula provides that certificated staff compensation includes the costs of public school retirement and Medicare for those staff members.

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

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

Federal Revenue

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

The federal "Every Student Succeeds Act" ("**ESSA**") was signed into law on December 10, 2015. ESSA 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.

Certain Permitted Fund Transfers

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

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

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 totality of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326 or (b) seven percent (7%) of the State Adequacy Target (see ***“State Adequacy Target”*** above) times a school district’s Weighted ADA. The District transferred \$1,859,883 from the Incidental Fund to the Capital Projects Fund under this provision during the 2023-2024 fiscal year.

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

Accounting, Budgeting and Auditing Procedures

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

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

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

- **Capital Projects Fund:** The Capital Projects Fund accounts for resources restricted for the acquisition or construction of specific capital projects or items. It accounts for the proceeds of long-term debt, taxes and other receipts, designated for construction of major capital assets and all other capital outlay.

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

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

The financial records of the District are audited annually by an independent public accountant according to the modified cash basis of accounting. The most recent annual audit has been performed by Stanley, Dirnberger, Hopper and Associates, LLC, Cape Girardeau, Missouri. The audited financial statements of the District for the fiscal year ended June 30, 2024, together with the independent auditor's report thereon, are included in this Official Statement as **APPENDIX B**. A summary of significant accounting policies of the District is contained in the notes accompanying the financial statements in **APPENDIX B**. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the District's office.

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Fund Balances Summary

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

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>General (Incidental) Fund</u>				
Balance - Beginning of Year	\$12,686,839	\$12,700,720	\$ 15,316,515 ⁽¹⁾	\$ 18,572,008
Revenues	36,133,097	36,930,986	40,384,195	42,200,105
Expenditures	(19,591,934)	(20,909,626)	(22,087,054)	(23,286,804)
Transfer In (Out)	<u>(16,527,282)</u>	<u>(13,405,566)</u>	<u>(15,041,648)</u>	<u>(15,364,821)</u>
Balance - End of Year	<u>\$12,700,720</u>	<u>\$15,316,514</u>	<u>\$ 18,572,008</u>	<u>\$ 22,120,489</u>
<u>Special Revenue (Teachers) Fund</u>				
Balance - Beginning of Year	\$ 0	\$ 0 ⁽¹⁾	\$ 0 ⁽¹⁾	\$ 0
Revenues	16,996,965	21,806,849 ⁽²⁾	22,041,781 ⁽³⁾	22,555,992 ⁽⁴⁾
Expenditures	(31,551,302)	(33,375,148)	(35,205,208)	(36,060,930)
Transfer In (Out)	<u>14,554,338</u>	<u>11,568,300</u>	<u>13,163,427</u>	<u>13,504,938</u>
Balance - End of Year	<u>\$ 1⁽¹⁾</u>	<u>\$ 1⁽¹⁾</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Debt Service Fund</u>				
Balance - Beginning of Year	\$ 5,736,790	\$ 5,485,529	\$ 5,524,779	\$ 5,420,213
Revenues	4,868,461	5,263,719	13,323,465 ⁽⁵⁾	6,094,797
Expenditures	(5,119,722)	(5,224,470)	(13,428,031)	(5,539,693)
Transfer In (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance - End of Year	<u>\$ 5,485,529</u>	<u>\$ 5,524,779</u>	<u>\$ 5,420,213</u>	<u>\$ 5,975,317</u>
<u>Capital Projects Fund</u>				
Balance - Beginning of Year	\$ 9,169,624	\$10,239,714	\$ 9,503,771 ⁽¹⁾	\$ 6,326,213
Revenues	2,393,305	7,698,872 ⁽⁶⁾	4,532,106	9,893,601
Expenditures	(3,296,159)	(10,272,080)	(9,587,885)	(14,056,092)
Transfer In (Out)	<u>1,972,944</u>	<u>1,837,266</u>	<u>1,878,221</u>	<u>1,859,883</u>
Balance - End of Year	<u>\$10,239,714</u>	<u>\$ 9,503,772⁽¹⁾</u>	<u>\$ 6,326,213</u>	<u>\$ 4,023,605</u>
<u>Total Funds</u>				
Balance - Beginning of Year	\$27,593,253	\$28,425,963	\$30,345,065	\$30,318,434
Revenues	60,391,827	71,700,426	80,281,547	80,744,495
Expenditures	(59,559,117)	(69,781,324)	(80,308,178)	(78,943,519)
Transfer In (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance - End of Year	<u>\$28,425,963</u>	<u>\$30,345,065</u>	<u>\$30,318,434</u>	<u>\$32,119,410</u>

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

(1) Difference due to rounding.

(2) Includes \$4,375,057 in ESSER Funds.

(3) Includes \$3,956,786 in ESSER Funds.

(4) Includes \$4,701,506 in ESSER Funds.

(5) Includes proceeds of the District's General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2023.

(6) Includes proceeds of the District's General Obligation Bonds (Missouri Direct Deposit Program), Series 2021.

Pension and Employee Retirement Plans

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

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 (the “**2024 PSRS/PEERS Annual Report**”), the comprehensive financial report for the plans, is available at www.psr-peers.org/About-Us. The link to the 2024 PSRS/PEERS Annual Report is provided for general background information only, and the information in the 2024 PSRS/PEERS Annual Report is not incorporated by reference herein. The 2024 PSRS/PEERS Annual Report 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 Annual Report. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan’s actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2024. 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 Annual Report. The funding objective of each plan, as stated in each plan's Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

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

Schedule of Employer Contributions

Year Ended June 30,	<u>PSRS</u>			<u>PEERS</u>		
	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)*</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Excess/ (Deficiency)*</u>
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	\$35,180,782	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 Annual Report.

* 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.

Schedule of Funding Progress

(Dollar amounts in thousands)

Year Ended June 30,	<u>PSRS</u>			<u>PEERS</u>		
	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>
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 Annual Report.

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As stated in the District's audited financial statements and the GASB 68 footnote disclosure prepared by PSRS and PEERS and provided to the District, the District's contributions to PSRS and PEERS for the years shown were as follows:

District Contributions to PSRS and PEERS

Year Ended June 30,	PSRS		PEERS	
	<u>Annual Contribution⁽¹⁾</u>	<u>Contribution (% of Payroll)</u>	<u>Annual Contribution⁽¹⁾</u>	<u>Contribution (% of Payroll)</u>
2024	\$3,786,162	14.5%	\$782,188	6.86%
2023	3,716,319	14.5	725,097	6.86
2022	3,570,148	14.5	662,280	6.86

Source: Audited financial statements of the District.

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

The District's contributions to PSRS and PEERS during the fiscal year ended June 30, 2024 constituted approximately 5.8% of the District's total expenditures during the fiscal year. The District was 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 ended June 30, 2024, equal to the contribution percentages for the fiscal year ended June 30, 2023.

The District has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. This Statement requires the District to record its proportionate share of the net pension liability of PSRS and PEERS. PSRS and PEERS 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, 2023). At June 30, 2024 (measured as of June 30, 2023), the District's proportionate share of the net pension liability of PSRS and PEERS was \$39,319,539 and \$4,945,574, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. In accordance with GASB 68, the District's audited financial statements for the fiscal year ended June 30, 2024 reflect a liability in those respective amounts for its proportionate share of the net pension liability of PSRS and PEERS. At June 30, 2024, the District's contribution to PSRS and PEERS represented 0.4703% and 0.4951%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ended June 30, 2024, the District recognized pension expense of \$4,066,541 for PSRS and \$1,288,923 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 the 2024 PSRS/PEERS Annual Report.

The net pension liability of PSRS and PEERS is based on a 7.3% discount rate, which was also the assumed investment rate of return for the plans effective for the fiscal year ended June 30, 2024. PSRS and PEERS further advised the District that its proportionate share of the net pension liability using a 1% higher or lower discount rate at June 30, 2024 (measured as of June 30, 2023) would be as follows:

Proportionate Share of Net Pension Liability Sensitivity

	1.0% Decrease (<u>6.3%</u>)	Current Discount Rate (<u>7.3%</u>)	1.0% Increase (<u>8.3%</u>)
District's proportionate share of PSRS net pension liability	\$73,174,470	\$39,319,539	\$11,285,833
District's proportionate share of PEERS net pension liability	\$9,389,043	\$4,945,574	\$1,238,978

For additional information regarding the District's pensions and employee retirement plans, see Note 10 to the District's financial statements included as **APPENDIX B** to this Official Statement. For additional information regarding PSRS and PEERS, see the 2024 PSRS/PEERS Annual Report.

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 11 to the District's financial statements included as **APPENDIX B** to this Official Statement.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

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

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

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

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

Current Assessed Valuation

The following shows the total assessed valuation and 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, 2024 (as finally adjusted by the County Board of Equalization):

	<u>Assessed Valuation</u> ⁽²⁾	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>
Real Estate			
Residential	\$345,309,880	19%	\$1,817,420,421
Agricultural	2,591,860	12	21,598,833
Commercial ⁽¹⁾	<u>285,517,117</u>	32	<u>892,240,991</u>
Total Real Estate	\$633,418,857		\$2,731,260,245
Personal Property ⁽¹⁾	<u>187,970,254</u>	33 ¹ / ₃	<u>563,911,326</u>
TOTAL	<u>\$821,389,111</u>		<u>\$3,295,171,571</u>

⁽¹⁾ Locally Assessed Railroad and Utility Property and Non-Operating Property are included in the commercial real estate and personal property totals.

⁽²⁾ Includes \$6,096,330 in TIF Increment (as defined herein).

Source: Cape Girardeau County Clerk's Office.

Historic Assessed Valuation

The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District and including TIF Increment) according to the assessments of January 1, as adjusted through December 31, in each of the following years has been as follows:

<u>Calendar Year</u>	<u>Real Estate Residential</u>	<u>Real Estate Commercial</u> ⁽¹⁾	<u>Real Estate Agriculture</u>	<u>Personal Property</u> ⁽¹⁾	<u>Total Assessed Valuation</u>	<u>% Change</u>
2024	\$345,309,880	\$285,517,117	\$2,591,860	\$187,970,254	\$821,389,111	+0.97%
2023	344,344,380	273,483,194	2,624,680	193,053,448	813,505,702	+7.39
2022	315,581,960	253,348,664	2,671,640	185,953,313	757,555,577	+5.19
2021	311,602,250	242,377,305	2,763,110	163,420,305	720,162,970	+4.18
2020	307,705,890	232,506,800	3,044,570	148,044,208	691,301,468	N/A

⁽¹⁾ Locally Assessed Railroad and Utility Property and Non-Operating Property are included in the commercial real estate and personal property totals.

Source: Cape Girardeau County Clerk's Office.

Property Tax Levies and Collections

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

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. As required under SB 711 (discussed below), the District must informally project nonbinding tax levies for the year and return such projected tax

levies to the County Clerk no later than April 8th. The District must fix its ad valorem property tax rates and certify them to the County Clerk no later than October 1 for entry in the tax books. Taxes are levied at the District's tax rate per \$100 of assessed valuation. The Missouri State Auditor is responsible for reviewing the rate of tax to insure that it does not exceed constitutional rate limits.

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

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

District's Rights in Event of Tax Delinquency. Taxes are due by December 31st and become delinquent if not paid to the County Collector by that time. All tracts of land and city lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. Taxes on real estate become delinquent on January 1 and the County Collector is required to enforce the state's lien by offering the property for sale 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 Abatement and Tax Increment Financing

Under state law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo. In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo, may seek real property tax abatement for a total period of 25 years. In addition, the Industrial Development Law, Chapter 100, RSMo, authorizes real and personal property tax abatement for corporations for certain projects.

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

Currently, certain portions of the District are located in tax increment financing districts ("**TIF Redevelopment Areas**"). Tax increment financing does not diminish the amount of property tax revenues collected by the District in an affected area compared to prior to the establishment of a TIF Redevelopment Area, but instead acts to freeze such revenues at current levels and deprives the District and other taxing districts of all or part of future increases in ad valorem real property tax revenues that otherwise would have resulted from increases in assessed valuation in such areas (the "**TIF Increment**"). The TIF Increment is captured by the TIF Redevelopment Areas until the tax increment financing obligations issued are repaid or the tax increment financing period terminates.

According to the County Clerk's Office, the TIF Increment attributable to property located in the District was \$6,096,330 for the 2024 tax year.

Tax Rates

Debt Service Levy. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Constitution of Missouri 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 rate or amount, at the level required to make such payments.

Operating Levy. The operating tax levy of a school district (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the "**tax rate ceiling**" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy that, when charged against the district's assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment, more fully explained below).

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

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

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

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

History of Tax Levies

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

Fiscal Year Ending June 30,	Special Revenue Fund	General Fund	Capital Projects Fund	Debt Service Fund	Adjusted Tax Levy Total
2025	\$0.0000	\$3.5719	\$0.0000	\$0.5848	\$4.1567
2024	0.0000	3.2420	0.2500	0.6647	4.1567
2023	0.0000	3.2915	0.2500	0.6152	4.1567
2022	0.0000	3.2420	0.2500	0.6647	4.1567
2021	0.0000	3.5195	0.0000	0.6372	4.1567

Source: The District for the fiscal year ended June 30, 2025; District’s Annual Secretary of the Board Reports for fiscal years ended June 30, 2021 - 2024.

Tax Collection Rates

Fiscal Year Ending June 30	Assessed Valuation⁽¹⁾	Prior Year Tax Levy	Current Taxes Collected	% of Levy	Delinquent Taxes Collected	Current and Delinquent Taxes Collected	% of Levy
2024	\$808,121,002	\$33,591,166	\$31,121,689	92.65%	\$1,441,098	\$32,562,787	96.94%
2023	754,522,177	31,363,223	29,460,384	93.93	1,564,172	31,024,556	98.92
2022	717,265,010	29,814,555	27,718,180	92.97	1,359,387	29,077,567	97.53
2021	688,361,498	28,613,122	26,924,369	94.10	1,478,517	28,402,886	99.27
2020	685,307,387	28,486,172	27,160,641	95.35	940,647	28,101,288	98.65

⁽¹⁾ Excludes TIF Increment.

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

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Major Taxpayers

The largest identifiable taxpayers within the District for calendar year 2024 are listed below. These taxpayers represent 11.78% of the District's 2024 assessed valuation of \$821,389,111.

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of District's 2024 Total Assessed Valuation</u>
Lone Star Industries, Inc.	\$20,028,490	2.44%
Cape G LLC	17,596,210	2.14
Union Electric CO	13,962,620	1.70
Biokyowa Inc.	9,619,940	1.17
Cape Girardeau Behavioral Health LLC	7,702,820	0.94
Midamerica Hotels Corporation	6,753,520	0.82
Drury Land Development Inc.	5,816,660	0.71
D & D Cape Investments LP	5,120,000	0.62
Isle of Capri – Cape Girardeau	5,086,340	0.62
DSW Development Corporation	<u>5,058,740</u>	<u>0.62</u>
Total	<u>\$96,745,340</u>	<u>11.78%</u>

Source: Cape Girardeau County Collector's Office.

DEBT STRUCTURE OF THE DISTRICT

General Obligation Bonds Outstanding

The District fixes an annual debt service levy and levies taxes to meet the annual debt service requirements of its general obligation bonds. Article VI, Section 26(b) of the Constitution of the State of Missouri limits the outstanding amount of authorized general obligation bonds of a school district to 15% of assessed valuation of taxable tangible property within the school district.

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The following table shows the general obligation bonded indebtedness of the District, including the Bonds and excluding the Refunded Bonds, as of the expected issue date of the Bonds.

<u>Description of Indebtedness</u>	<u>Final Maturity</u>	<u>Amount Outstanding</u>
Taxable General Obligation Qualified School Construction Bonds (Missouri Direct Deposit Program), Series 2010C (Direct Pay Bonds)	2027	\$ 4,200,000
Taxable General Obligation Bonds (Missouri Direct Deposit Program), Series 2010D (Recovery Zone Economic Development Bonds)	2030	3,380,000
General Obligation Bonds (Missouri Direct Deposit Program), Series 2015	2030	689,131
General Obligation Refunding and Improvement Bonds (Missouri Direct Deposit Program), Series 2016	2035*	2,570,000*
General Obligation Refunding and Improvement Bonds (Missouri Direct Deposit Program), Series 2019	2039	14,400,000
General Obligation Bonds (Missouri Direct Deposit Program), Series 2021	2041	4,000,000
General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2023	2035	7,235,000
The Bonds	2034*	<u>10,195,000*</u>
TOTAL		\$46,669,131*

Source: District.

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* Preliminary; subject to change.

General Obligation Debt Service Requirements

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

Fiscal Year Ending June 30	Outstanding Debt Service⁽¹⁾	<u>The Bonds</u>			Total Debt Service
		<u>Principal</u>[*]	<u>Interest</u>	<u>Total</u>	
2025	\$5,344,504	-			
2026	4,952,304	-			
2027	4,135,504	\$ 820,000			
2028	3,975,504	895,000			
2029	3,978,504	970,000			
2030	4,189,880	1,065,000			
2031	2,609,400	1,485,000			
2032	2,541,400	1,600,000			
2033	2,563,200	1,615,000			
2034	2,481,200	1,745,000			
2035	4,309,400	-			
2036	1,849,500	-			
2037	1,889,500	-			
2038	1,875,500	-			
2039	1,859,500	-			
2040	1,591,500	-			
2041	1,596,500	-			
Totals	\$51,742,800	\$10,195,000			

⁽¹⁾ Includes an interest subsidy expected to be paid to the District by the U.S. Government with respect to the District's Taxable General Obligation Qualified School Construction Bonds (Missouri Direct Deposit Program), Series 2010C (Direct-Pay Bonds) and Taxable General Obligation Bonds (Missouri Direct Deposit Program), Series 2010D (Recovery Zone Economic Development Bonds) (collectively, the "Series 2010 Bonds"). The Internal Revenue Service has indicated that sequestration regarding the federal budget, as implemented under the terms which are presently applicable, will reduce interest rate subsidies with respect to obligations like the Series 2010 Bonds by 5.7% for the current federal fiscal year. The payment of interest rate subsidies is subject to budget developments involving the U.S. Government and the amount, if any, of the reduction in the interest rate subsidies on the Series 2010 Bonds in future federal fiscal years is not yet known.

Overlapping Bonded Indebtedness

The territory of the District overlaps the territories of the following other taxing bodies: Cape Girardeau Public Library; City of Cape Girardeau, Missouri; City of Scott Fire Protection District; County of Cape Girardeau, Missouri; East County Fire Protection District; Gordonville Fire Protection District; Riverside Regional Library; and a special business district. Currently, none of these entities have any outstanding general obligation bonded indebtedness.

* Preliminary; subject to change.

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.

Debt Ratios and Related Information

Estimated Population (2024)	40,157
Assessed Valuation (2024) ⁽¹⁾	\$821,389,111
Estimated Actual Value (2024) ⁽¹⁾	\$3,295,171,571
Outstanding Direct Debt ⁽²⁾	\$46,669,131*
Per Capita Direct Debt ⁽²⁾	\$1,162.17*
Ratio of Direct Debt to Assessed Valuation ^{(1), (2)}	5.68%*
Ratio of Direct Debt to Estimated Actual Value ^{(1), (2)}	1.42%*

⁽¹⁾ Includes \$6,096,330 in TIF Increment.

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

Source: District and Cape Girardeau County Clerk's Office.

Other Borrowings

The District does not have any other long-term debt.

Legal Debt Capacity

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

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2024 assessed valuation) ⁽¹⁾	\$123,208,367
Less: General Obligation Bonds Outstanding ⁽²⁾	<u>(46,669,131)*</u>
Legal Debt Margin under Article VI, Sections 26(b)	<u>\$76,539,236*</u>

⁽¹⁾ Includes \$6,096,330 of TIF Increment.

⁽²⁾ Includes the Bonds, but excludes the Refunded Bonds.

The District's legal debt limit and debt margin would be higher if the valuation of state assessed railroad and utility property that is physically located within the bounds of the District were taken into account.

* * *

* Preliminary; subject to change.

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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CAPE GIRARDEAU
PUBLIC SCHOOL DISTRICT NO. 63
Cape Girardeau, Missouri

=====

June 30, 2024

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CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

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CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

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STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1441 N. Mount Auburn Road • Cape Girardeau, MO 63701
Telephone: 573-334-3343 • Fax: 573-334-2588

INDEPENDENT AUDITOR'S REPORT

**Board of Education
Cape Girardeau Public School District No. 63
Cape Girardeau, Missouri**

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Cape Girardeau Public School District No. 63 (the "District"), as of and for the year ended June 30, 2024, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Cape Girardeau Public School District No. 63, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 of our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

Cape Girardeau Public School District No. 63

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of proportionate share of the net pension liability and related ratios, and the schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

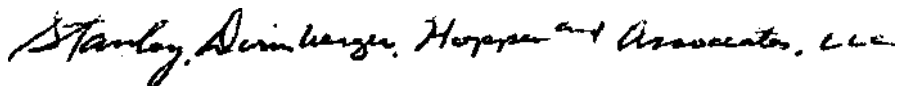
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Cape Girardeau Public School District No. 63

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying statements of revenues collected, expenditures paid and changes in fund balances – budget and actual for the Debt Service Fund and Capital Projects Fund, the schedule of revenues collected by source, the schedule of expenditures paid by object, the schedule of transportation costs eligible for state aid (together the "supplementary information") and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants

Cape Girardeau, Missouri
November 18, 2024

REQUIRED SUPPLEMENTARY INFORMATION

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63
Cape Girardeau, Missouri

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Unaudited)**

Our discussion and analysis of Cape Girardeau Public School District No. 63's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements found in the Financial Section starting on page 16, and the notes thereto, to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis ("MD&A") is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in 1999. Certain comparative information between the current year ended June 30, 2024 and the prior year ended June 30, 2023 is required to be presented in the MD&A and is included herein. The prior year comparative information has been reclassified to conform to the current year presentation.

Financial Highlights

The key financial highlights for fiscal year 2024 are as follows:

- In total, the District's net position increased \$12,883,678 from the prior year. Current assets increased by \$2,483,250 while capital assets increased by \$7,516,978. Current liabilities increased by \$124,180. Noncurrent liabilities due within one year increased by \$167,294 while noncurrent liabilities due beyond one year decreased by \$3,964,767 as the District paid all expecting debt service requirements. The impact from the net pension liability and deferred outflows and deferred inflows of resources was an increase of this net liability by \$789,843.
- General revenues for the year ended June 30, 2024 accounted for \$54,233,141 or 67.0% of the District's \$80,961,290 in total revenue, as compared to \$51,207,108 or 71.9% of the District's \$71,220,724 in total revenue for the prior year-end. General revenues increased due to an increase in tax collections (increase in assessed valuation and an increase in Prop C monies) and earnings from investments. Program specific revenues in the form of charges for services, operating grants, and capital grants and contributions accounted for \$26,728,149 or 33% of total revenues (compared to \$20,013,616 or 28.1% for the year ended June 30, 2023).
- At the district-wide level, the District had \$66,104,797 in education-related expenses. These expenses were somewhat funded from the \$26,728,149 in program specific charges for services, grants or contributions. In the prior year the District had \$62,875,708 in education-related expenses funded by \$20,013,616 in program specific charges for services, grants or contributions. General revenues were again adequate to provide for the District's programs in fiscal year 2024. The remainder of district-wide expenses were comprised of facilities acquisition and constructions costs and debt interest and other charges.
- Overall district-wide education-related expenses increased by \$3,229,089. This increase was somewhat due to the impact of the change in net pension liability estimates from PSRS/PEERS which increased reportable expenses by \$789,843 compared to in the prior year where expenses were reduced by \$1,054,808. Salaries and benefits increased by \$1,808,983, supplies overall increased by \$96,572 and purchased services increased by \$149,917.

- At the fund financial level, the District's two main operational funds, the General (Incidental) Fund and the Special Revenue (Teachers') Fund, incurred an expenditure increase over all functional areas of \$2,129,746 from \$57,278,056 in the prior year to \$59,407,802 in the current year. The anticipated increases were generally across all functional areas and is largely the result of anticipated increases in salaries and benefits.
- The District transferred \$1,859,883 from the General (Incidental) Fund to the Capital Projects Fund to offset current capital outlay and for future anticipated projects, and also transferred \$13,504,938 from the General (Incidental) Fund to the Special Revenue (Teachers') Fund.
- Ending fund balances totaled \$32,142,010 for all funds combined. Of this total, \$23,031,237 were operating fund balances from the General (Incidental) and Special Revenue (Teacher's) Funds. The Capital Projects Fund balance decreased from \$5,978,289 to \$3,753,863 at June 30, 2024. The change is due to the near completion of the Athletics improvement project, the Central Academy project and the CTC Welding Lab project. The Debt Service Fund ended with a balance of \$5,356,910. Total fund balances increased by \$1,949,542.
- The District's cash basis unrestricted ending fund balance as a function of unrestricted operational expenditures increased from 32.42% at June 30, 2023 to 37.27% at June 30, 2024.

Using this Annual Report

This annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

The district-wide Statement of Net Position and Statement of Activities provide information about the activities of the Government or District as a whole, based on the flow of economic resources measurement focus and the accrual basis accounting, and presents a longer-term view of the District's finances. The fund financial statements, the Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances, provide the next level of detail about the District's four required funds: the General (Incidental) Fund, the Special Revenue (Teachers') Fund, the Debt Service Fund, and the Capital Projects Fund. These statements tell how services were financed in the short term, as well as what remains for future spending. The fund financial statements are prepared on the modified accrual basis of accounting and include a bridge schedule to reconcile them to the District-wide financial statements.

Reporting the District as a Whole

The Statement of Net Position presents all of the District's assets and liabilities, with the difference between being "net position". Over time, increases or decreases in the District's net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities provides a view of the District as a whole answering the question of how well we did financially during the year. Governmental activities are the activities where most of the District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. Program revenues are categorized as either: "charges for services", "operating grants and contributions", or "capital grants and contributions". The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. The "operating grants and contributions" and "capital grants and contributions" columns include amounts paid by organizations outside the District to help meet the operational or capital requirement of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

The district-wide financial statements report the District's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment, and facility conditions in arriving at a conclusion regarding the overall financial health of the District.

Reporting the District's Most Significant Funds

The District utilizes four major governmental funds:

- General (Incidental) Fund: Accounts for general activities of the District, including student activities, food service, and textbooks which are not required to be accounted for in another fund.
- Special Revenue (Teacher's) Fund: Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State for the payment of teachers' salaries and certain employee benefits.
- Debt Service Fund: Accounts for the accumulation of resources for, and the payment of principal, interest and fiscal charges on general long-term debt.
- Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues restricted to acquisition or construction of major capital assets.

The majority of District activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the District's programs.

Proprietary funds are used to account for activities that are similar to those found in the private sector. The District's sole proprietary fund, the self-insured health fund, is an internal service fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. Because this operation benefits governmental activities, the self-insured health fund has been included within the governmental activities in the District-wide financial statements.

The District as a Whole

Table 1 is a summary comparison of net position as of June 30, 2024 to June 30, 2023.

	2024	2023	Increase (Decrease)
Current assets	\$ 41,151,605	\$ 38,668,355	\$ 2,483,250
Capital assets	91,237,465	83,720,487	7,516,978
Total assets	\$ 132,389,070	\$ 122,388,842	\$ 10,000,228
Current liabilities	\$ 2,155,264	\$ 2,031,084	\$ 124,180
Noncurrent – within one year	3,965,268	3,797,974	167,294
Noncurrent – more than one year	49,483,374	53,448,141	(3,964,767)
Net pension liability and net deferred outflows / inflows of resources	28,267,730	27,477,887	789,843
Total liabilities / deferred inflows	\$ 83,871,636	\$ 86,755,086	\$ (2,883,450)
Net position:			
Net investment in capital assets	\$ 39,236,417	\$ 28,181,101	\$ 11,055,316
Restricted	8,432,838	9,639,919	(1,207,081)
Unrestricted	848,179	(2,187,264)	3,035,443
Total net position	\$ 48,517,434	\$ 35,633,756	\$ 12,883,678

Total current assets increased by \$2,483,250 in the current year while the capital assets increased by \$7,516,978. Completion and continuation of the Athletics improvement project, the Central Academy project and the CTC Welding Lab project contributed to the capital asset increase. An overall improvement in revenues in excess of expenses contributed to the current asset increase.

Current liabilities remained consistent as expected.

Non-current liabilities decreased as the District was able to meet all existing debt service requirements.

The net pension liability and net deferred inflows / outflows of resources are the resulting net liabilities from the valuation of the District's proportionate share of the pension liability with PSRS / PEERS. As of June 30, 2024, this was comprised of a \$44,265,113 proportionate share net pension liability, deferred inflows of \$18,128,527 and deferred outflows of \$34,125,910. As of June 30, 2023, this was comprised of a \$40,243,630 proportionate share net pension liability, deferred inflows of \$27,203,748 and deferred outflows of \$39,969,491. The overall net impact to the District's change in net position was an increase in expenses by \$789,843 due to the changing estimates in the net pension liability calculation.

Note: The net pension liability (asset) information reported is based upon assumptions and measurements as of June 30, 2023, the measurement date.

Of the \$48,517,434 in total net position, \$39,236,417 is for the net investment in capital assets as compared to a prior year net investment in capital assets of \$28,181,101. The \$8,432,838 in restricted net position is restricted for use toward future debt service (\$4,110,953 compared to a prior year balance of \$3,295,880), teacher salaries and benefits (\$529,343 compared to \$249,474 in the prior year), and other capital expenditures (\$3,792,542 compared to \$6,092,213 in the prior year). The remaining unrestricted net position improved from a deficit of \$2,187,264 in the prior year to a surplus position of \$848,179 as of June 30, 2024. The \$28,267,730 net liability from the net pension liability and net deferred inflows / outflows of resources is a long-term estimated exposure and has little to no impact on the District's current operational position. Excluding this net liability would leave \$29,115,909 in the unrestricted net position (compared to \$25,290,623 in the prior year).

Table 2 shows the sources of the changes in the District-wide net position:

	2024	2023	Increase (Decrease)	%
Revenues:				
Program revenues:				
Charges for services	\$ 2,834,158	\$ 2,645,463	\$ 188,695	7.1%
Operating grants and contributions	18,245,464	16,521,079	1,724,385	10.4%
Capital grants and contributions	5,648,527	847,074	4,801,453	566.8%
General revenues:				
Taxes	39,508,143	37,319,834	2,188,309	5.9%
County revenues	1,356,192	1,269,705	86,487	6.8%
State Aid – Formula Grants	11,420,613	11,400,395	20,218	0.2%
Other	1,948,193	1,217,174	731,019	60.1%
Total revenues	\$ 80,961,290	\$ 71,220,724	\$ 9,740,566	13.7%
Expenses:				
Instructional	\$ 35,458,866	\$ 33,433,338	\$ 2,025,528	6.1%
Pupil and instructional staff services	5,901,207	5,563,499	337,708	6.1%
Board and executive services	3,652,830	3,561,214	91,616	2.6%
Building level administration	3,985,741	3,593,358	392,383	10.9%
Business, fiscal and internal services	373,857	375,831	(1,974)	-0.5%
Operation of plant and security	6,525,384	6,412,735	112,649	1.8%
Pupil transportation	2,267,438	2,178,800	88,638	4.1%
Food service	2,907,981	2,702,524	205,457	7.6%
Central office support services	480,312	426,778	53,534	12.5%
Adult education	3,461,560	3,446,803	14,757	0.4%
Community and early childhood	1,089,621	1,180,828	(91,207)	-7.7%
Facilities acquisition and construction	195,897	420,001	(224,104)	-53.4%
Interest and other charges	1,776,918	2,011,544	(234,626)	-11.7%
Total expenses	\$ 68,077,612	\$ 65,307,253	\$ 2,770,359	4.2%
Change in net position	\$ 12,883,678	\$ 5,913,471	\$ 6,970,207	117.9%

Fiscal year 2024 revenues increased by \$9,740,566. The largest increase was seen with capital grants and contributions and is the result of a State capital grant that funded the CTC Welding project. There was an increase in taxes, being mostly property taxes and Prop C funds, totaling \$2,188,309 or 5.9%. The increase is consistent with expectations given the overall increase in the assessed valuation. The reliance on tax revenues is witnessed when looking at the percentage of taxes as a function of total revenues. For the year ended June 30, 2024, taxes represented 48.8% of the District's total revenues (compared with the prior year where they represented 52.4% of total revenues). Interest revenues on the District deposits and investments accounts for the majority increase in the "other" category. The increase in operating grants and contributions is reflective of the increase in Federal ESSER III funds as well as other State grants and contributions from the District's Foundation in support of capital projects.

Expenses overall at the District-wide level increased by \$2,770,359 from \$65,307,253 to \$68,077,612 for the year ended June 30, 2024. Instructional expenses comprised 52.1% (prior year was 51.2%) of the total with the other largest functional components being operation of plant and security expenses at 9.6% (9.8% in the prior year), pupil and instructional staff services at 8.7% (prior year was 8.5%) and adult education expenses at 5.1% (prior year was 5.3%). The District's interest and other debt related charges comprised 2.6% of the total annual expenses of the District.

The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services. These activities are defined as net cost of services. Table 3 provides information regarding the total and net cost of services. The amount of total cost of services, supported by tax revenue, other local effort, and unrestricted revenues are identified in this table.

Total and Net Costs of Governmental Activities

	2024		2023	
	Total Cost of services	Net cost of services	Total Cost of services	Net cost of services
Instructional	\$ 35,458,866	\$ 21,707,771	\$ 33,433,338	\$ 21,322,615
Pupil and instructional staff services	5,901,207	5,211,774	5,563,499	4,902,663
Board and executive services	3,652,830	3,566,249	3,561,214	3,477,580
Building level administration	3,985,741	3,975,741	3,593,358	3,583,358
Business, fiscal and internal services	373,857	373,857	375,831	365,348
Operation of plant and security	6,525,384	6,283,987	6,412,735	6,207,695
Pupil transportation	2,267,438	1,295,243	2,178,800	1,281,719
Food service	2,907,981	93,126	2,702,524	(110,723)
Central office support services	480,312	466,143	426,778	426,333
Adult education	3,461,560	1,139,392	3,446,803	1,263,028
Community and early childhood	1,089,621	373,252	1,180,828	476,276
Facility acquisition and construction	195,897	(4,621,016)	420,001	379,175
Principal, interest and other charges	1,776,918	1,483,944	2,011,544	1,718,570
Total	\$ 68,077,612	\$ 41,349,463	\$ 65,307,253	\$ 45,293,637

Instructional expenses include activities directly dealing with the teaching of students and the interaction between teacher and student.

Pupil and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

Board and executive services include expenses associated with administrative and financial supervision of the District, as well as, establishing and administering policy for operating the District.

Building level administration expenses include activities concerned with directing and managing the operation of the school. These include activities performed by the building's principals in the general supervision of all operations, evaluation and supervision of staff members and coordination of school instructional activities. It includes clerical staff in teaching and administrative duties.

Business, fiscal and internal services is the Districts business and fiscal management operations.

Operation of plant includes keeping the grounds, buildings, and equipment in good working condition.

Transportation consists of activities involved with the conveyance of students to and from school as well as to and from school activities as provided by state law. All costs associated with pupil transportation are contracted to outside service providers.

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

Central office support services represent the District's technology services which support all educational and administrative functions of the District.

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

Gross Capital Assets

	2024	2023	Increase (Decrease)
Construction in progress	\$ 7,861,134	\$ 1,359,107	\$ 6,502,027
Land and land improvements	1,639,908	1,639,908	-
Machinery and equipment	6,827,607	6,015,467	812,140
Buildings and building improvements	146,557,000	141,502,325	5,054,675
Infrastructure	517,717	517,717	-
Licensed vehicles	574,435	467,735	106,700
Totals	\$ 163,977,801	\$ 151,502,259	\$ 12,475,542

The District capitalizes the cost of all capital assets that exceed \$10,000. Gross capital assets increased by \$12,475,542 for the year ended June 30, 2024, compared to a prior year increase of \$6,579,081. The increase is the result of a number of instructional equipment purchases mostly in the adult education field, vehicle purchases and near completion of the Athletics improvement project, the Central Academy project and the CTC Welding Lab project.

General Obligation Debt Administration

The District had outstanding General Obligation debt of \$50,485,462 at the end of fiscal year 2024. The next table shows the outstanding debt as of June 30, 2024 compared to June 30, 2023:

		2024	2023	Increase (Decrease)
Bond issue 2010C	March 2027	\$ 4,200,000	\$ 4,200,000	\$ -
Bond issue 2010D	March 2030	3,380,000	3,380,000	-
Bond issue 2015	March 2035	845,462	1,008,999	(163,537)
Bond issue 2016	March 2035	13,705,000	14,340,000	(635,000)
Bond issue 2019	March 2039	16,925,000	19,350,000	(2,425,000)
Bond issue 2021	March 2041	4,000,000	4,000,000	-
Bond issue 2023	March 2035	7,430,000	7,615,000	(185,000)
General obligation debt		\$ 50,485,462	\$ 53,893,999	\$ (3,408,537)

Total interest expense paid and incurred on all general obligation bonds was \$2,163,541 for the year ended June 30, 2024, which is before any offset from amortization of the bond issuance premiums. The District also earned \$292,974 in federal interest subsidy assistance under the Series 2010C and 2010D bond issuances.

The combined payments to maturity for all outstanding general obligation debt are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 3,576,331	\$ 2,078,049	\$ 5,654,380
2026	3,723,296	1,956,284	5,679,580
2027	3,822,828	1,811,925	5,634,753
2028	3,730,917	1,633,363	5,364,280
2029	3,912,109	1,498,371	5,410,480
2030-2034	18,394,981	4,717,819	23,112,800
2035-2039	10,275,000	1,508,400	11,783,400
2040-2041	3,050,000	138,000	3,188,000
	\$ 50,485,462	\$ 15,342,211	\$ 65,827,673

Article VI, Section 26(b), Constitution of Missouri limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of a district (with the addition of state assessed utilities). The remaining legal debt capacity of the District at June 30, 2024 is \$122,025,855.

Fund Financial Statements Analysis

The following tables are a summary of the fund financial statement results for the year ended June 30, 2024 and 2023. Refer to the reconciliations following each fund financial statement for detail reconciliation of the ending fund balances and change to the district-wide financials.

Year Ended June 30, 2024					
	General (Incidental)	Special Revenue	Debt Service	Capital Projects	Total
Revenues	\$ 42,045,820	\$ 22,940,449	\$ 6,029,776	\$ 9,767,656	\$ 80,783,701
Expenditures	(23,359,166)	(36,048,636)	(5,574,392)	(13,851,965)	(78,834,159)
Transfers	(15,364,821)	13,504,938	-	1,859,883	-
Other sources	-	-	-	-	-
	\$ 3,321,833	\$ 396,751	\$ 455,384	\$ (2,224,426)	\$ 1,949,542
Beginning	19,216,322	96,331	4,901,526	5,978,289	30,192,468
Ending	\$ 22,538,155	\$ 493,082	\$ 5,396,910	\$ 3,753,863	\$ 32,142,010

Year Ended June 30, 2023					
	General (Incidental)	Special Revenue	Debt Service	Capital Projects	Total
Revenues	\$ 40,326,674	\$ 21,965,029	\$ 5,248,039	\$ 4,642,912	\$ 72,182,654
Expenditures	(22,199,477)	(35,078,579)	(5,445,583)	(9,191,975)	(71,915,614)
Transfers	(15,041,648)	13,163,427	-	1,878,221	-
Other sources	-	-	177,636	-	177,636
	\$ 3,085,549	\$ 49,877	\$ (19,908)	\$ (2,670,842)	\$ 444,676
Beginning	16,130,773	44,454	4,921,434	8,649,131	29,747,792
Ending	\$ 19,216,322	\$ 96,331	\$ 4,901,526	\$ 5,978,289	\$ 30,192,468

The District made a transfer out of the General (Incidental) Fund to the Special Revenue (Teachers') Fund to cover some of the instructional expenditures in excess of allocated revenues. The District also approved a transfer out of the General (Incidental) Fund to the Capital Projects Fund to cover current additional capital outlays funded by existing District funds.

Total operating revenues allocated to the General (Incidental) Fund plus the Special Revenue (Teachers') Fund were \$64,986,269 (compared to \$62,291,703 in the prior year) exceeding operating expenditures of \$59,407,802 by \$5,578,467 (prior year operating revenues in excess of operational expenditures was \$5,013,647). The significant increases in operating revenues was largely from increases in previously mentioned tax collections and interest revenue earnings. The District continues to utilize the final rounds of Federal Education Stabilization Funding. Operational expenditures increased with the largest increase being with salaries and benefits. Total salaries and benefits increased by \$1,808,983. Salaries and benefits represent 77.0% of total District operational expenditures. The other increase in operational expenditures was within the areas of instructional supplies and purchased services. The change in the Debt Service Fund was in line with debt service requirements. The change in the Capital Projects Fund was in line with expected capital improvements. The District by the end of June 30, 2024 has nearly completed the athletics upgrade project and the Central Academy project. The District also started a CTC Welding Lab project that was almost entirely funded by new State source revenues. The District also transferred the max amount into the Capital Projects Fund to cover current year costs but also to maintain the restricted balance in the Capital Projects Fund for future anticipated projects.

The District's Budget

The District's budget and reporting structure is in compliance with State statutes, consisting of four major funds; the General (Incidental) Fund, the Special Revenue (Teachers') Fund, the Debt Service Fund and Capital Projects Fund. At the fund level, the District prepares the annual budget and accounts for activities using the cash basis of accounting. Revenues are recognized in the period in which they are received. Expenditures are recognized in the period in which they are paid.

The District amends the original budget regularly to reflect current knowledge of revenues to be received and expenditures to be paid. The District's actual revenues were higher than original budgeted revenues largely due to additional CARES grant funds received to assist the District throughout the pandemic in addition to property tax collections being higher than originally expected. Original budgeted expenditures were higher than final actual expenditures as the District originally anticipated completion of the bond project.

After approval of all expenditures throughout the year, the Board made a final amendment approving all revenue and expenditures for the year ended June 30, 2024 to be equal to actual results.

For the Future

Cape Girardeau Public School District is committed to the mission of educating EVERY student to be a successful, responsible citizen. Preparing our students for success and helping them reach their full potential is always our top priority. As part of the District's strategic plan, we are implementing programs to improve student achievement by carefully addressing the unique needs in each of our school communities. The 2023-2024 school year budget allocates available resources to move the District towards realizing its mission and vision, while maintaining a stable financial position.

The District will continue to participate in the Community Eligibility Provision (CEP). This program is a provision of the Healthy, Hunger-Free Kids Act of 2010 and is administered by the U.S. Department of Agriculture. CEP allows the District to provide free breakfast and lunch to all students. Studies have shown that students perform better in school when they are not hungry. We hope that by participating in CEP, we are filling a need for our students and setting them up for success in the classroom.

The partially self-funded health insurance program has continued to provide cost control to the health insurance benefits. Healthcare premiums will remain flat at \$500 per employee for the 2025 plan year. It is the District's goal to continue to utilize the savings from the plan to offset rising insurance costs and reduce the out of pocket expenses per employee.

The District continues to place an emphasis on maintaining competitive salary schedules. The 2024-2025 salary schedules were increased on average 2% over the previous year.

The primary source of District revenue is local property taxes. Revenue projections include a 1% increase in assessed valuation. The second major source of revenue comes from the state foundation formula. The 2024-2025 budget assumes full funding of the formula and no with-holdings.

The budget is intended to serve as a guide for financial policy and direction of operations for the District. Budgetary revisions may be made during the fiscal year according to Board policy. The District continues to be in good financial status and is committed to wise financial management.

District Financial Management Contact

This report is designed to give an overview of the financial conditions of Cape Girardeau Public School District No. 63. For more information, you may contact Lindsey Dudek, Chief Financial Officer, at 573-335-1867.

BASIC FINANCIAL STATEMENTS

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

STATEMENT OF NET POSITION

JUNE 30, 2024

ASSETS:

Cash Deposits and Investments	\$ 36,190,694
Restricted Deposits and Investments	2,261,762
Receivables, Net of Allowance for Credit Losses of \$49,388	2,137,387
Prepaid Expenses	561,762
Capital Assets:	
Construction in Progress	7,861,134
Land and Improvements	1,639,908
Other Capital Assets, Net	81,736,423
TOTAL ASSETS	\$ 132,389,070

DEFERRED OUTFLOWS OF RESOURCES:

Deferred Pension Charges	\$ 34,125,910
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LIABILITIES:

Accounts Payable and Other	\$ 996,848
Self Insured Claims Payable	358,258
Unearned Revenue	111,107
Accrued Interest Payable	689,051
Long-Term Liabilities:	
Due Within One Year	3,965,268
Due Within More Than One Year	49,483,374
Net Pension Liability - Proportionate Share	44,265,113
TOTAL LIABILITIES	\$ 99,869,019

DEFERRED INFLOWS OF RESOURCES:

Deferred Pension Credits	\$ 18,128,527
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NET POSITION:

Net Investment in Capital Assets	\$ 39,236,417
Restricted for:	
Debt Service	4,110,953
Capital Expenditures	3,792,542
Teacher Salaries and Benefits	529,343
Unrestricted	848,179
TOTAL NET POSITION	\$ 48,517,434

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Expenses	Program Receipts			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction	\$ 35,458,866	\$ 1,794,862	\$ 11,404,786	\$ 551,447	\$ (21,707,771)
Attendance and Guidance	1,818,295	-	93,551	-	(1,724,744)
Health, Psych, Speech, Audio	2,444,466	-	237,965	-	(2,206,501)
Improvement of Instruction	658,137	-	260,426	-	(397,711)
Professional Development	97,491	-	97,491	-	-
School Library Services	882,818	-	-	-	(882,818)
Board of Education Services	421,545	-	-	-	(421,545)
Executive Admin / Technology	3,231,285	-	86,581	-	(3,144,704)
Building Level Administration	3,985,741	-	10,000	-	(3,975,741)
Business, Fiscal, Internal Service	373,857	-	-	-	(373,857)
Operation and Maintenance of Plant	6,056,360	92,417	-	-	(5,963,943)
Security Services	469,024	-	46,082	102,898	(320,044)
Pupil Transportation	2,267,438	-	972,195	-	(1,295,243)
Food Services	2,907,981	14,474	2,776,881	23,500	(93,126)
Central Office Support Services	480,312	-	14,169	-	(466,143)
Adult and Vocational Education	3,461,560	756,548	1,411,851	153,769	(1,139,392)
Community Services	574,329	175,857	372,901	-	(25,571)
Early Childhood Programs / Instruction	515,292	-	167,611	-	(347,681)
Facilities Acquisition and Construction	195,897	-	-	4,816,913	4,621,016
Interest, Principal and Other Charges	1,776,918	-	292,974	-	(1,483,944)
TOTAL	\$ 68,077,612	\$ 2,834,158	\$ 18,245,464	\$ 5,648,527	\$ (41,349,463)
General Revenues:					
Property Taxes				\$	32,714,263
Prop C, Financial Institution Tax, M&M Surtax and In Lieu of Tax					6,793,880
Fines, Escheats, Etc.					86,852
State Assessed Utilities					1,269,340
State Aid - Formula Grants					11,420,613
Earnings on Investments					1,875,226
Other Revenue					72,967
Total General Revenues				\$	54,233,141
Change in Net Position				\$	12,883,678
Net Position - Beginning of Year					35,633,756
Net Position - End of Year				\$	48,517,434

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

BALANCE SHEET - ALL GOVERNMENTAL FUND TYPES

JUNE 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS:					
Cash Deposits and Investments	\$ 22,120,489	\$ -	\$ 3,713,554	\$ 3,999,381	\$ 29,833,424
Restricted Deposits and Investments	-	-	2,261,762	-	2,261,762
Receivables, Net of Allowance for Credit Losses of \$49,388	1,174,000	593,151	273,219	97,017	2,137,387
Prepaid Expenses	493,157	-	-	68,605	561,762
Construction in Progress	-	-	-	24,223	24,223
TOTAL ASSETS	<u>\$ 23,787,646</u>	<u>\$ 593,151</u>	<u>\$ 6,248,535</u>	<u>\$ 4,189,226</u>	<u>\$ 34,818,558</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
Liabilities:					
Accounts Payable and Other	\$ 559,643	\$ 63,808	\$ 936	\$ 372,461	\$ 996,848
Unearned Revenue	72,174	-	-	-	72,174
Accrued Interest Payable	-	-	689,051	-	689,051
Total Liabilities	<u>\$ 631,817</u>	<u>\$ 63,808</u>	<u>\$ 689,987</u>	<u>\$ 372,461</u>	<u>\$ 1,758,073</u>
Deferred Inflows of Resources:					
Receivables Determined to be Unavailable	<u>\$ 617,674</u>	<u>\$ 36,261</u>	<u>\$ 201,638</u>	<u>\$ 62,902</u>	<u>\$ 918,475</u>
Fund Balances:					
Nonspendable	\$ -	\$ -	\$ -	\$ 24,223	\$ 24,223
Restricted	-	-	5,356,910	-	5,356,910
Committed	-	-	-	978,830	978,830
Assigned	1,472,377	493,082	-	2,750,810	4,716,269
Unassigned	21,065,778	-	-	-	21,065,778
Total Fund Balances	<u>\$ 22,538,155</u>	<u>\$ 493,082</u>	<u>\$ 5,356,910</u>	<u>\$ 3,753,863</u>	<u>\$ 32,142,010</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 23,787,646</u>	<u>\$ 593,151</u>	<u>\$ 6,248,535</u>	<u>\$ 4,189,226</u>	<u>\$ 34,818,558</u>

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUND TYPES
TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

Total fund balances for all governmental fund types	\$ 32,142,010
Total net position reported for the District activities in the statement of net position is different due to the following:	
Internal service funds are used by management to charge the cost of self insurance to the individual government funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Excludes unearned revenue in the internal service fund from District provided contributions.	5,960,079
Capital assets used in the District activities are not current financial resources and therefore are not reported in the District funds' balance sheet. Excludes \$24,223 in construction in progress for a vocational house project that is accounted for in the fund financial statements.	91,213,242
Taxes are recognized in the period for which they are levied, regardless of when they are due or collected. In the District funds, taxes are recognized when measureable and available. Grant revenues and tuition are recognized when all eligibility requirements are met. In the District funds, grant revenues and tuition are recognized when measureable and available. This amount represents the portion of taxes totaling \$655,136 and grant revenues totaling \$263,339 that is not considered available.	918,475
The District's proportionate share of the net pension liability, deferred outflows of resources and deferred inflows of resources related to its participation in PSRS / PEERS is not recorded in the governmental funds but is recorded in the statement of net position.	(28,267,730)
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the District funds' balance sheet:	
General Obligation Bonds	(50,485,462)
Premiums on Bond Issuances	<u>(2,963,180)</u>
Total net position of the District	\$ <u><u>48,517,434</u></u>

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**

FOR THE YEAR ENDED JUNE 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund
REVENUES:			
Local	\$ 31,650,971	\$ 3,085,201	\$ 5,577,066
County	969,285	86,852	255,567
State	2,166,495	11,755,043	-
Federal	6,032,228	8,013,353	197,143
Other	1,226,841	-	-
Total Revenues	\$ 42,045,820	\$ 22,940,449	\$ 6,029,776
EXPENDITURES:			
Instruction	\$ 3,912,036	\$ 27,482,817	\$ -
Attendance and Guidance	663,226	1,116,248	-
Health, Psych, Speech, Audio	1,063,465	1,335,606	-
Improvement of Instruction	294,301	357,461	-
Professional Development	87,170	10,321	-
School Library Services	89,792	788,692	-
Board of Education Services	408,030	-	-
Executive Admin / Technology	1,705,986	804,494	-
Building Level Administration	896,972	2,057,389	-
Business, Fiscal, Internal Service	373,501	-	-
Operation and Maintenance of Plant	5,804,194	-	-
Security Services	429,770	-	-
Pupil Transportation	2,266,630	-	-
Food Services	2,796,359	-	-
Central Office Support Services	481,954	-	-
Adult and Vocational Education	1,575,267	1,539,066	-
Community Services	326,031	231,293	-
Early Childhood Programs / Instruction	184,482	325,249	-
Facilities Acquisition and Construction	-	-	-
Interest, Principal and Other Charges	-	-	5,574,392
Total Expenditures	\$ 23,359,166	\$ 36,048,636	\$ 5,574,392
REVENUES OVER (UNDER) EXPENDITURES	\$ 18,686,654	\$ (13,108,187)	\$ 455,384
OTHER FINANCING SOURCES (USES):			
Transfers	\$ (15,364,821)	\$ 13,504,938	\$ -
Total Other Financing Sources (Uses)	\$ (15,364,821)	\$ 13,504,938	\$ -
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	\$ 3,321,833	\$ 396,751	\$ 455,384
FUND BALANCES, BEGINNING OF YEAR	19,216,322	96,331	4,901,526
FUND BALANCES, END OF YEAR	\$ 22,538,155	\$ 493,082	\$ 5,356,910

continued

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**

FOR THE YEAR ENDED JUNE 30, 2024

	Capital Projects Fund		Total
\$	2,908,905	\$	43,222,143
	44,488		1,356,192
	6,371,042		20,292,580
	443,221		14,685,945
	-		1,226,841
\$	<u>9,767,656</u>	\$	<u>80,783,701</u>
\$	802,526	\$	32,197,379
	47,205		1,826,679
	-		2,399,071
	-		651,762
	-		97,491
	-		878,484
	13,515		421,545
	724,190		3,234,670
	-		2,954,361
	1,802		375,303
	138,759		5,942,953
	237,413		667,183
	-		2,266,630
	167,211		2,963,570
	-		481,954
	116,652		3,230,985
	12,024		569,348
	-		509,731
	11,590,668		11,590,668
	-		5,574,392
\$	<u>13,851,965</u>	\$	<u>78,834,159</u>
\$	<u>(4,084,309)</u>	\$	<u>1,949,542</u>
\$	<u>1,859,883</u>	\$	<u>-</u>
\$	<u>1,859,883</u>	\$	<u>-</u>
\$	(2,224,426)	\$	1,949,542
	<u>5,978,289</u>		<u>30,192,468</u>
\$	<u><u>3,753,863</u></u>	\$	<u><u>32,142,010</u></u>

concluded

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances for all governmental fund types	\$	1,949,542
Total change in net position reported for the District activities in the statement of activities is different due to the following:		
District funds report capital outlays as expenditures. In the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This amount represents the current year capital assets purchased. Excludes \$13,175 in additions to construction in progress for a vocational house project that is accounted for in the fund financial statements.		12,462,367
Taxes are recognized in the period for which they are levied, regardless of when due or collected. In District funds, taxes are recognized when measureable and available. Grant revenues and tuition are recognized when all eligibility requirements are met. In the District funds, grant revenues and tuition are recognized when measureable and available. This is the portion of taxes totaling \$655,136 and grant revenues totaling \$263,339 that are not considered available.		918,475
Fund financial statements do not recognize the District's proportionate share of the net pension liability, deferred outflows and deferred inflows of resources. This amount represents the reported change in the District's pension activity.		(789,843)
Reversal of the prior year taxes and grant revenue receivables. Prior year taxes were \$683,642 and grant revenues were \$288,085.		(971,727)
Internal service funds are used by management to charge the cost of self insurance to individual government funds. The change in net position of internal service funds is included in governmental activities in the statement of activities.		475,955
District funds report premiums on bond issuances as "other financing sources". They are recorded as a liability and amortized over the life of the bonds in the statement of activities.		388,936
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current resources. Therefore, depreciation expense is not reported as an expenditure in the District funds.		(4,958,564)
The repayment of the principal of debt consumes the current financial resources of District funds. These transactions have no effect on net position. This amount is the principal reduction recorded in the current year.		3,408,537
Change in net position of the District activities	\$	<u><u>12,883,678</u></u>

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

**STATEMENT OF NET POSITION - PROPRIETARY FUND
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND**

JUNE 30, 2024

	Self Insured Health Fund
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 6,357,270
Total Current Assets	<u>\$ 6,357,270</u>
LIABILITIES:	
Current Liabilities:	
Claims Payable	\$ 358,258
Unearned Revenue	319,517
Total Current Liabilities	<u>\$ 677,775</u>
NET POSITION	
Restricted	\$ -
Unrestricted	5,679,495
Total Net Position	<u><u>\$ 5,679,495</u></u>

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Self Insured Health Fund
OPERATING REVENUES:	
Charges for Services:	
District Provided Contributions	\$ 4,159,470
Participant Contributions	1,110,885
Miscellaneous	164,725
Total Operating Revenues	<u>\$ 5,435,080</u>
OPERATING EXPENSES:	
Claims and Insurance Premiums Expense	\$ 3,454,433
Reinsurance Fees	727,720
Administrative Fees	431,106
Commission Expense	14,608
Employee Benefits	569,006
Total Operating Expenses	<u>\$ 5,196,873</u>
Operating Income	<u>\$ 238,207</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income	\$ 230,841
Transfers Out	-
Total Nonoperating Revenues (Expenses)	<u>\$ 230,841</u>
Change in Net Position	\$ 469,048
Net Position - Beginning of Year	<u>5,210,447</u>
Net Position - End of Year	<u><u>\$ 5,679,495</u></u>

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND
GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS**

FOR THE YEAR ENDED JUNE 30, 2024

	Self Insured Health Fund
Cash Flows From Operating Activities:	
Receipts from District	\$ 4,166,377
Receipts from Participants	1,118,163
Receipts for Prescription Drug Rebates	164,725
Payments for Claims	(3,369,956)
Payments for Reinsurance Fees	(727,720)
Payments for Administrative Fees	(431,106)
Payments for Commission Expense	(14,608)
Payments for Employee Benefits	(569,006)
Net Cash Provided By Operating Activities	\$ 336,869
Cash Flows From Investing Activities:	
Interest Income on Cash	230,841
Net Change in Cash and Cash Equivalents	\$ 567,710
Cash and Cash Equivalents - Beginning of Year	5,789,560
Cash and Cash Equivalents - End of Year	\$ 6,357,270
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:	
Operating Income	\$ 238,207
Adjustments to Reconcile Operating Income to Net Cash Provided By Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Claims Payable	84,477
Increase in Unearned Revenue	14,185
Net Cash Provided By Operating Activities	\$ 336,869

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cape Girardeau Public School District No. 63 (the "District") was established under the Statutes of the State of Missouri in 1917. The District operates as a "six director" district (with seven members of the Board of Education) as described in RSMo Chapter 162.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. A decision whether to include a potential component unit in the reporting entity would be made by applying all relevant guidance. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency and whether the economic resources received or held by an individual organization that the District has the ability to otherwise access, is significant to the District. Other manifestations of the ability to exercise oversight responsibility include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

The District has determined that no other outside agency meets the above criteria; therefore, no other agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity, which would exercise such oversight, and which would result in the District being considered a component unit of the entity.

B. District-Wide Financial Statements

The Statement of Net Position and the Statement of Activities are district-wide financial statements that report information on all of the District's governmental activities. Governmental activities include programs supported primarily by taxes, State foundation funds, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support.

The Statement of Activities categorizes revenues primarily as either program revenues or general revenues. Program revenues are categorized as either: "charges for services", "operating grants and contributions", or "capital grants and contributions". The "charges for services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students not residing in the District, school lunch charges, etc. The "operating grants and contributions" and "capital grants and contributions" columns include amounts paid by organizations outside the District to help meet the operational or capital requirement of a given function. Examples include grants under the Elementary and Secondary Education Act. If revenue is not program revenue, it is general revenue used to support all of the District's functions. Taxes are always general revenues.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, fund balances, 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 governmental funds are used by the District:

- **GENERAL (INCIDENTAL) FUND:** Accounts for general activities of the District, including student activities, food service, and textbooks which are not required to be accounted for in another fund.
- **SPECIAL REVENUE (TEACHERS') FUND:** Accounts for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State for the payment of teachers' salaries and certain employee benefits.
- **DEBT SERVICE FUND:** Accounts for the accumulation of resources for and the payment of, principal, interest and other charges on long-term debt.
- **CAPITAL PROJECTS FUND:** Accounts for the proceeds of long-term debt, taxes and other revenues restricted to acquisition or construction of major capital assets.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The District's sole proprietary fund is considered an internal service fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis. Because this operation benefits governmental activities, the internal service fund has been included within the governmental activities in the District-wide financial statements. The District has established the following internal service fund:

- **SELF INSURED HEALTH FUND** – The Self Insured Health Fund accounts for the operations of the self insured health plan of the District. Operating revenues of the Self Insured Health Fund consists of premiums paid by the District and by retirees, and drug rebates. Operating expenses consist of claims, reinsurance premiums, administrative expenses, commissions and some employee benefits. Nonoperating revenue and expenses consist of interest earnings and transfers.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63
Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating expenses for the internal service funds consist of the cost of providing services to other District funds, and operating revenues consist of the charges to other District funds for these services.

E. Net Position and Fund Balances

The District uses restricted funds first when an expense is incurred for purposes for which both restricted and unrestricted funds are available. The Statement of Net Position includes the following net position classifications:

- **Restricted for Debt Service:** The component of net position that reports the amount that is restricted for payments on long-term general obligation debt.
- **Restricted for Capital Expenditures:** The component of net position that reports the amount of proceeds of long-term debt, taxes and other revenues designated for acquisition or construction of major capital assets, payment of capital leases, and certain equipment and expenditures designated by Missouri Statute.
- **Restricted for Teacher Salaries and Benefits:** The component of net position that reports the amount that is restricted for use towards teacher salaries and benefits.
- **Unrestricted:** The component of net position that can be used by the District for general purposes without any restriction. The difference between the assets on hand as of the balance sheet date and the restricted net position.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) requires the fund balance amounts in the governmental fund financial statements to be properly reported within one of the fund balance categories described below:

- **Nonspendable:** Funds that cannot be spent because they are either not in a spendable form (not expected to be converted to cash) or are legally or contractually required to be maintained intact.
- **Restricted:** Funds with constraints placed on their use being either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Committed:** Funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's Board of Education. The purpose of these funds can only be changed by resolution of the Board of Education.
- **Assigned:** Funds that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the District's Board of Education or the Superintendent to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.
- **Unassigned:** Funds that may be spent by the District for general purposes and that are not restricted, committed or assigned. This typically represents the residual classification of the General Fund.

The District uses (in the following order) restricted, committed and assigned fund balances first when an expense is incurred for purposes for which restricted, committed, assigned and unassigned fund balances are available. The District has no minimum fund balance policy.

Fund balance classifications in the balance sheet as of June 30, 2024 are comprised of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Nonspendable	\$ -	\$ -	\$ -	\$ 24,223
Restricted for:				
Debt Service	-	-	5,356,910	-
Committed for:				
Central Academy Project	-	-	-	978,830
Assigned for:				
Other Capital Projects	-	-	-	2,750,810
Food Service	1,040,416	-	-	-
Student Activities	431,961	-	-	-
Teacher Salaries / Benefits	-	493,082	-	-
Unassigned	<u>21,065,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	\$ <u>22,538,155</u>	\$ <u>493,082</u>	\$ <u>5,356,910</u>	\$ <u>3,753,863</u>

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

F. Interfund Activity

Fund Financial Statements

Interfund activity within the governmental fund categories is reported as follows:

- Interfund reimbursements – repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- Interfund transfers – flow of assets from one fund to another where payment is not expected are reported as transfers within other financing sources (uses).
- Interfund services – sales or purchases of goods and services between funds are reported as receipts and disbursements.

District-Wide Statements

Interfund activity is eliminated or reclassified in the district-wide financial statements as follows:

- Internal activities – amounts reported as interfund transfers in the fund financial statements are eliminated in the district-wide Statement of Activities. The effects of interfund services between funds are not eliminated in the Statement of Activities.

G. Cash Deposits and Investments

The District's cash deposits and investments are considered to be cash on deposit, demand deposits, and short-term investments.

H. Restricted Deposits and Investments

Restricted deposits and investments representing amounts whose use is limited by constraints imposed by creditors, contributors, grantors, or legal legislation or laws, are considered to be cash on deposit, demand deposits, and short-term investments

I. Receivables

In the district-wide statements, receivables consist of all revenues earned at year-end and not yet received. An allowance for credit losses is established for the portion of accounts receivable deemed uncollectible. The District analyzes past history and identifies current information to estimate the allowance and provision for credit losses. In the fund financial statements, material receivables include revenue accruals such as property taxes, tuition from other districts, grants, and other similar intergovernmental revenues if they are measurable.

J. Inventories

The District does not maintain supply inventory cost records. Inventory is accounted for using the purchase method in which supplies are charged to expenditures when purchased.

K. Unearned Revenue

Amounts paid for tuition for vocational classes in advance of completing the course are recorded as a liability under unearned revenue. Within the internal service fund, amounts received in advance of when premiums are due are recorded as unearned revenue.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. Capital Assets

The District capitalizes the cost of all capital assets that exceed \$10,000. Depreciable assets are reported at historical cost or estimated historical cost. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs, such as repair type items, are expensed as incurred. Depreciation on assets is provided on the straight-line basis over the following estimated useful lives:

Equipment	5 – 15 Years	Building	40 Years
Building Improvements	20 – 25 Years	Infrastructure	30 Years

M. Pension Reporting

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

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psrs-peers.org.

N. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows of resources related to pensions for its participation in the PSRS / PEERS pension system.

In addition to liabilities, the Statement of Net Position will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The District has deferred inflows of resources related to pensions for its participation in PSRS / PEERS.

In the fund financial statements, receivables such as for property taxes or grants that are measurable but not available are recorded as a deferred inflow.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O. Compensated Absences

The District has a policy whereby employees receive vacation time, personal business days, and sick leave. Such amounts unused and which are vested and payable upon termination and are recorded as a payable as of June 30, 2024.

P. Teachers' Salaries

Payroll checks written and dated in June 2024 are for June and July 2024 payroll and are from 2023-2024 contracts. This practice has been consistently followed in previous years.

Q. Subsequent Events

The District has evaluated the existence of subsequent events through November 18, 2024, which represents the date the financial statements were available to be issued.

R. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: INTERFUND TRANSFERS

Transfers for the year ended June 30, 2024 consisted of a transfer out of the general (incidental) fund to the special revenue (teachers') fund for \$13,504,938 to cover expenditures within the special revenue (teachers') fund, and a transfer out of the general (incidental) fund to the capital projects fund for \$1,859,883 to cover current and future capital outlay.

NOTE 3: CHANGES IN LONG-TERM LIABILITIES

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

	Balance at July 1, 2023	Additions	Reductions	Balance at June 30, 2024	Due Within One Year
Long-Term Liabilities:					
General Obligation Bonds	\$ 53,893,999	\$ -	\$ (3,408,537)	\$ 50,485,462	\$ 3,576,331
Premiums on Bond Issuances	3,352,116	-	(388,936)	2,963,180	388,937
Net Pension Liability	40,243,630	4,021,483	-	44,265,113	-
Total Long-Term Liabilities	\$ 97,489,745	\$ 4,021,483	\$ (3,797,473)	\$ 97,713,755	\$ 3,965,268

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63
Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4: DEPOSITS AND INVESTMENTS

The deposits and investments are recorded at fair value at June 30, 2024. The District-wide deposits and investments at June 30, 2024 were as follows:

	<u>Bank Balance</u>	<u>Book Balance</u>
<i>Cash Deposits and Investments:</i>		
Cash on Hand	\$ -	\$ 2,600
Deposit Accounts with Financial Institutions	24,853,250	22,687,150
Missouri Capital Asset Advantage Treasury (MOCAAT)		
Liquid Series Accounts	1,188,193	1,188,193
Savings Deposit Accounts	10,725,618	10,725,618
Missouri Securities Investment Program (MOSIP):		
Cash Management Funds	<u>1,587,133</u>	<u>1,587,133</u>
Total Cash Deposits and Investments	\$ <u>38,354,194</u>	\$ <u>36,190,694</u>
<i>Restricted Deposits and Investments:</i>		
Missouri Direct Deposit Program:		
Cavanal Hill U.S. Treasury Fund – Admin Class	\$ <u>2,261,762</u>	\$ <u>2,261,762</u>
Total Restricted Deposits and Investments	\$ <u>2,261,762</u>	\$ <u>2,261,762</u>

Fair Value Measurements:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity specific measurement. The District categorizes its assets and liability measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on the following:

Level 1 inputs – quoted prices for identical assets or liabilities in an active market that an entity has the ability to access. All of the District's cash deposits and investments and restricted deposits and investments are measured using Level 1 inputs.

Level 2 inputs – quoted prices for similar assets or liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 inputs – inputs that are unobservable for the asset or liability which are typically based on the District's own assumptions as there is little, if any, related market activity.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 4: DEPOSITS AND INVESTMENTS – Continued

Cash Deposits and Investments:

The District maintains a cash pool that is available for use by all funds except the Debt Service Fund. State law requires that all deposits of the Debt Service Fund are kept separate and apart from all other funds of the District.

The District, in accordance with Section 165.051 of the Missouri Revised Statutes, may legally invest in direct obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities; obligations guaranteed by the full faith and credit of the State of Missouri; repurchase agreements; certificates of deposit; bankers acceptances; and commercial paper. The Missouri Securities Investment Program (MOSIP) and the Missouri Capital Asset Advantage Treasury (MOCAAT) also operate under state law and are restricted to the above investments.

Restricted Deposits and Investments:

The District participates in the Missouri Direct Deposit Program, which is a mechanism for public school bond repayments through the Missouri Health and Educational Facilities Authority (MOHEFA) program. It authorizes the direct deposit of a portion of the District's state aid payment by the State of Missouri to a trustee bank that accumulates these payments and then makes the principal and interest payments to the paying agent on the bonds. The program is established and regulated by state law. The investments in the Missouri Direct Deposit Program have a maturity of less than one year because they are redeemable every six months based on the general obligation bonds debt service requirements. At June 30, 2024, the District had \$2,261,762 in this program.

Deposits and Investments – Risks:

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 possession of an outside party. The District's deposit policy for such risk requires compliance with the provision of state law.

State law requires collateralization of all deposits with federal depository insurance; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Missouri; bonds of any city having a population of not less than two thousand, county, school district or special road district of the State of Missouri; bonds of any state; tax anticipation notes issued by any first class county; irrevocable standby letter of credit issued by a Federal Home Loan Bank; out-of-state municipal bonds rated in the highest category by a nationally recognized statistical rating agency; or, a surety bond having an aggregate value at least equal to the amount of the deposits.

The District's deposits and investments in banks at June 30, 2024 were entirely covered by federal depository insurance or by surety bonds and collateral held by the District's agents in its name, in accordance with Missouri Statutes.

Interest Rate Risk – Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. The District has no formal investment policy regarding interest rate risk.

Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 5: TAXES**

Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the District net of certain collection fees. Property taxes attach an enforceable lien on property as of January 1. The District received sales tax collected by the state and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. However, a majority of District voters approved a full waiver of the Proposition C sales tax rollback in April 1997.

The assessed valuation of the tangible taxable property for the calendar years 2023 and 2022 for purposes of local taxation was as follows:

		<u>2023</u>		<u>2022</u>
Residential Real Estate	\$	344,344,380	\$	315,581,960
Agricultural Real Estate		2,624,680		2,671,640
Commercial Real Estate		273,483,194		253,348,664
Personal Property		193,053,448		185,953,313
Total	\$	<u><u>813,505,702</u></u>	\$	<u><u>757,555,577</u></u>

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

Funds	2023		2022	
	Unadjusted	Adjusted	Unadjusted	Adjusted
General (Incidental)	\$ 3.2420	\$ 3.2420	\$ 3.2915	\$ 3.2915
Special Revenue	0.0000	0.0000	0.0000	0.0000
Debt Service	0.6647	0.6647	0.6152	0.6152
Capital Projects	0.2500	0.2500	0.2500	0.2500
Total	\$ 4.1567	\$ 4.1567	\$ 4.1567	\$ 4.1567

NOTE 6: TAX ABATEMENTS

The District is subject to tax abatements through various programs implemented by the City and County of Cape Girardeau, Missouri. For purposes of GASB Statement No. 77, the "tax abatement" programs include: Tax Increment Financing (TIF), Enhanced Enterprise Zone, Chapter 99, Chapter 100 and Chapter 353. The tax abatements have determinable lives and a set determinable abatement for each. The tax abatements impacting the District are:

Agreements with developers pursuant to provisions of Chapter 353 of the Revised Statutes of Missouri whereby during the first 10 years of abatement, 100% of the incremental increase in real property taxes on land and land improvements are abated and during the next 15 years, between 50% and 100% of the incremental real property taxes on land and land improvements are abated. The estimated tax abatement impacting the District for the 2023 calendar year was \$20,000. Over 85% of the current year abatement is related to two projects which expire in 2028 and 2032, respectively.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS**FOR THE YEAR ENDED JUNE 30, 2024****NOTE 7: ACCOUNTS RECEIVABLE**

Accounts receivable as of the year ended June 30, 2024 for the District's individual funds including the applicable allowances for credit losses are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Receivables:					
Taxes	\$ 898,619	\$ -	\$ 184,242	\$ 69,294	\$ 1,152,155
Tuition	30,183	-	-	-	30,183
Grants and Other	<u>283,718</u>	<u>593,151</u>	<u>96,875</u>	<u>30,693</u>	<u>1,004,437</u>
Gross Receivables	\$ 1,212,520	\$ 593,151	\$ 281,117	\$ 99,987	\$ 2,186,775
Less: Allowance	<u>(38,520)</u>	<u>-</u>	<u>(7,898)</u>	<u>(2,970)</u>	<u>(49,388)</u>
Net Receivables	\$ <u>1,174,000</u>	\$ <u>593,151</u>	\$ <u>273,219</u>	\$ <u>97,017</u>	\$ <u>2,137,387</u>
Net Receivables	\$ 1,174,000	\$ 593,151	\$ 273,219	\$ 97,017	\$ 2,137,387
Net Unavailable	<u>(617,674)</u>	<u>(36,261)</u>	<u>(201,638)</u>	<u>(62,902)</u>	<u>(918,475)</u>
Net Available	\$ <u>556,326</u>	\$ <u>556,890</u>	\$ <u>71,581</u>	\$ <u>34,115</u>	\$ <u>1,218,912</u>

NOTE 8: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Balance at July 1, 2023</u>	<u>Additions</u>	<u>Transfers / Disposals</u>	<u>Balance at June 30, 2024</u>
Construction in Progress	\$ 1,359,107	\$ 6,502,027	\$ -	\$ 7,861,134
Land and Improvements	1,639,908	-	-	1,639,908
Equipment	6,015,467	812,140	-	6,827,607
Vehicles	467,735	106,700	-	574,435
Infrastructure	517,717	-	-	517,717
Buildings and Improvements	<u>141,502,325</u>	<u>5,054,675</u>	<u>-</u>	<u>146,557,000</u>
Gross Capital Assets	\$ 151,502,259	\$ 12,475,542	\$ -	\$ 163,977,801
Accumulated Depreciation	<u>(67,781,772)</u>	<u>(4,958,564)</u>	<u>-</u>	<u>(72,740,336)</u>
Net Capital Assets	\$ <u>83,720,487</u>	\$ <u>7,516,978</u>	\$ <u>-</u>	\$ <u>91,237,465</u>

Depreciation was charged to the following functions for the year ended June 30, 2024 as follows:

Instructional	\$ 3,223,066
Building Level Administration	991,713
Operation of Plan	247,928
Food Services	148,757
Adult Education	198,343
Facilities Acquisition and Construction	<u>148,757</u>
Total Depreciation Expense	\$ <u>4,958,564</u>

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 9: LONG-TERM GENERAL OBLIGATION DEBT**

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

	<u>G.O. Bonds</u>
Balance, July 1, 2023	\$ 53,893,999
Issuances	-
Retirements	<u>(3,408,537)</u>
Balance, June 30, 2024	<u>\$ 50,485,462</u>

General Obligation Bonds:

Effective June 17, 2010, the District issued \$50,350,000 in the following bonds to be used to refund the Series 2004 and Series 2005 Refunding Bonds (\$10,350,000) and for the purpose of acquiring, constructing, renovating, expanding, improving, furnishing and equipping District sites, buildings and related facilities for District purposes (\$40,000,000):

- \$17,440,000 in Series 2010A, General Obligation Refunding and Improvement Bonds. The Series 2010A bonds were paid in full during the year ended June 30, 2020.
- \$25,330,000 in Series 2010B, Taxable General Obligation Bonds. The Series 2010B bonds were paid in full during the year ended June 30, 2020.
- \$4,200,000 in Series 2010C, Taxable General Obligation Qualified School Construction Bonds. These bonds carry an interest rate of 5.35% and are due in full on March 1, 2027. These Series 2010C bonds have an interest subsidy arrangement which the District may apply for semi-annually and is recorded by the District as other federal revenues. For the year ended June 30, 2024 the total interest paid and incurred was \$224,700. The total interest subsidy received and earned by the District for the year ended June 30, 2024 was \$213,201. The payments to maturity for the Series 2010C bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 224,700	\$ 224,700
2026	1,365,000	224,700	1,589,700
2027	<u>2,835,000</u>	<u>151,673</u>	<u>2,986,673</u>
	<u>\$ 4,200,000</u>	<u>\$ 601,073</u>	<u>\$ 4,801,073</u>

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 9: LONG-TERM GENERAL OBLIGATION DEBT – Continued**

- \$3,380,000 in Series 2010D, Taxable General Obligation Bonds. These bonds carry an interest rate of 5.60% and are due in full on March 1, 2030. These Series 2010D, Taxable General Obligation Bonds have an interest subsidy arrangement which the District may apply for semi-annually and is recorded by the District as other federal revenues. For the year ended June 30, 2024, the total interest paid and incurred was \$189,280. The total interest subsidy received and earned by the District for the year ended June 30, 2024 was \$80,817. The payments to maturity for the Series 2010D bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 189,280	\$ 189,280
2026	-	189,280	189,280
2027	-	189,280	189,280
2028	-	189,280	189,280
2029	280,000	189,280	469,280
2030	<u>3,100,000</u>	<u>173,600</u>	<u>3,273,600</u>
	\$ <u>3,380,000</u>	\$ <u>1,120,000</u>	\$ <u>4,500,000</u>

Effective June 2, 2015, the District issued \$9,640,758 in Series 2015 General Obligation. The Series 2015 General Obligation Bonds were issued with interest rates ranging from 1.80% to 4.00% and are due in semi-annual installments of varying amounts on September 1 and March 1 of each year until March 1, 2035. Interest expense paid and incurred as of and for the year ended June 30, 2024 was \$51,497. Effective May 18, 2023, a total of \$7,900,000 of these Series 2015 General Obligation Bonds were partially refunded with the issuance of \$7,615,000 in Series 2023 General Obligation Refunding Bonds. The payments to maturity for the remaining Series 2015 bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 156,331	\$ 48,669	\$ 205,000
2026	153,296	56,704	210,000
2027	142,828	62,172	205,000
2028	135,917	69,083	205,000
2029	132,109	77,891	210,000
2030	<u>124,981</u>	<u>84,019</u>	<u>209,000</u>
	\$ <u>845,462</u>	\$ <u>398,538</u>	\$ <u>1,244,000</u>

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 9: LONG-TERM GENERAL OBLIGATION DEBT – Continued**

Effective February 11, 2016, the District issued \$16,285,000 in Series 2016 General Obligation Refunding and Improvement Bonds. Of the total issuance, \$5,930,000 were refunding bonds with the balance of \$10,355,000 being the improvement bonds. The refunding bonds were used to refund a portion of the Series 2010A bonds. The Series 2016 bonds carry an interest rate ranging from 2.00% to 4.00% and have a maturity date of March 1, 2035. Interest expense paid and incurred on the Series 2016 bonds was \$524,435 as of and for the year ended June 30, 2024. The payments to maturity for the Series 2016 bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 700,000	\$ 511,700	\$ 1,211,700
2026	760,000	490,700	1,250,700
2027	845,000	471,700	1,316,700
2028	920,000	437,900	1,357,900
2029	1,000,000	401,100	1,401,100
2030-2034	7,670,000	1,252,100	8,922,100
2035	1,810,000	54,300	1,864,300
	<u>\$ 13,705,000</u>	<u>\$ 3,619,500</u>	<u>\$ 17,324,500</u>

Effective June 5, 2019, the District issued \$26,175,000 in Series 2019 General Obligation Refunding and Improvement Bonds. Of the total issuance, \$18,175,000 were refunding bonds with the balance of \$8,000,000 being the improvement bonds. The refunding bonds were used to refund a portion of the Series 2010B bonds. The Series 2019, General Obligation Refunding and Improvement Bonds carry an interest rate ranging from 3.00% to 4.00% and have a maturity date of March 1, 2039. Interest expense paid and incurred on the Series 2019 bonds was \$741,842 as of and for the year ended June 30, 2024. The payments to maturity for the Series 2019 bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,525,000	\$ 677,000	\$ 3,202,000
2026	1,225,000	576,000	1,801,000
2027	-	527,000	527,000
2028	2,675,000	527,000	3,202,000
2029	2,500,000	420,000	2,920,000
2030-2034	2,000,000	1,480,000	3,480,000
2035-2039	6,000,000	800,000	6,800,000
	<u>\$ 16,925,000</u>	<u>\$ 5,007,000</u>	<u>\$ 21,932,000</u>

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 9: LONG-TERM GENERAL OBLIGATION DEBT – Continue⁴**

Effective September 28, 2021, the District issued \$4,000,000 in Series 2021 General Obligation Bonds. The Series 2021, General Obligation Bonds carry an interest rate ranging from 3.00% to 4.00% and have a maturity date of March 1, 2041. Interest expense paid and incurred on the Series 2021 bonds was \$129,500 as of and for the year ended June 30, 2024.

The payments to maturity for the Series 2021 bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ -	\$ 129,500	\$ 129,500
2026	-	129,500	129,500
2027	-	129,500	129,500
2028	-	129,500	129,500
2029	-	129,500	129,500
2030-2034	-	647,500	647,500
2035-2039	950,000	593,500	1,543,500
2040-2041	3,050,000	138,000	3,188,000
	<u>\$ 4,000,000</u>	<u>\$ 2,026,500</u>	<u>\$ 6,026,500</u>

Effective May 18, 2023, the District issued \$7,615,000 in Series 2023 General Obligation Refunding Bonds for the sole purpose of partially refunding \$7,900,000 in Series 2015 General Obligation Bonds. The Series 2023 General Obligation Refunding Bonds carry an interest rate fixed at 4.0% with a maturity date set for March 1, 2035. Interest expense paid and incurred on these Series 2023 refunding bonds was \$302,287 for the year ended June 30, 2024. The payments to maturity for the Series 2023 refunding bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 195,000	\$ 297,200	\$ 492,200
2026	220,000	289,400	509,400
2027	-	280,600	280,600
2028	-	280,600	280,600
2029	-	280,600	280,600
2030-2034	5,500,000	1,080,600	6,580,600
2035	1,515,000	60,600	1,575,600
	<u>\$ 7,430,000</u>	<u>\$ 2,569,600</u>	<u>\$ 9,999,600</u>

Article VI, Section 26(b), Constitution of Missouri limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of a district (with the addition of state assessed utilities). The legal debt capacity of the District at June 30, 2024 is \$122,025,855.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI

Plan Description:

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

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-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 the Systems who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

Benefits Provided:

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI - Continued

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

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

Cost-of-Living Adjustments ("COLA"):

The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

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

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI - Continued

Contributions:

PSRS members were required to contribute 14.50% of their annual covered salary during fiscal years 2022, 2023 and 2024. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

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

The District's contributions to PSRS and PEERS were \$3,786,162 and \$782,188, respectively, for the year ended June 30, 2024.

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

At June 30, 2024, the District recorded a liability of \$39,319,539 for its proportionate share of PSRS' net pension liability and \$4,945,574 for its proportionate share of PEERS' net pension liability. In total the District recorded a net pension liability of \$44,265,113. The net pension liability for the plans in total was measured as of June 30, 2023 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of \$3,715,458 and \$723,231, respectively, for the year ended June 30, 2023, relative to the total contributions of \$790,025,521 for PSRS and \$146,077,918 for PEERS from all participating employers. At June 30, 2023, the District's proportionate share was 0.4703% for PSRS and 0.4951% for PEERS.

For the year ended June 30, 2024, the District recognized pension expense (income) of \$4,066,541 for PSRS and \$1,288,923 for PEERS, its proportionate share of the total pension expense (pension income). Pension expense is the change in the net pension liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI – Continued**

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

PSRS		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
- Differences between expected and actual experience	\$ 6,452,397	\$ 256,558
- Changes of assumptions	1,336,286	-
- Net difference between projected and actual earnings on pension plan investments	17,992,263	15,593,115
- Changes in proportion and differences between employer contributions and proportionate share of contributions	584,494	198,656
- Employer contributions subsequent to the measurement date	3,786,162	-
Total	<u>\$ 30,151,602</u>	<u>\$ 16,048,329</u>

PEERS		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
- Differences between expected and actual experience	\$ 651,846	\$ -
- Changes of assumptions	26,069	-
- Net difference between projected and actual earnings on pension plan investments	2,425,387	2,080,198
- Changes in proportion and differences between employer contributions and proportionate share of contributions	88,818	-
- Employer contributions subsequent to the measurement date	782,188	-
Total	<u>\$ 3,974,308</u>	<u>\$ 2,080,198</u>

District Total		
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Balance of Deferred Outflows and Inflows Due to:		
- Differences between expected and actual experience	\$ 7,104,243	\$ 256,558
- Changes of assumptions	1,362,355	-
- Net difference between projected and actual earnings on pension plan investments	20,417,650	17,673,313
- Changes in proportion and differences between employer contributions and proportionate share of contributions	673,312	198,656
- Employer contributions subsequent to the measurement date	4,568,350	-
Total	<u>\$ 34,125,910</u>	<u>\$ 18,128,527</u>

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63Cape Girardeau, Missouri**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2024****NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI – Continued**

Amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of June 30, 2023 will be recognized as a reduction to the net pension liability in the year ended June 30, 2025. Other amounts reported as collective deferred (inflows) / outflows of resources to be recognized in pension expense as follows:

Year Ending June 30:	PSRS	PEERS	District Total
2025	\$ 1,176,164	\$ 419,580	\$ 1,595,744
2026	33,965	(102,222)	(68,258)
2027	7,476,890	723,397	8,200,287
2028	1,417,601	71,168	1,488,769
2029	212,491	-	212,491
Thereafter	-	-	-
	<u>\$ 10,317,111</u>	<u>\$ 1,111,923</u>	<u>\$ 11,429,034</u>

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in May 2021. All economic and demographic assumptions were reviewed and certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuations. For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation date due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% formula factor benefit for members that retire with 32 or more years of service. Significant actuarial assumption and methods are detailed below. For additional information, please refer to the Systems' Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2026.

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

- Measurement Date June 30, 2023
- Valuation Date June 30, 2023
- Expected Return on Investments 7.30%, net of investment expenses and including 2.00% inflation
- Inflation 2.00%
- Total Payroll Growth
 - PSRS: 2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.
 - PEERS: 2.50% per annum, consisting of 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI – Continued

- Future Salary Increases
 - PSRS: 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.
 - PEERS: 3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit.
- Cost of Living Increases
 - PSRS and PEERS: Given that the actual increase in the CPI-U index from June 2022 to June 2023 was 2.97%, the Board approved an actual cost-of-living adjustment (COLA) as of January 1, 2024 of 2.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 1.35% each January 1. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study and application of the Board's funding policy to those expectations. The current policy of the Board to grant a COLA on each January 1 is as follows:
 - If the June to June CPI-U is less than 2% for one or more consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
 - If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
 - If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
 - If the CPI decreases, no COLA is provided.

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

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI – Continued

- Mortality Assumption

Actives:

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

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

Non-Disabled Retirees,
Beneficiaries and Survivors:

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

	<u>Males</u>	<u>Females</u>
Non-Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

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

	<u>Males</u>	<u>Females</u>
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled Retirees:

PSRS: Experience-adjusted Pub-2010 Teacher Disability Mortality Table projected generational using the MP-2020 improvement scale. Experience adjustments are equal in the healthy retiree experience-based adjustment factors at all ages for both males and females.

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

- Changes in Actuarial Assumptions and Methods:

For PSRS, the retirement rates assumption was updated for the June 30, 2023 valuation due to the passage of Senate Bill 75 (HCS/SS/SB 75), which added the 2.55% benefit formula multiplier for members that retire with 32 or more years of service. There have been no other changes to the actuarial assumptions and methods for PSRS or PEERS since the June 30, 2021 valuations, which included various assumption updates pursuant to the 2021 experience study. The next experience studies are scheduled for 2026.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10: PUBLIC SCHOOL AND EDUCATION RETIREMENT SYSTEMS OF MISSOURI – Continued

Fiduciary Net Position: The Systems issue a publicly available financial report (CAFR) that can be obtained at www.psr-peers.org.

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

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.0%	4.81%
Hedged Assets	6.0%	2.39%
Global Equity	16.0%	6.88%
U.S. Treasuries	15.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Public Credit	0.0%	0.80%
Private Credit	8.0%	5.61%
Private Equity	21.0%	10.90%
Private Real Estate	11.0%	7.47%
	<u>100.0%</u>	

- Discount Rate: The long-term expected rate of return used to measure the total pension liability was 7.30% as of June 30, 2023, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.3% is consistent with the June 30, 2022 valuations and is based on the actuarial experience studies conducted during the 2021 fiscal year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.
- Discount Rate Sensitivity: The sensitivity of the District's net pension liabilities to changes in the discount rate is presented below. The District's net pension liabilities calculated using the discount rate of 7.30% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

Discount Rate	1% Decrease (6.30%)	Current Rate (7.30%)	1% increase (8.30%)
PSRS Proportionate share of the Net Pension Liability (Asset)	\$ 73,174,470	\$ 39,319,539	\$ 11,285,833
PEERS Proportionate share of the Net Pension Liability (Asset)	\$ 9,389,043	\$ 4,945,574	\$ 1,238,978

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11: POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides health care benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid in full by the insured for the actual month covered. This program is offered for the duration of 18 months after the termination date. There are no associated costs to the District under this program.

Retired personnel of the District are able to purchase individual health insurance through the District's group plan. The District does not contribute toward the cost of current-year premiums for eligible retired plan members. Eligible retirees pay 100% of the premium rates. Premium rates for retirees are held consistent with that of employees. The District has approximately 679 current and 78 retired employees participating in the group plan.

NOTE 12: CONTINGENCIES AND RISK MANAGEMENT

The District handles risks of loss by participation in a public entity risk pool known as The Missouri United School Insurance Council (MUSIC). This is a protected self-insurance program of Missouri public school districts. The districts do not receive conventional insurance policies, but rather pay an assessment to be a member of this risk-sharing group. Part of their assessment then goes to buy excess insurance contracts for the group as a whole. The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne, if any, by the District. The District has coverage for the following: property, general liability, school buses, school board liability, worker's compensation, equipment breakdown, and treasurer's bond. The District's 2024 assessment totaled \$929,877.

Full time, certificated and classified employees are granted up to 15 days of annual leave according to the following rate: 12 months - 15 days; 11 months - 14 days; 9-10 months - 12 days. Unused leave days are cumulative to 140 sick days. After the employee has accumulated 140 sick days, the District will annually reimburse the employee for up to ten unused days that would otherwise be lost at a rate established by the Board annually. At retirement, the employee is reimbursed for unused accumulated days in accordance with Board policy.

Vacation is earned for all 12-month employees based on years of service in accordance with board policy. Up to five days of vacation may be carried over with approval. If an employee ends employment with the District before the end of the contract, vacation will be prorated accordingly by the ratio of days worked to total days of employment for the year. As of June 30, 2024, the District had \$45,000 in estimated earned vacation carried over.

The District receives federal and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed or other noncompliance with the 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.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in the District's insurance coverage.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 13: CONTINGENCIES AND RISK MANAGEMENT - Continued

The District entered into contractual commitments for the Central Academy project during the 2023-2024 fiscal year. The total contractual commitment for construction services is \$2,820,473. As of June 30, 2024, the District paid and incurred \$1,841,642 of this total contractual amount.

The District has an agreement with the City of Cape Girardeau for the joint usage and operation of a public swimming facility located at 520 Minnesota Avenue in the City of Cape Girardeau. The operational costs are shared by the District and the City, with each party paying fifty percent (50%) of the operational expense. Capital improvements are shared based upon an agreed upon arrangement made at the time the capital improvement is needed, as agreed to by both parties.

The District is insured under a retrospectively-rated policy for workers' compensation coverage, where the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2024, there were no significant adjustments in premiums based on actual experience.

Effective January 1, 2015 the District changed from a fully insured healthcare plan to a partially self-funded health plan. The Plan has a \$100,000 per individual deductible with a re-insurance policy covering any individual cost in excess of the \$100,000. The Plan also has a \$1,000,000 aggregate re-insurance limit that is activated if claims exceed \$4,765,646. The District offers five health plans that employees may choose from:

- The Major Medical Plan offers a \$1,500 individual (\$3,000 family) deductible.
- The HSA Plan offers a \$2,000 individual (\$4,000 family) deductible.
- Employees that have other coverage that is secondary to the District's plan may elect the Maxi Plan. The Maxi Plan covers the same scope of eligible expenses as the Major Medical Plan without a deductible or co-insurance.
- Employees covered by Tri-Care or another employer sponsored plan may elect the Medical Reimbursement Plan (MRP). Deductibles, co-pays and co-insurance are covered in full.
- The Affordable Care Plan (ACP) is designed for individuals whose benefits are expected to exceed \$35,000 in a year. Deductibles, co-pays and co-insurance are covered in full.

Regardless of the plan chosen, in 2023-2024 the District paid a monthly per employee amount of \$500.00. Employees are responsible for any dependent coverage premiums. Monthly premiums are paid to the partially self-funded plan account and used to pay administrative expenses and claims. Annual enrollment in the Plan, including employees, dependents and retirees, averaged 1,343.

REQUIRED SUPPLEMENTARY INFORMATION

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

BUDGETARY COMPARISON - CASH BASIS - GENERAL (INCIDENTAL) FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES COLLECTED:				
Local	\$ 30,347,137	\$ 31,513,782	\$ 31,513,782	\$ -
County	920,000	969,285	969,285	-
State	2,151,158	2,179,054	2,179,054	-
Federal	7,053,862	6,307,932	6,307,932	-
Other	1,030,000	1,230,052	1,230,052	-
Total Revenues Collected	<u>\$ 41,502,157</u>	<u>\$ 42,200,105</u>	<u>\$ 42,200,105</u>	<u>\$ -</u>
EXPENDITURES PAID:				
Instruction	\$ 3,645,106	\$ 3,705,289	\$ 3,705,289	\$ -
Attendance and Guidance	618,262	663,277	663,277	-
Health, Psych, Speech, Audio	1,120,158	1,062,168	1,062,168	-
Improvement of Instruction	344,699	296,957	296,957	-
Professional Development	40,450	87,170	87,170	-
School Library Services	91,505	86,999	86,999	-
Board of Education Services	467,913	432,903	432,903	-
Executive Admin / Technology	3,081,988	1,731,092	1,731,092	-
Building Level Administration	888,680	896,520	896,520	-
Business, Fiscal, Internal Service	413,594	368,403	368,403	-
Operation and Maintenance of Plant	6,334,418	5,888,678	5,888,678	-
Security Services	594,127	430,471	430,471	-
Pupil Transportation	2,229,229	2,263,979	2,263,979	-
Food Services	2,670,600	2,797,656	2,797,656	-
Central Office Support Services	461,561	476,814	476,814	-
Adult and Vocational Education	1,650,010	1,597,628	1,597,628	-
Community Services	121,707	316,317	316,317	-
Early Childhood Programs / Instruction	171,310	184,482	184,482	-
Facilities Acquisition and Construction	-	-	-	-
Interest, Principal and Other Charges	-	-	-	-
Total Expenditures Paid	<u>\$ 24,945,317</u>	<u>\$ 23,286,803</u>	<u>\$ 23,286,803</u>	<u>\$ -</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>\$ 16,556,840</u>	<u>\$ 18,913,302</u>	<u>\$ 18,913,302</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):				
Transfers	\$ (18,534,601)	\$ (15,364,821)	\$ (15,364,821)	\$ -
Total Other Financing Sources (Uses)	<u>\$ (18,534,601)</u>	<u>\$ (15,364,821)</u>	<u>\$ (15,364,821)</u>	<u>\$ -</u>
REVENUES COLLECTED AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES PAID	<u><u>\$ (1,977,761)</u></u>	<u><u>\$ 3,548,481</u></u>	<u><u>\$ 3,548,481</u></u>	<u><u>\$ -</u></u>
NET ADJUSTMENTS MADE TO GET TO THE MODIFIED ACCRUAL BASIS			(226,648)	
FUND BALANCES, BEGINNING OF YEAR			<u>19,216,322</u>	
FUND BALANCES, END OF YEAR			<u><u>\$ 22,538,155</u></u>	

The accompanying notes to required supplementary information are an integral part of this statement.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

BUDGETARY COMPARISON - CASH BASIS - SPECIAL REVENUE (TEACHERS') FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES COLLECTED:				
Local	\$ 2,828,250	\$ 3,085,201	\$ 3,085,201	\$ -
County	75,000	86,852	86,852	-
State	11,688,284	11,755,043	11,755,043	-
Federal	6,496,576	7,628,896	7,628,896	-
Other	-	-	-	-
Total Revenues Collected	<u>\$ 21,088,110</u>	<u>\$ 22,555,992</u>	<u>\$ 22,555,992</u>	<u>\$ -</u>
EXPENDITURES PAID:				
Instruction	\$ 28,894,733	\$ 27,496,697	\$ 27,496,697	\$ -
Attendance and Guidance	1,238,767	1,116,248	1,116,248	-
Health, Psych, Speech, Audio	1,274,662	1,335,606	1,335,606	-
Improvement of Instruction	467,864	357,461	357,461	-
Professional Development	-	10,321	10,321	-
School Library Services	822,109	788,692	788,692	-
Board of Education Services	-	-	-	-
Executive Admin / Technology	830,247	803,663	803,663	-
Building Level Administration	1,911,351	2,058,420	2,058,420	-
Business, Fiscal, Internal Service	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Services	-	-	-	-
Central Office Support Services	2,623	-	-	-
Adult and Vocational Education	1,682,531	1,537,280	1,537,280	-
Community Services	200,918	231,293	231,293	-
Early Childhood Programs / Instruction	437,023	325,249	325,249	-
Facilities Acquisition and Construction	-	-	-	-
Interest, Principal and Other Charges	-	-	-	-
Total Expenditures Paid	<u>\$ 37,762,828</u>	<u>\$ 36,060,930</u>	<u>\$ 36,060,930</u>	<u>\$ -</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>\$ (16,674,718)</u>	<u>\$ (13,504,938)</u>	<u>\$ (13,504,938)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):				
Transfers	\$ 16,674,718	\$ 13,504,938	\$ 13,504,938	\$ -
Total Other Financing Sources (Uses)	<u>\$ 16,674,718</u>	<u>\$ 13,504,938</u>	<u>\$ 13,504,938</u>	<u>\$ -</u>
REVENUES COLLECTED AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES PAID	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET ADJUSTMENTS MADE TO GET TO THE MODIFIED ACCRUAL BASIS			396,751	
FUND BALANCES, BEGINNING OF YEAR			<u>96,331</u>	
FUND BALANCES, END OF YEAR			<u>\$ 493,082</u>	

The accompanying notes to required supplementary information are an integral part of this statement.

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

FOR THE YEAR ENDED JUNE 30, 2024

Year Ending *	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Actual Covered Member Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Public School Retirement System ("PSRS")					
6/30/2014	0.4960%	\$ 20,348,774	\$ 22,234,773	91.52%	89.34%
6/30/2015	0.4906%	28,321,652	22,361,893	126.65%	85.78%
6/30/2016	0.4821%	35,871,368	22,411,315	160.06%	82.18%
6/30/2017	0.4661%	33,659,529	22,119,796	152.17%	83.77%
6/30/2018	0.4697%	34,957,218	22,720,798	153.86%	84.06%
6/30/2019	0.4626%	34,140,206	22,809,903	149.67%	84.62%
6/30/2020	0.4564%	40,759,789	22,896,622	178.02%	82.01%
6/30/2021	0.4594%	10,170,095	23,652,984	43.00%	95.81%
6/30/2022	0.4669%	36,111,004	24,655,794	146.46%	86.04%
6/30/2023	0.4703%	39,319,539	25,657,436	153.25%	85.38%
Public Education Employee Retirement System ("PEERS")					
6/30/2014	0.4450%	\$ 1,624,988	\$ 6,488,906	25.04%	91.33%
6/30/2015	0.4558%	2,410,754	6,833,890	35.28%	88.28%
6/30/2016	0.4436%	3,559,159	6,849,548	51.96%	83.32%
6/30/2017	0.4273%	3,260,089	6,867,433	47.47%	85.35%
6/30/2018	0.4364%	3,372,117	7,261,442	46.44%	86.06%
6/30/2019	0.4427%	3,501,585	7,658,814	45.72%	86.38%
6/30/2020	0.4529%	4,395,654	8,074,839	54.44%	84.06%
6/30/2021	0.4680%	504,000	8,574,900	5.88%	98.36%
6/30/2022	0.4890%	4,132,626	9,507,334	43.47%	87.92%
6/30/2023	0.4951%	4,945,574	10,463,898	47.26%	86.50%

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

The accompanying notes to required supplementary information are an integral part of this statement.

SCHEDULES OF EMPLOYER CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2024

Year Ending	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contribution as a Percentage of Covered Payroll
Public School Retirement System ("PSRS")					
6/30/2014	\$ 3,194,066	\$ 3,194,066	\$ -	\$ 22,234,773	14.37%
6/30/2015	3,221,483	3,221,483	-	22,361,893	14.41%
6/30/2016	3,229,544	3,229,544	-	22,411,315	14.41%
6/30/2017	3,188,459	3,188,459	-	22,119,796	14.41%
6/30/2018	3,274,688	3,274,688	-	22,720,798	14.41%
6/30/2019	3,292,628	3,292,628	-	22,809,903	14.44%
6/30/2020	3,304,298	3,304,298	-	22,896,622	14.43%
6/30/2021	3,420,921	3,420,921	-	23,652,984	14.46%
6/30/2022	3,565,687	3,565,687	-	24,655,794	14.46%
6/30/2023	3,715,458	3,715,458	-	25,657,436	14.48%
Public Education Employee Retirement System ("PEERS")					
6/30/2014	\$ 445,139	\$ 445,139	\$ -	\$ 6,488,906	6.86%
6/30/2015	468,806	468,806	-	6,833,890	6.86%
6/30/2016	469,879	469,879	-	6,849,548	6.86%
6/30/2017	471,106	471,106	-	6,867,433	6.86%
6/30/2018	498,135	498,135	-	7,261,443	6.86%
6/30/2019	527,125	527,125	-	7,658,814	6.88%
6/30/2020	559,111	559,111	-	8,074,839	6.92%
6/30/2021	588,369	588,369	-	8,574,900	6.86%
6/30/2022	654,899	654,899	-	9,507,334	6.89%
6/30/2023	723,231	723,231	-	10,463,898	6.91%

The accompanying notes to required supplementary information are an integral part of this statement.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63
Cape Girardeau, Missouri

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: BUDGETARY ACCOUNTING

The accompanying Budget Comparison – Cash Basis schedules for the General (Incidental) and Special Revenue (Teachers') Funds of the Cape Girardeau Public School District No. 63 are presented on the cash basis of accounting, which differs from the District's fund financial statements that are reported under the modified accrual basis of accounting. The cash basis recognizes revenue when received, and expenditures are recognized when the obligation is paid. An adjustment is shown to reconcile the fund balances to the modified accrual basis of accounting as reported in the District's fund financial statements. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements.

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

NOTE 2: PENSION REPORTING

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

The fiduciary net position, as well as additions to and deductions from the fiduciary net position, of PSRS and PEERS have been determined on the same basis as they are reported by the Systems. The financial statements were prepared using the accrual basis of accounting. Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the statutes governing the Systems. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value. The fiduciary net position is reflected in the measurement of the District's net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

SUPPLEMENTARY INFORMATION

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

BUDGETARY COMPARISON - CASH BASIS - DEBT SERVICE FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES COLLECTED:				
Local	\$ 5,301,820	\$ 5,545,211	\$ 5,545,211	\$ -
County	225,000	255,567	255,567	-
State	-	-	-	-
Federal	-	294,018	294,018	-
Other	-	-	-	-
Total Revenues Collected	<u>\$ 5,526,820</u>	<u>\$ 6,094,796</u>	<u>\$ 6,094,796</u>	<u>\$ -</u>
EXPENDITURES PAID:				
Instruction	\$ -	\$ -	\$ -	\$ -
Attendance and Guidance	-	-	-	-
Health, Psych, Speech, Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
School Library Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Admin / Technology	-	-	-	-
Building Level Administration	-	-	-	-
Business, Fiscal, Internal Service	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Services	-	-	-	-
Central Office Support Services	-	-	-	-
Adult and Vocational Education	-	-	-	-
Community Services	-	-	-	-
Early Childhood Programs / Instruction	-	-	-	-
Facilities Acquisition and Construction	-	-	-	-
Interest, Principal and Other Charges	5,725,679	5,539,693	5,539,693	-
Total Expenditures Paid	<u>\$ 5,725,679</u>	<u>\$ 5,539,693</u>	<u>\$ 5,539,693</u>	<u>\$ -</u>
REVENUES COLLECTED OVER (UNDER)				
EXPENDITURES PAID	<u>\$ (198,859)</u>	<u>\$ 555,103</u>	<u>\$ 555,103</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):				
Transfers	\$ -	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
REVENUES COLLECTED AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES PAID	<u>\$ (198,859)</u>	<u>\$ 555,103</u>	<u>\$ 555,103</u>	<u>\$ -</u>
NET ADJUSTMENTS MADE TO GET TO THE MODIFIED ACCRUAL BASIS			(99,719)	
FUND BALANCES, BEGINNING OF YEAR			<u>4,901,526</u>	
FUND BALANCES, END OF YEAR			<u>\$ 5,356,910</u>	

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

BUDGETARY COMPARISON - CASH BASIS - CAPITAL PROJECTS FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES COLLECTED:				
Local	\$ 2,622,467	\$ 2,898,080	\$ 2,898,080	\$ -
County	50,000	44,488	44,488	-
State	9,532,179	6,371,042	6,371,042	-
Federal	293,765	579,991	579,991	-
Other	-	-	-	-
Total Revenues Collected	<u>\$ 12,498,411</u>	<u>\$ 9,893,601</u>	<u>\$ 9,893,601</u>	<u>\$ -</u>
EXPENDITURES PAID:				
Instruction	\$ 1,203,851	\$ 889,788	\$ 889,788	\$ -
Attendance and Guidance	22,500	22,605	22,605	-
Health, Psych, Speech, Audio	-	-	-	-
Improvement of Instruction	8,829	176	176	-
Professional Development	-	-	-	-
School Library Services	-	-	-	-
Board of Education Services	13,515	13,515	13,515	-
Executive Admin / Technology	1,156,815	724,005	724,005	-
Building Level Administration	-	-	-	-
Business, Fiscal, Internal Service	10,000	1,802	1,802	-
Operation and Maintenance of Plant	140,000	198,386	198,386	-
Security Services	123,472	229,736	229,736	-
Pupil Transportation	-	-	-	-
Food Services	237,000	167,211	167,211	-
Central Office Support Services	4,000	-	-	-
Adult and Vocational Education	168,134	162,098	162,098	-
Community Services	15,560	6,012	6,012	-
Early Childhood Programs / Instruction	3,000	-	-	-
Facilities Acquisition and Construction	15,686,548	11,640,758	11,640,758	-
Interest, Principal and Other Charges	-	-	-	-
Total Expenditures Paid	<u>\$ 18,793,224</u>	<u>\$ 14,056,092</u>	<u>\$ 14,056,092</u>	<u>\$ -</u>
REVENUES COLLECTED OVER (UNDER) EXPENDITURES PAID	<u>\$ (6,294,813)</u>	<u>\$ (4,162,491)</u>	<u>\$ (4,162,491)</u>	<u>\$ -</u>
OTHER FINANCING SOURCES (USES):				
Transfers	\$ 1,859,883	\$ 1,859,883	\$ 1,859,883	\$ -
Total Other Financing Sources (Uses)	<u>\$ 1,859,883</u>	<u>\$ 1,859,883</u>	<u>\$ 1,859,883</u>	<u>\$ -</u>
REVENUES COLLECTED AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES PAID	<u>\$ (4,434,930)</u>	<u>\$ (2,302,608)</u>	<u>\$ (2,302,608)</u>	<u>\$ -</u>
NET ADJUSTMENTS MADE TO GET TO THE MODIFIED ACCRUAL BASIS			78,182	
FUND BALANCES, BEGINNING OF YEAR			<u>5,978,289</u>	
FUND BALANCES, END OF YEAR			<u>\$ 3,753,863</u>	

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

SCHEDULE 3

Cape Girardeau, Missouri

SCHEDULE OF REVENUES BY SOURCE - CASH BASIS**FOR THE YEAR ENDED JUNE 30, 2024**

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	Total
LOCAL:					
Property Tax	\$ 25,400,370	\$ -	\$ 5,203,960	\$ 1,958,456	\$ 32,562,786
School District Trust Fund (Prop C)	3,082,616	3,082,616	-	-	6,165,232
Financial Institution Tax	-	-	-	12,979	12,979
M & M Surtax	-	-	-	586,550	586,550
In Lieu of Tax	-	-	179	28,940	29,119
Tuition from Individuals	9	-	-	-	9
Tuition - Post Secondary	756,548	-	-	-	756,548
Earnings on Investments	1,290,366	2,485	337,291	14,357	1,644,499
Premiums on Bonds Sold	-	-	-	-	-
Food Service	14,475	-	-	-	14,475
Student Activities	525,956	-	-	-	525,956
Other - From Local Sources	443,442	100	3,781	296,798	744,121
Total Local	\$ 31,513,782	\$ 3,085,201	\$ 5,545,211	\$ 2,898,080	\$ 43,042,274
COUNTY:					
Fines, Escheats, Etc.	\$ -	\$ 86,852	\$ -	\$ -	\$ 86,852
State Assessed Utility Taxes	969,285	-	255,567	44,488	1,269,340
Total County	\$ 969,285	\$ 86,852	\$ 255,567	\$ 44,488	\$ 1,356,192
STATE:					
Basic Formula - State Monies	\$ -	\$ 9,767,519	\$ -	\$ -	\$ 9,767,519
Transportation	927,500	-	-	-	927,500
Early Childhood Special Education	284,768	1,266,161	-	2,918	1,553,847
Career Ladder / Excellence in Education	-	37,800	-	-	37,800
Basic Formula - Classroom Trust	456,728	-	-	1,293,857	1,750,585
Educational Screening Prog / PAT	72,615	-	-	-	72,615
Career Education	34,843	589,757	-	233,934	858,534
Food Service - State	15,781	-	-	-	15,781
Adult Education & Literacy (AEL)	21,254	71,721	-	-	92,975
Evidence Based Reading Grant	38,443	21,500	-	-	59,943
Residential Placement / Excess Cost	60,258	-	-	-	60,258
School Safety Grant	-	-	-	60,500	60,500
Other State	266,864	585	-	4,779,833	5,047,282
Total State	\$ 2,179,054	\$ 11,755,043	\$ -	\$ 6,371,042	\$ 20,305,139

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

SCHEDULE 3

Cape Girardeau, Missouri

SCHEDULE OF REVENUES BY SOURCE - CASH BASIS**FOR THE YEAR ENDED JUNE 30, 2024**

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	Total
FEDERAL:					
Medicaid	\$ 596,573	\$ -	\$ -	\$ -	\$ 596,573
Reserve Officer Training Corps (ROTC)	-	43,045	-	-	43,045
CRRSA Child Care Preschool Start Up	-	-	-	-	-
ARP - ESSER III	682,899	4,676,275	-	-	5,359,174
CRRSA - ESSER II	16,231	25,231	-	-	41,462
CRRSA - ESSER Fund	-	-	-	-	-
CARES - Governor's Emergency Ed Relie	-	-	-	-	-
CRRSA - GEER II	74,786	-	-	115,694	190,480
Perkins Basic Grant, Career Education	284,994	33,313	-	5,901	324,208
Adult Education & Literacy (AEL)	55,486	62,967	-	-	118,453
IDEA Grants	8,576	-	-	2,842	11,418
ARP - IDEA 611 Entitlement Funds	-	-	-	-	-
IDEA Entitlement Funds, Part B IDEA	-	1,093,493	-	-	1,093,493
Early Childhood Special Ed - Federal	-	152,276	-	-	152,276
ARP - IDEA Early Childhood	-	-	-	-	-
School Lunch / Breakfast Programs	2,809,361	-	-	-	2,809,361
After School Snack Program	29,538	-	-	-	29,538
Title I	387,484	1,180,372	-	160,807	1,728,663
21st Century Community Learning	11,757	27,322	-	-	39,079
Title IV.A Student Support and Academic Enrichment	104,227	36,779	-	-	141,006
Title III	19,019	980	-	-	19,999
Title II, Part A&B, ESEA	38,654	194,675	-	-	233,329
Childcare Development Fund Grant	-	-	-	-	-
Pell Grants	970,119	-	-	-	970,119
Other - Federal	218,228	102,168	294,018	294,747	909,161
Total Federal	\$ 6,307,932	\$ 7,628,896	\$ 294,018	\$ 579,991	\$ 14,810,837
OTHER:					
Sale of Other Property	\$ 6,554	\$ -	\$ -	\$ -	\$ 6,554
Tuition from Other LEAs	202,798	-	-	-	202,798
Area Voc Fees from Other LEAs	930,589	-	-	-	930,589
Contracted Educational Services	90,111	-	-	-	90,111
Total Other	\$ 1,230,052	\$ -	\$ -	\$ -	\$ 1,230,052
TOTAL	\$ 42,200,105	\$ 22,555,992	\$ 6,094,796	\$ 9,893,601	\$ 80,744,494

SCHEDULE OF EXPENDITURES BY OBJECT - CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2024

	General (Incidental) Fund	Special Revenue (Teachers') Fund	Debt Service Fund	Capital Projects Fund	Total
Salaries	\$ 7,593,999	\$ 27,852,856	\$ -	\$ -	\$ 35,446,855
Employee Benefits	2,340,074	7,977,461	-	-	10,317,535
Purchased Services	6,182,288	230,613	-	-	6,412,901
Supplies	7,170,442	-	-	-	7,170,442
Capital Outlay	-	-	-	14,056,092	14,056,092
Principal, Interest and Other Charges	-	-	5,539,693	-	5,539,693
TOTAL	\$ 23,286,803	\$ 36,060,930	\$ 5,539,693	\$ 14,056,092	\$ 78,943,518

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

SCHEDULE 5

Cape Girardeau, Missouri

SCHEDULE OF TRANSPORTATION COSTS ELIGIBLE FOR STATE AID - CASH BASIS

FOR THE YEAR ENDED JUNE 30, 2024

			Handicapped		Payment to Other Districts	Early Childhood Special Education	Total
	District Owned	Contracted	District Owned	Contracted			
Certificated Salaries	\$ -	\$ 25,117	\$ -	\$ -	\$ -	\$ 2,282	\$ 27,399
Noncertificated Salaries	-	11,085	-	31,551	-	4,787	47,423
Employee Benefits	-	8,599	-	2,414	-	929	11,942
Purchased Services	-	1,493,093	-	196,389	-	184,574	1,874,056
Supplies	-	-	-	-	-	975	975
Capital Outlay	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total Transportation Costs	\$ -	\$ 1,537,894	\$ -	\$ 230,354	\$ -	\$ 193,547	\$ 1,961,795
Nonroute Contracted Transportation	\$ -						
School Buses Leased/Purchased (Principal Paid)	\$ -						
(Interest Paid)	\$ -						
School Buses - New Purchase (Cost)	\$ -						
Transportation Revenues From Other Districts	\$ -						

STATE COMPLIANCE SECTION



STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1441 N. Mount Auburn Road • Cape Girardeau, MO 63701
Telephone: 573-334-3343 • Fax: 573-334-2588

**INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION
ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF
MISSOURI LAWS AND REGULATION**

**Board of Education
Cape Girardeau Public School District No. 63
Cape Girardeau, Missouri**

We have examined management's assertion, included in the accompanying Schedule of Selected Statistics, that Cape Girardeau Public School District No. 63 (the "District") complied with the requirements of Missouri Laws and Regulations regarding specific finance procedures and requirements; accurate disclosure by the District's attendance records of average daily attendance, resident membership on the last Wednesday of September, 2023 and the number of students eligible to receive free or reduced price lunches on the last Wednesday of January, 2024; and accurate disclosure by the District's pupil transportation records of the average number of students scheduled to be transported on a regular basis eligible and ineligible for state transportation aid, the number of miles eligible and ineligible for state transportation aid and the allowable costs for pupil transportation, for the year ended June 30, 2024. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the District's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion referred to above is fairly stated, in all material respects, based on the requirements of Missouri Laws and Regulations as set forth in the accompanying Schedule of Selected Statistics.

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

Stanley, Dirnberger, Hopper and Associates, LLC

STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants

Cape Girardeau, Missouri
November 18, 2024

SCHEDULE OF SELECTED STATISTICS, YEAR ENDED JUNE 30, 2024

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

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

[illegible]

Notes:	

SCHEDULE OF SELECTED STATISTICS, YEAR ENDED JUNE 30, 2024

2. ATTENDANCE HOURS

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

School Code	Grade Level	Full-Time Hours	Part-Time Hours	Remedial Hours	Other Hours	Summer School Hours	Total Hours
1050	12	241,006.92	1,822.17		268.00	6,351.47	249,448.56
1050	11	264,745.02	198.45		7.00	6,915.29	271,865.76
1050	10	304,251.69	775.52		55.00	12,062.54	317,144.75
1050	9	340,201.18	881.25		165.33	3,326.32	344,574.08
2050	8	273,141.41	4,290.10			3,079.58	280,511.09
2050	7	287,109.51	4,539.53		150.00	1,847.03	293,646.07
4090	6	297,975.01	5,174.92		134.00	2,547.00	305,830.93
4090	5	288,509.75	5,549.92		81.00	3,559.82	297,700.49
4020-4080	4	326,951.07	42.83		64.00	4,664.32	331,722.22
4020-4080	3	264,777.28	4,902.22	411.00	98.00	4,802.17	274,990.67
4020-4080	2	324,674.62	1,333.85	432.00	103.75	5,863.33	332,407.55
4020-4080	1	306,815.25	1,243.22		212.50	5,722.72	313,993.69
4020-4080	K	296,611.08	3,323.72		18.00	3,102.72	303,055.52
4080	PP	3,813.38					3,813.38
4080	PA	1,166.63					1,166.63
Grand Total		3,821,749.80	34,077.70	843.00	1,356.58	63,844.31	3,921,871.39

Notes:	Other Hours = ESY

SCHEDULE OF SELECTED STATISTICS, YEAR ENDED JUNE 30, 2024

3. SEPTEMBER MEMBERSHIP

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1050	12	293.00	3.43		296.43
1050	11	282.00	0.50		282.50
1050	10	330.00	2.02		332.02
1050	9	370.00	2.85		372.85
2050	8	285.00	4.88		289.88
2050	7	296.00	3.13		299.13
4090	6	302.00	4.95		306.95
4090	5	289.00	5.09		294.09
4020-4080	4	324.00	0.50		324.50
4020-4080	3	266.00	3.74		269.74
4020-4080	2	329.00	1.11		330.11
4020-4080	1	303.00	4.44		307.44
4020-4080	K	297.00	1.80		298.80
4080	PP	95.00			95.00
4080	PA	136.00			136.00
Grand Total		4,197.00	38.44		4,235.44

Notes:	

SCHEDULE OF SELECTED STATISTICS, YEAR ENDED JUNE 30, 2024

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
1050	1,213.34				1,213.34
2050	577.69				577.69
4020	349.49				349.49
4040	219.78				219.78
4050	301.71				301.71
4060	310.41				310.41
4080	345.69				345.69
4090	602.06				602.06
Grand Total	3,920.17				3,920.17

Notes:	

SCHEDULE OF SELECTED STATISTICS, YEAR ENDED JUNE 30, 2024

5. FINANCE

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	True
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation and reporting by category of Average Daily Attendance, which includes the reporting of calendar and attendance hours, for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	Choose an item.
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	N/A
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	True
	Dual enrollment	True
	Homebound instruction	True
	Missouri Options	True
	Prekindergarten eligible to be claimed for state aid	True
	Remediation	True
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	True
	Traditional instruction (full and part-time students)	True
	Virtual instruction (MOCAP or other option)	True
	Work Experience for Students with Disabilities	True
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	True
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	True
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's school treasurer or as required by Section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proves coverage in the event of employee theft in the total amount of:	\$ 50,000.00

SCHEDULE OF SELECTED STATISTICS, YEAR ENDED JUNE 30, 2024

5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo., and the Missouri Financial Accounting Manual.	True
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	True
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records. This includes payments for Teacher Baseline Salary Grants and Career Ladder if applicable.	True
5.9	If a \$162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. (Not applicable to charter schools)	N/A
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	True
5.11	The district has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. (Not applicable to charter schools.)	True
5.12	The amount spent for approved professional development committee plan activities was:	\$ 97,490.93
5.13	The district/charter school has posted, at least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the district or school website or other form of social media as required by Section 160.066, RSMo.	True

Notes:	

All above "False" answers **must** be supported by a finding or management letter comment.

Finding:	
Management Letter Comment:	

SCHEDULE OF SELECTED STATISTICS, YEAR ENDED JUNE 30, 2024

6. TRANSPORTATION (SECTION 163.161, RSMO)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	True
6.2	The district's/charter school's pupil transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	True
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	Choose an item.
	Eligible ADT	# 1,632.0
	Ineligible ADT	# 128.5
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	True
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	# 262,117
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	Choose an item.
	Eligible Miles	# 205,104
	Ineligible Miles (Non-Route/Disapproved)	# 57,013
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	# 165

Notes:	

All above "False" answers **must** be supported by a finding or management letter comment.

Finding:	
Management Letter Comment:	

FEDERAL COMPLIANCE SECTION

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

SCHEDULE 7

Cape Girardeau, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Federal AIN Number	Pass-Thru Entity Identifying Number	Expenditures	Subrecipient Expenditures
U.S. Department of Education: Passed Through State Department of Elementary and Secondary Education (DESE):				
Title I Grants to Local Educational Agencies	84.010 A	016-096	\$ 1,563,509	\$ -
Special Education - Grants to States (ECSE 611 Funds)	A 84.027 A	016-096-ECSE	138,819	-
Special Education - Preschool Grants (ECSE 619 Funds)	A 84.173 A	016-096-ECSE	30,998	-
Special Education - Grants to States (Part B Entitlement)	A 84.027 A	016-096	1,196,687	-
Special Education - Grants to States (Assistive Technology)	A 84.027 A	016-096	11,418	-
Career and Technical Education - Basic Grants to States:				
Perkins Basic Grant - Secondary	84.048 A	016-096	306,907	30,200
Adult Education - Basic Grants to States	84.002 A	016-096	128,441	-
State Assessment Grants	84.369 A	016-096	592	-
English Language Acquisition Grants	84.365 A	016-096	14,183	-
Supporting Effective Instruction State Grants	84.367 A	016-096	220,901	-
Student Support and Academic Enrichment Program	84.424 A	016-096	144,338	-
COVID-19: CARES Act - Education Stabilization Fund:				
American Rescue Plan - Elementary and Secondary School Emergency Relief:				
ARP ESSER	D 84.425 U	016-096	5,194,450	-
Afterschool Enrichment Grant	D 84.425 U	016-096	39,787	-
Teacher Retention Grant	D 84.425 U	016-096	113,096	-
Immediate Responsive Services Grant	D 84.425 U	016-096	56,367	-
Postsecondary Advising Grant	D 84.425 U	016-096	9,965	-
Elementary & Secondary School Emergency Relief Fund:				
Postsecondary Advising Grant	D 84.425 D	016-096	5,801	-
Grow Your Own Grant	D 84.425 D	016-096	5,800	-
Teacher Retention Grant	D 84.425 D	016-096	13,342	-
Governor's Emergency Education Relief Fund (GEER):				
CTE Equipment and Expansion	D 84.425 C	016-096	46,369	-
Parent Reimbursement	D 84.425 C	016-096	16,144	-
Jobs for America's Graduates	D 84.425 C	016-096	10,076	-
Sub Total - Passed Through DESE			\$ 9,267,990	\$ 30,200
Passed Through Community Partnership of Southeast Missouri:				
COVID-19: CARES Act - Education Stabilization Fund:				
American Rescue Plan - Elementary and Secondary School Emergency Relief (Afterschool Programs)	D 84.425 U	Z2L6JHRZUVM7	154,637	-

The accompanying notes to schedule of expenditures of federal awards are an integral part of this statement.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

SCHEDULE 7

Cape Girardeau, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Federal AIN Number	Pass-Thru Entity Identifying Number	Expenditures	Subrecipient Expenditures
U.S. Department of Education (continued):				
Passed Through Mineral Area Community College:				
Career and Technical Education - Basic Grants to States	84.048 A	016-096	37,205	-
Direct Programs:				
Federal Direct Student Loans	B 84.268	P268K232735	438,391	-
Federal Pell Grant Program	B 84.063	P063P222735	531,728	-
COVID-19: CARES Act - Education Stabilization Fund:				
Higher Education Emergency Relief Fund (HEERF):				
Institutional Aid Portion (HEERF II)	D 84.425 F	P425F204323	162,242	-
Total Department of Education			\$ 10,592,193	\$ 30,200
U.S. Department of Health and Human Services:				
Passed-Through State Department of Social Services:				
Medicaid Assistance Program	93.778	016-096	\$ 240,436	\$ -
Adult Medicaid Quality: Improving Maternal and Infant Health Outcomes in Medicaid and CHIP	93.644	016-096	262,905	-
Temporary Assistance for Needy Families (JAG)	93.558	M00681-008	31,875	-
Passed Through State Department of Elementary and Secondary Education:				
Cooperative Agreements to Promote Adolescent Health Through School-Based HIV/STD Prevention	93.079	016-096	500	-
Every Student Succeeds Act / Preschool Development	93.434	90TP0066	5,300	-
Child Care and Development Block Grant (Cub Club)	93.575 D	016-096	31,280	-
Child Care and Development Block Grant (Enhancement)	93.575 D	016-096	14,972	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Cub Club)	93.596	016-096	29,139	-
Total Department of Health and Human Services			\$ 616,407	\$ -
U.S. Department of Agriculture:				
Passed Through State Department of Elementary and Secondary Education:				
School Breakfast Program	C 10.553	016-096	\$ 748,642	\$ -
National School Lunch Program	C 10.555	016-096	2,247,082	-
Total Department of Agriculture			\$ 2,995,724	\$ -
Social Security Administration:				
Social Security - Disability Insurance	96.001	016-096	\$ 1,060	\$ -

The accompanying notes to schedule of expenditures of federal awards are an integral part of this statement.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

SCHEDULE 7

Cape Girardeau, Missouri

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Federal AIN Number	Pass-Thru Entity Identifying Number	Expenditures	Subrecipient Expenditures
U.S. Department of Justice:				
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG	\$ 148,979	\$ -
U.S. Department of Treasury:				
Passed Through State Department of Elementary and Secondary Education:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	016-096	\$ 37,080	\$ -
TOTALS			\$ 14,391,443	\$ 30,200

Clusters

A	Special Education Cluster	\$ 1,377,922	\$ -
B	Student Financial Assistance Cluster	\$ 970,119	\$ -
C	Child Nutrition Cluster	\$ 2,995,724	\$ -

Additional Information

D	CARES ACT - Education Stabilization Fund	\$ 5,828,076	\$ -
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The accompanying notes to schedule of expenditures of federal awards are an integral part of this statement.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Cape Girardeau Public School District No. 63 (the "District") under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. The accrual basis recognizes revenue when earned, and expenditures are recognized when the obligation is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has elected to not use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Amounts passed-through to subrecipients during the year ended June 30, 2024 totaled \$30,200 and were entirely for Career and Technical Education – Basic Grants to States (AIN 84.048 A).

NOTE 3: FOOD DISTRIBUTION

Amounts for the food distribution program (AIN 10.555) include a dollar value assigned to commodities based on prices provided by the State Department of Elementary and Secondary Education. Expenditures reported for commodities are included in the National School Lunch Program and represent the value of commodities received during the year ended June 30, 2024. A recap of all expenditures included in AIN 10.555 is as follows:

		<u>AIN 10.555</u>
National School Lunch Program	\$	1,982,920
Commodities		234,624
Food & Nutrition Services Snack Program		<u>29,538</u>
	\$	<u>2,247,082</u>



STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1441 N. Mount Auburn Road • Cape Girardeau, MO 63701
Telephone: 573-334-3343 • Fax: 573-334-2588

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

**Board of Education
Cape Girardeau Public School District No. 63
Cape Girardeau, Missouri**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Cape Girardeau Public School District No. 63 (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not been identified.

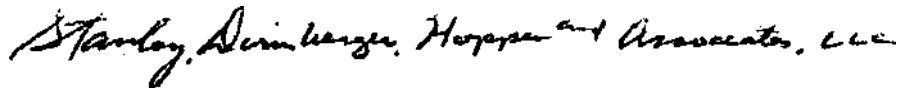
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
Cape Girardeau Public School District No. 63**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



**STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants**

Cape Girardeau, Missouri
November 18, 2024



STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

1441 N. Mount Auburn Road • Cape Girardeau, MO 63701
Telephone: 573-334-3343 • Fax: 573-334-2588

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**Board of Education
Cape Girardeau Public School District No. 63
Cape Girardeau, Missouri**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Cape Girardeau Public School District No. 63's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on each Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
Cape Girardeau Public School District No. 63**

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE
Cape Girardeau Public School District No. 63**

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

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

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

Stanley, Dirnberger, Hopper and Associates, LLC

**STANLEY, DIRNBERGER, HOPPER AND ASSOCIATES, LLC
Certified Public Accountants**

Cape Girardeau, Missouri
November 18, 2024

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS:

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X No

Noncompliance material to financial statements noted? Yes X No

FEDERAL AWARDS:

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X No

Type of auditors' report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to reported in accordance with 2 CFR section 200.516(a)? Yes X No

Identification of major programs:

<u>AIN</u>	<u>Name of Program</u>
84.048	Career and Technical Education – Basic Grants to States
Education Stabilization Fund:	
84.425 C	Governor's Emergency Education Relief Fund
84.425 D	Elementary and Secondary School Emergency Relief Fund
84.425 F	Higher Education Emergency Relief Fund – Institutional Aid Portion
84.425 U	American Rescue Plan Act – Elementary and Secondary School Emergency Relief (ARP ESSER)
Child Nutrition Cluster:	
10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs? \$ 750,000.00

Auditee qualified as low-risk auditee? X Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no audit findings that Government Auditing Standards requires to be reported for an audit of financial statements.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no audit findings or questioned costs as defined by the Uniform Guidance 2 CFR 200.516(a) requires to be reported for an audit of federal awards.

CAPE GIRARDEAU PUBLIC SCHOOL DISTRICT NO. 63

Cape Girardeau, Missouri

SCHEDULE OF RESOLUTIONS OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENT FINDINGS

The prior year audit report issued for the year ended June 30, 2023 included no audit findings that *Government Auditing Standards* required to be reported for an audit of financial statements.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

The prior year audit report issued for the year ended June 30, 2023, included no audit findings as defined by the Uniform Guidance 2 CFR section 200.516(a) required to be reported for an audit of federal awards.

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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CONTINUING DISCLOSURE UNDERTAKING

Dated as of April 24, 2025

By the

CAPE GIRARDEAU SCHOOL DISTRICT NO. 63

\$10,195,000
General Obligation Refunding Bonds
(Missouri Direct Deposit Program)
Series 2025

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of April 24, 2025 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by the **CAPE GIRARDEAU SCHOOL DISTRICT NO. 63** (the “**Issuer**”).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$10,195,000 General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025** (the “**Bonds**”), pursuant to a resolution adopted by the governing body of the Issuer on February 24, 2025, as supplemented by a Final Terms Certificate (the “**Resolution**”).

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

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 Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

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

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

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

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

“**Financial Obligation**” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation;

or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

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

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

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

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

Section 2. Provision of Annual Reports.

- (a) The Issuer shall, not later than 210 days after the end of the Issuer’s Fiscal Year, commencing with the fiscal year ending June 30, 2025, file with the MSRB, through EMMA, the following financial information and operating data (the **“Annual Report”**):
 - (1) The audited financial statements of the Issuer for the prior Fiscal Year, prepared in accordance with the accounting principles described in the notes to the financial statements contained in the final Official Statement related to the Bonds. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.
 - (2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Bonds, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

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 provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The 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) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than **10** Business Days after the occurrence of any of the following events, the 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 Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the 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 default, 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.

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, in substantially the form attached as **Exhibit B**, 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.

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the 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 Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent 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 Undertaking.

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

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

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

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance

by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

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

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

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

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

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IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed this 24th day of April, 2025.

**CAPE GIRARDEAU SCHOOL DISTRICT
NO. 63**

By: _____
Title: President of the Board of Education

EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING

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

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

1. **“THE DISTRICT – Enrollment.”**
2. **“FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue.”**
3. **“FINANCIAL INFORMATION CONCERNING THE DISTRICT – Fund Balances Summary.”**
4. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Current Assessed Valuation.”**
5. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Historic Assessed Valuation.”**
6. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – History of Tax Levies.”**
7. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Collection Rates.”**
8. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Taxpayers.”**
9. **“DEBT STRUCTURE OF THE DISTRICT – Debt Ratios and Related Information.”**

EXHIBIT B
TO CONTINUING DISCLOSURE UNDERTAKING

FORM OF FAILURE TO FILE NOTICE

Event Notice Pursuant to SEC Rule 15c2-12(b)(5)(C)

Issuer/Obligated Person: Cape Girardeau School District No. 63

Issues to which this Notice relates: General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2025

CUSIP Numbers for Issue to which this Notice relates:

<u>Maturity Date</u>	<u>CUSIP Number</u>
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Event Reported: Failure to Timely File Annual Financial Information/Audited Financial Statements

The Obligated Person did not timely file its operating data for the fiscal year ended June 30, 20____. Such operating data [*will be*] [*was*] filed with the MSRB through EMMA on _____, 20____.

The Obligated Person did not timely file its audited financial statements for the fiscal year ended June 30, 20____. Such audited financial statements [*will be*] [*were*] filed with the MSRB through EMMA on _____, 20____.

The information contained in this Notice has been submitted by the Obligated Person pursuant to contractual undertakings the Obligated Person made in accordance with SEC Rule 15c2-12. Nothing contained in the undertaking or this Notice is, or should be construed as, a representation by the Obligated Person that the information included in this Notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities of the Obligated Person.

For additional information, contact:

Mr./Ms. _____
Chief Financial Officer
Cape Girardeau School District No. 63
301 North Clark Street
Cape Girardeau, Missouri 63701
(573) 335-1867

Date Submitted: [Date]

CAPE GIRARDEAU SCHOOL DISTRICT NO. 63