

NEW ISSUE  
BOOK-ENTRY ONLY

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

*In the opinion of 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.*



\$30,000,000\*

SCHOOL DISTRICT OF THE CITY OF ST. CHARLES, MISSOURI  
GENERAL OBLIGATION BONDS  
(MISSOURI DIRECT DEPOSIT PROGRAM)  
SERIES 2025

**Dated: Date of Delivery**

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

The General Obligation Bonds (Missouri Direct Deposit Program), Series 2025 (the “Bonds”) will be issued by the School District of the City of St. Charles, Missouri (the “District”) for the purpose of providing funds to pay (1) costs of the Project, as further described herein under the section captioned “PLAN OF FINANCING - The Project,” and (2) costs of issuing the Bonds.

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

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

THE BONDS AND INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES WHICH MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE DISTRICT.

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

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

*The Bonds are offered when, as and if issued by the District and accepted by the Underwriter, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the District, and subject to certain other conditions. Bond Counsel will also pass on certain matters relating to this Official Statement. Certain legal matters will be passed upon for the Underwriter by Thompson Coburn LLP, St. Louis, Missouri. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about July 10, 2025.*

STIFEL

The date of this Official Statement is June \_\_, 2025.

\* Preliminary; subject to change.

**\$30,000,000\***  
**SCHOOL DISTRICT OF THE CITY OF ST. CHARLES, MISSOURI**  
**GENERAL OBLIGATION BONDS**  
**(MISSOURI DIRECT DEPOSIT PROGRAM)**  
**SERIES 2025**

**MATURITY SCHEDULE\***

**Base CUSIP: 787889**

**SERIAL BONDS**

<b><u>Due</u></b> <b><u>(March 1)</u></b>	<b><u>Principal</u></b> <b><u>Amount*</u></b>	<b><u>Interest</u></b> <b><u>Rate</u></b>	<b><u>Price</u></b>	<b><u>CUSIP</u></b> <b><u>Extension</u></b>
2026	\$5,185,000	%	%	
2027	5,680,000			
***	***	***	***	***
2043	5,595,000			
2044	6,585,000			
2045	6,955,000			

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\* Preliminary; subject to change.

**SCHOOL DISTRICT OF THE  
CITY OF ST. CHARLES, MISSOURI**

400 North Sixth Street  
St. Charles, Missouri 63301  
(636) 443-4000

**BOARD OF EDUCATION**

Ms. Heidi Sikma, *President and Director*  
Mr. Daniel Hewitt, *Vice President and Director*  
Ms. M. Ellen Zerr, *Director*  
Ms. Lori Gibson, *Director*  
Ms. Tammy McGrellis, *Director*  
Ms. Karen O'Hearn, *Director*  
Mr. Brian O'Mara, *Director*

**ADMINISTRATION**

Dr. Jason Sefrit, *Superintendent*  
Dr. Earl Draper, *Assistant Superintendent of Curriculum and Instruction*  
Mr. Jeremy Shields, *Assistant Superintendent of Operations*  
Dr. Rodney Lewis, *Assistant Superintendent of Human Resources*  
Mrs. Ashley Jones, *Assistant Superintendent of Special Services*

**UNDERWRITER**

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

**BOND COUNSEL AND DISCLOSURE COUNSEL**

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

**UNDERWRITER'S COUNSEL**

Thompson Coburn LLP  
St. Louis, Missouri

**PAYING AGENT**

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

## **REGARDING USE OF THIS OFFICIAL STATEMENT**

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

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

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

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

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT.

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**CAUTIONARY STATEMENTS REGARDING FORWARD-  
LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

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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 INDICATED UNDER THE CAPTION “CONTINUING DISCLOSURE UNDERTAKING.”**

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## OFFICIAL STATEMENT

**\$30,000,000\***

**SCHOOL DISTRICT OF THE CITY OF ST. CHARLES, MISSOURI  
GENERAL OBLIGATION BONDS  
(MISSOURI DIRECT DEPOSIT PROGRAM)  
SERIES 2025**

### INTRODUCTION

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

#### **General**

This Official Statement, including the cover page and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of \$30,000,000\* aggregate principal amount of General Obligation Bonds (Missouri Direct Deposit Program), Series 2025 (the “**Bonds**”) by the School District of the City of St. Charles, Missouri (the “**District**”). The Bonds represent general obligation bonds authorized by the required majority of the qualified voters of the District at an election held in the District on April 8, 2025 and a resolution of the Board of Education of the District expected to be adopted on June 25, 2025 (the “**Resolution**”). All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.

#### **Purpose of the Bonds**

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

#### **Security for the Bonds**

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

**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., as direct deposit trustee (the “**Deposit Trustee**”), and the District, the District will agree that a portion of its State Aid payments (as defined herein) will be transferred to the Deposit Trustee in order to pay the debt service on the Bonds. See the section herein captioned “**SECURITY FOR THE BONDS - Direct Deposit of State Aid Payments.**”

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\* Preliminary; subject to change.

## Continuing Disclosure

The District will enter into a Continuing Disclosure Undertaking dated as of July 1, 2025 (the “**Continuing Disclosure Undertaking**”), in which it will agree 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 (the “**Rule**”). See the sections herein captioned “**CONTINUING DISCLOSURE UNDERTAKING**” and *Appendix C – “FORM OF CONTINUING DISCLOSURE UNDERTAKING.”*

## Description of Documents

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

## THE BONDS

### General

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

Payment of the interest on the Bonds will be made to the person in whose name such Bond is registered (the “**Registered Owner**” or “**Owner**”) as shown on the registration books (the “**Bond Register**”) at the close of business on the 15<sup>th</sup> day (whether or not a Business Day) of the calendar month next preceding a Bond Payment Date (the “**Record Date**”). Interest on the Bonds will be paid by check or draft mailed by UMB Bank, N.A. (the “**Paying Agent**”) to each Registered Owner at the address shown on the Bond Register or at such other address as is furnished to the Paying Agent in writing by such Registered Owner, or by electronic transfer to such Registered Owner upon written notice given to the Paying Agent not less than 15 days prior to the Record Date for such interest payment, containing the electronic transfer instructions including the name and address of the bank, the bank’s ABA routing number and the account number to which such Registered Owner wishes to have such transfer directed and an acknowledgement that an electronic transfer fee may be applicable.

The principal or Redemption Price of the Bonds will be paid by check, 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 of the Paying Agent in St. Louis, Missouri, or at such other payment office as designated by the Paying Agent.

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\* 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](http://www.dtcc.com).

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

**Transfers.** To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by

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

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

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

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

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

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

The Direct Participants holding a majority interest in the Bonds may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

## **Registration, Transfer and Exchange of Bonds**

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

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

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of the Resolution. The District shall pay the fees and expenses of the Paying Agent for the registration, transfer and exchange of Bonds provided for by the Resolution and the cost of printing a reasonable supply of registered bond blanks. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The District and the Paying Agent shall not be required (1) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent in accordance with the Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (2) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Resolution.

## **Redemption Provisions**

At the option of the District, the Bonds or portions thereof maturing on March 1, 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 shall be selected by the Paying Agent in \$5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

In the case of a partial redemption of Bonds, when Bonds of denominations greater than \$5,000 are then Outstanding, then for all purposes in connection with such redemption each \$5,000 of face value shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all, of the \$5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the price

which such Bonds are to be redeemed (the “**Redemption Price**”) and interest to the date fixed for redemption (the “**Redemption Date**”) of such \$5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the \$5,000 unit or units of face value called for redemption (and to that extent only).

### **Notice of Redemption**

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

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

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.

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

### **Effect of Call for Redemption**

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

### **Defeasance**

When any or all of the Bonds and 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 hereunder and all other rights granted thereby shall terminate with respect to the Bonds, and scheduled interest payments thereon, so paid and discharged. Bonds, and 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 of said Bonds and the 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 said Bonds and interest accrued to the Stated Maturity, or if default in such payment has occurred on such date, then to the date of the tender of such payments.

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. See **“RISK FACTORS – Defeasance”** in this Official Statement.

## **SECURITY FOR THE BONDS**

### **Pledge of Full Faith and Credit**

The Bonds will constitute general obligations of the District and will be payable as to both principal of and interest on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District. The full faith, credit and resources of the District are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds as the same 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 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 Series 2025 Account of the Debt Service Fund, shall be kept separate and apart from all other funds of the District, and shall be used solely for the payment of the principal of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Bonds when due, the Treasurer is authorized and directed to pay said principal of or interest out of the general funds of the District and to reimburse said general funds for money so expended when said taxes are collected.

### **Direct Deposit of State Aid Payments**

Pursuant to Section 360.111 *et seq.* of the Revised Statutes of Missouri, as amended, and related statutes (the **“Deposit Law”**), Missouri and the District may agree to transfer to the Deposit Trustee a portion of the

District's State Aid payments and distributions normally used for operational purposes ("**State Aid**") in order to provide for payment of debt service on the Bonds. On the date of issuance of the Bonds, the District will enter into a Direct Deposit Agreement (the "**Deposit Agreement**") with the Office of the Treasurer of the State of Missouri (the "**Treasurer's Office**"), the Department of Elementary and Secondary Education of the State of Missouri ("**DESE**"), the Health and Educational Facilities Authority of the State of Missouri and the Deposit Trustee. The Deposit Agreement will provide for payment of one-fifth (1/5) of the debt service on the Bonds to be paid on March 1, 2026 in each of the five (5) months of August 2025 and September 2025 and December 2025 through February 2026 and one-tenth (1/10) of the annual debt service on the Bonds in the next bond year 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 District in excess of the one-tenth (1/10) monthly deposit will not be deposited with the Deposit Trustee but will be transferred directly to the District as has historically been the case with all State Aid.

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

Nothing in the Deposit Law or the Deposit Agreement relieves the District of its obligation to make payments of principal 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**

### **The Project**

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 26 of the Missouri Constitution and Section 164.121 *et seq.*, of the Revised Statutes of Missouri. On April 8, 2025, voters in the District authorized \$90,000,000 in general obligation bonds for the purpose of constructing, renovating, repairing, improving, furnishing and equipping school sites, buildings and related facilities and acquiring vehicles, including (1) improving learning resources by improving instructional space throughout the District, (2) maintaining school facilities by continuing to fund capital repairs and improvements and (3) implementing and improving safety and security measures to District buildings (collectively, the "**Project**").

The District began the Project in May 2025 and expects to complete the portion of the Project funded with Bond proceeds in 2028. The District expects to issue additional bonds in 2027 and 2029 (using the remaining voted authorization from the April 8, 2025 election) to fund the remainder of the Project, which is expected to be completed in 2032.

Sources and Uses of Funds

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

Sources of Funds

Par Amount of Bonds	\$30,000,000.00*
Plus: Net Original Issue Premium	
Total	\$

Uses of Funds

Deposit to the Series 2025 Account of the Capital Projects Fund	\$
Costs of issuance (including Underwriter’s discount)	
Total	\$

RISK FACTORS

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

Ad Valorem Property Taxes

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

Concentration of property ownership in the District would expose the District’s ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. In calendar year 2024, Pinnacle Entertainment, Inc. owned 6.17% of the total taxable property in the District. No other single property owner owned more than 1.51% of the total taxable property in the District.

\* Preliminary; subject to change.

See “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – Current Assessed Valuation**” and “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Property Taxpayers**” in *Appendix A* of this Official Statement.

### **Senior Property Tax Credit Program**

In 2023, the Missouri General Assembly passed Senate Bill 190, which authorizes counties to grant property tax credits to residential property owners eligible to receive social security benefits equal to the difference between the real property tax liability on the homestead in the current year minus the real property tax liability on such homestead in the year in which the taxpayer became eligible to receive the tax credit (the “**Senior Property Tax Credit Program**”). Implementation of the Senior Property Tax Credit Program requires either adoption of an ordinance by the county or an initiative petition and voter approval process. Property tax bills within counties that participate in the Senior Property Tax Credit Program will reflect the tax credit on property tax bills for eligible taxpayers, thereby reducing the amount of property taxes that the eligible taxpayer would otherwise pay. On September 11, 2023, the St. Charles County Council passed an ordinance implementing the Senior Property Tax Credit Program in St. Charles County, which became effective with the 2024 property tax cycle. Such ordinance excludes relief to taxpayers from paying dedicated ad valorem taxes levied for the payment of bonded indebtedness.

St. Charles County informed the District that for the 2024 property tax cycle 3,115 seniors in the District applied for this program. The properties owned by these seniors accounted for approximately \$167,549,244 in assessed valuation and approximately \$92,000 in tax revenue. Seniors must apply or renew for the tax relief program every year to continue receiving a credit on their tax bill.

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.

### **Secondary Market Prices and Liquidity**

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

## **Pensions and Other Postemployment Benefits**

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

## **State Aid and Direct Deposit Agreement**

Approximately 14.63% of the District’s revenue for the fiscal year ended June 30, 2024 was derived from moneys provided by the State of Missouri as State Aid. See “**FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue,**” “**– State Revenue**” and “**– Missouri School Finance Laws**” 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 or the District experiences a decline in enrollment. Reductions in State Aid could force the District to make budget cuts or operational adjustments and may adversely affect the rating on the Bonds or the market price of the Bonds.

## **Enrollment**

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

## **Amendment of the Resolution**

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

## **Loss of Premium from Redemption**

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

## **Tax-Exempt Status and Risk of Audit**

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

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

## **Defeasance Risks**

When any or all of the principal of the Bonds or scheduled interest payments thereon are deemed paid and discharged as provided in the Resolution, the requirements contained in the Resolution and the pledge of the District’s faith and credit thereunder and all other rights granted thereby will terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. 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 moneys and/or Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and interest accrued to the stated maturity or Redemption Date. There is no legal requirement in the Resolution that Defeasance Obligations be rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets, and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

## **Cybersecurity Risks**

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

## **Potential Impact of Public Health Emergencies**

Regional, national or global public health emergencies, such as the outbreak of the novel coronavirus in December 2019 ("**COVID-19**" or the "**Pandemic**"), could have materially adverse regional, national or global economic and social impacts causing, among other things, the promulgation of local or state orders limiting certain activities, extreme fluctuations in financial markets and contraction in available liquidity, prohibitions of gatherings and public meetings in such places as entertainment venues extensive job losses and declines in business activity across important sectors of the economy, impacts on supply chain and availability of resources, declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession. The District cannot predict the extent to which its operations or financial condition may decline nor the amount of increased costs, if any, that may be incurred by the District associated with operating during any public health emergencies including, but not limited to, the amount of (1) increases in required services of the District, (2) costs to clean, sanitize and maintain its facilities, (3) costs to hire additional and/or substitute employees, (4) costs to acquire supporting goods and services, or (5) costs to operate remotely and support the employees of the District. Accordingly, the District cannot predict the effect any public health emergencies will have on the finances or operations of the District or whether any such effects will have a material adverse effect on the ability to support payment of debt service on the Bonds. The District receives the majority of its revenue from property taxes, and the District did not experience a decrease in revenues due to COVID-19. Historical revenues and expenditures for the District's General Fund for the fiscal years ended June 30, 2020 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 primarily in the City of St. Charles, Missouri, a suburban community located in the western section of the St. Louis, Missouri metropolitan area. Approximately 84% of District is in the City of St. Charles, 7% is in the City of St. Peters and the remainder of the District is in unincorporated St. Charles County, Missouri. The District encompasses approximately 17 square miles and is bounded on the east by the Missouri River. See "**APPENDIX A - INFORMATION REGARDING THE DISTRICT**" 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. Certain legal matters will be passed upon for the Underwriter by Thompson Coburn LLP, St. Louis, Missouri.

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**

The Rating Agency has assigned a municipal bond rating of “AA+” to the Bonds based upon the District’s participation in the Missouri Direct Deposit Program. In addition, the Rating Agency has assigned a municipal bond rating of “AA-” to the Bonds based on the underlying credit of the District. The ratings reflect only the view of the Rating Agency at the time such ratings are given, and the Underwriter and the District make no representation as to the appropriateness of such ratings. An explanation of the significance of such ratings may be obtained from the Rating Agency.

The District has furnished the Rating Agency with certain information and materials relating to the Bonds and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Except as described in the Continuing Disclosure Undertaking, neither the Underwriter nor the District has undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds. Pursuant to the Continuing Disclosure Undertaking, the District is required to bring to the attention of the holders of the Bonds any change of the ratings of the Bonds but has not undertaken any responsibility to oppose any such change. See the Form of Continuing Disclosure Undertaking attached hereto as *Appendix C*.

## **TAX MATTERS**

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

## Opinion of Bond Counsel

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

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

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

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

Bond Counsel’s opinions are provided as of the date of the original issue of the Bonds, subject to the condition that the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal and State of Missouri income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Bonds but has reviewed the discussion under the heading “**TAX MATTERS.**”

## Other Tax Consequences

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

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

deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

***Sale, Exchange or Retirement of Bonds.*** Upon the sale, exchange or retirement (including redemption) of a Bond, an owner of the Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property 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**

### **General**

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

### **Prior Compliance**

The District believes it has materially complied during the past five years with its prior undertakings under the Rule. The District has engaged Bond Counsel to assist with the District's annual filings and has adopted a policy regarding compliance with the District's continuing disclosure obligations.

## **ABSENCE OF LITIGATION**

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

## **UNDERWRITING**

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, plus net original issue premium of \$\_\_\_\_\_, less an underwriting discount of \$\_\_\_\_\_). The Underwriter is purchasing the Bonds for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

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.

Thompson Coburn LLP, counsel to the Underwriter, has represented the Paying Agent in transactions unrelated to the issuance of the Bonds, but is not representing it in connection with the issuance of the Bonds.

The Underwriter has previously sponsored the District's annual gala event, the proceeds of which benefitted Care to Learn St. Charles.

## **MISCELLANEOUS**

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

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

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

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

**SCHOOL DISTRICT OF THE CITY OF  
ST. CHARLES, MISSOURI**

By: \_\_\_\_\_  
President of the Board of Education



## **APPENDIX A**

### **INFORMATION REGARDING THE DISTRICT**

## APPENDIX A

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## THE DISTRICT

### General Description

The School District of the City of St. Charles, Missouri (the “**District**”) is located primarily in the City of St. Charles, Missouri (the “**City**”), a suburban community located in the western section of the St. Louis, Missouri metropolitan area. Approximately 84% of the District is in the City, 7% is in the City of St. Peters, Missouri and the remainder of the District is in unincorporated St. Charles County, Missouri (the “**County**”). The District encompasses approximately 17 square miles and is bounded on the east by the Missouri River. The estimated population of the District in 2023 was 54,067. The District had 4,785 students enrolled for the 2024-2025 school year.



### Organization and Board of Education

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

The current members and officers of the Board are:

<u>Name</u>	<u>Office</u>	<u>First Term Began</u>	<u>Current Term Expires</u>
Mrs. Heidi Sikma	President & Member	2021	2027
Mr. Daniel Hewitt	Vice-President & Member	2022	2028
Ms. M. Ellen Zerr	Member	2021	2026
Ms. Lori Gibson	Member	2008	2026
Ms. Tammy McGrellis	Member	2025	2028
Ms. Karen O’Hearn	Member	2023	2026
Mr. Brian O’Mara	Member	2023	2026

District employee Kelley Pendleton serves as Secretary to the Board and Mr. Jeremy Shields, the District’s Assistant Superintendent of Operations, serves as Treasurer.

### Administration

The Board appoints the Superintendent, who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Dr. Jason Sefrit has served as the Superintendent of the District since July 1, 2018. Prior to his appointment as Superintendent, Dr. Sefrit served as the Assistant Superintendent for Human Resources for the District for two years. Prior to his role with the District, Dr. Sefrit worked as a principal, assistant administrator and teacher in the Fort Zumwalt School District located in the County. Dr. Sefrit holds a Bachelors Degree from Missouri Baptist University and a Masters Degree in Educational Administration and a Doctorate in Educational Administration, both from Lindenwood University.

Additional members of the administrative staff are appointed by the Board upon recommendation by the Superintendent. Reporting to the Superintendent are the Associate Superintendent of Human Resources,

Assistant Superintendent of Curriculum & Instruction, Assistant Superintendent of Operations and Assistant Superintendent of Special Services.

The District has a total of 941 employees, including 45 administrative personnel, 554 teachers and 342 non-certificated employees.

### **Professional Staff**

The average teacher employed by the District has 12.2 years of teaching experience, compared to a statewide average of 12.7 years, and 68.7% of the District's teachers hold advanced degrees. For the 2023-2024 school year, the average salary for all teaching staff was \$62,196 compared to a statewide average salary for teaching staff of \$55,619.

### **Educational Facilities**

The District operates 13 schools, as shown below. The aggregate replacement cost of the current physical facilities of the District (including the schools listed below, the administration building, the transportation/maintenance building and other district owned facilities) and the contents thereof as most recently determined for insurance purposes is \$287,325,077.

<u><b>Name of School</b></u>	<u><b>Grades Served</b></u>
St. Charles Early Childhood Center	Pre-K
George M. Null Elementary School	K-4
Monroe Elementary School	K-4
Lincoln Elementary School	K-4
Harris Elementary School	K-4
Coverdell Elementary School	K-4
Blackhurst Elementary School	K-4
Jefferson Intermediate School	5-6
Hardin Middle School	7-8
Lewis & Clark Career Center	9-12
St. Charles West High School	9-12
St. Charles High School	9-12
St. Charles Success Campus	9-12

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## History of Enrollment

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

<u>Grade</u>	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
Pre K	189	231	257	261	256
K	358	363	321	317	334
1st	339	386	364	319	328
2nd	361	361	363	355	321
3rd	347	349	363	359	366
4th	344	341	350	353	351
5th	360	325	341	350	354
6th	343	353	338	345	357
7th	361	343	364	343	334
8th	358	362	337	328	345
9th	364	360	378	355	338
10th	371	365	369	365	360
11th	342	354	355	366	384
12th	<u>369</u>	<u>351</u>	<u>362</u>	<u>338</u>	<u>357</u>
Total	<u>4,806</u>	<u>4,844</u>	<u>4,862</u>	<u>4,754</u>	<u>4,785</u>

*Source:* Missouri Department of Elementary and Secondary Education.

## Education Programs

The District operates under the oversight of the Missouri Department of Elementary and Secondary Education ("DESE"). Programs offered by the District are comprehensive with an academic curriculum encompassing foreign languages, math, science, literature, composition and social studies. The District offers numerous special programs such as gifted, adult education, early childhood, English language learners, alternative learning and comprehensive special education.

## Other District Statistics

The following table shows additional information about the District compiled by DESE for the last five completed fiscal 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)	4,446.46	4,183.43	4,142.31	4,228.53	4,115.95
Proportional Attendance Rate	85.8%	82.7%	77.7%	80.2%	81.4%
Expenditures per Pupil	\$14,499	\$15,379	\$16,717	\$17,933	\$18,343
Students per Teacher	10	10	10	9	9
Students per Classroom Teacher	14	14	13	13	13

*Source:* Missouri Department of Elementary and Secondary Education.

The following table shows the percentage of students eligible for free or reduced lunch at the District schools listed below as compiled by DESE for the current fiscal year and previous four completed fiscal years.

<u>Name of School</u>	<u>Percentage of Students Eligible for Free or Reduced Lunch</u>				
	<u>2020-2021</u>	<u>2021-2022</u>	<u>2022-2023</u>	<u>2023-2024</u>	<u>2024-2025</u>
George M. Null Elementary School	31.70%	31.01%	33.90%	40.00%	42.06%
Monroe Elementary School	37.20	43.86	46.50	46.70	49.73
Lincoln Elementary School	30.00	30.16	35.70	33.30	41.69
Harris Elementary School	23.70	20.97	28.10	34.00	35.82
Coverdell Elementary School	37.30	43.51	48.70	45.30	43.69
Blackhurst Elementary School	44.40	38.01	51.90	54.50	56.70
Jefferson Intermediate School	29.50	24.54	36.90	44.10	45.11
Hardin Middle School	29.30	25.22	33.20	37.30	41.13
St. Charles West High School	17.60	17.75	20.80	28.10	27.40
St. Charles High School	25.80	23.66	33.60	37.10	39.33

*Source:* Missouri Department of Elementary and Secondary Education.

### **School Rating and Accreditation**

DESE administers the Missouri School Improvement Program (“**MSIP**”), the school accountability system for the State of Missouri (the “**State**”) for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, five review cycles have been completed, each cycle lasting from five to six years. The sixth cycle, referred to as MSIP 6, was approved in the 2020-2021 school year. The District is accredited. The MSIP classification is not a bond or debt rating but is solely an evaluation made by DESE.

## **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 four decennial censuses and the latest available estimate.

	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2023</u>
District	49,640	51,204	53,421	53,126	54,067
City	54,555	60,321	65,794	70,493	71,048
County	212,907	283,883	360,485	405,262	409,830
State	5,117,073	5,595,211	5,988,927	6,154,913	6,168,181

*Source:* U.S. Census Bureau, Decennial Censuses and 2019-2023 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 estimates.

**Estimated Population Distribution by Age (2023 Estimate)**

<b><u>Age</u></b>	<b><u>District</u></b>	<b><u>City</u></b>	<b><u>County</u></b>	<b><u>State</u></b>
Under 5 years	2,465	3,394	22,538	359,915
5-19 years	8,441	11,156	80,367	1,187,955
20-24 years	5,872	6,687	23,863	402,879
25-44 years	15,150	19,712	108,744	1,596,432
45-64 years	12,220	16,897	106,929	1,541,871
65 years and over	<u>9,919</u>	<u>13,202</u>	<u>67,389</u>	<u>1,079,129</u>
TOTAL	<u>54,067</u>	<u>71,048</u>	<u>409,830</u>	<u>6,168,181</u>
Median age	37.2	38.9	39.6	38.9

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

**Commerce, Industry and Employment**

***Major Employers.*** Listed below are the major employers located in the City.

<b><u>Employer</u></b>	<b><u>Type of Business</u></b>	<b><u>Employees</u></b>
1. SSM St. Joseph Health Center	Healthcare	1,258
2. Boeing	Aircraft manufacturing	1,200
3. Lindenwood University	Higher education	1,116
4. The County	County government	1,075
5. Ameristar Casino	Casino	1,031
6. The District	Public school district	941
7. Emmaus Homes	Disability support services	575
8. Heartland Coca Cola	Soft drink manufacturer	550
9. City of St. Charles	City government	406
10. Client Services, Inc.	Collection agency and call center	220

*Source:* City of St. Charles, Missouri Comprehensive Annual Financial Report for the fiscal year ended December 31, 2023; the District.

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**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</u>
<i>City</i>					
Total Labor Force	38,053	38,394	39,028	40,129	40,493
Unemployed	2,141	1,344	898	1,145	1,337
Unemployment Rate	5.6%	3.5%	2.3%	2.9%	3.3%
<i>County</i>					
Total Labor Force	219,285	222,803	227,929	233,806	235,973
Unemployed	11,712	7,440	4,930	6,079	7,243
Unemployment Rate	5.3%	3.3%	2.2%	2.6%	3.1%
<i>State</i>					
Total Labor Force	3,026,204	3,031,845	3,042,699	3,095,018	3,131,182
Unemployed	185,745	126,113	79,757	95,951	114,296
Unemployment Rate	6.1%	4.2%	2.6%	3.1%	3.7%
<i>United States</i>					
Total Labor Force	160,742,000	161,204,000	164,287,000	167,116,000	168,106,000
Unemployed	12,947,000	8,623,000	5,996,000	6,080,000	6,761,000
Unemployment Rate	8.1%	5.3%	3.6%	3.6%	4.0%

Source: U.S. Bureau of Labor Statistics.

### Medical and Health Facilities

SSM Health St. Joseph Hospital is located in the City. The 329-bed hospital provides numerous health care services including heart care, vascular care, behavioral health, emergency medicine, cancer care service and obstetrics. SSM Health also opened an outpatient center in the City in 2017, which created additional access to health specialists in internal medicine, pediatrics, endocrinology, physical therapy and other outpatient services.

### Higher Education

Higher education is easily accessible to District residents through St. Charles Community College and Lindenwood University, both located in the County. Numerous other institutions of higher education are located in the St. Louis metropolitan area, including Saint Louis University, Washington University and the University of Missouri-St. Louis.

St. Charles Community College provides a combination of two-year vocational programs appropriate to the needs of local business and industry, one year and two year general studies programs, pre-baccalaureate programs in preparation for upper-division degrees at four-year institutions and adult education programs, which allow residents of the District to improve job skills.

Lindenwood University (“**Lindenwood**”) is a private four-year liberal arts institution. Lindenwood offers baccalaureate degrees in many areas. Academic colleges within Lindenwood include the College of Arts and Humanities, the Plaster College of Business and Entrepreneurship, the College of Education and Human Services, the College of Science, Technology and Health and pre-professional programs. Graduate degrees are also offered in over twenty programs. Continuing adult education at Lindenwood includes not-for-credit courses, workshops and seminars.

### Recreational Facilities

District residents enjoy an excellent parks system, historical sights and recreational facilities and access to the recreational amenities located in the City of St. Louis and St. Louis County. The City and the County



provide residents of the District with access to numerous public parks, tennis courts, swimming pools and golf courses. Attractions in the region include the St. Louis Zoological Park, the Missouri Botanical Garden, Six Flags St. Louis, the St. Louis Symphony and professional sports teams. Other attractions near the District are the Katy Trail State Park, the Family Arena, the August A. Busch Wildlife Preserve, a visual and performing arts center and historical districts.

### **Municipal Services and Utilities and Public Safety**

Electricity is provided by Ameren Missouri (formerly AmerenUE) and natural gas is provided by Spire Missouri, Inc. Water and wastewater services are provided to District residents by the City, the City of St. Peters and Public Water Supply District No. 2 of St. Charles County. Solid waste collection services are provided by the City and through private companies.

The St. Charles Fire and EMS Department, Central County Fire and Rescue and St. Charles County Ambulance District provide fire protection and emergency medical services throughout the District. The St. Charles Fire and EMS Department is a department of the City that covers the corporate limits of the City. Central County Fire and Rescue and St. Charles County Ambulance District are each separate political subdivisions with their own budgets and taxing powers, which cover the remainder of the District and provide additional aid to the City.

The City of St. Charles Police Department provides police protection throughout the corporate limits of the City. Services are provided by approximately 122 full-time sworn officers. The portion of the District not within the City is patrolled by the St. Charles County Police Department or the City of St. Peters Police Department.

### **Transportation, Communications and Media**

**Transportation.** The District is traversed by two major transportation arteries: Interstate 70, which serves as the primary east-west thoroughfare through the County, and Highway 370 which serves as an outerbelt from Interstate 70 in the City of St. Peters to Interstate 270 in St. Louis County. Both of these routes provide access to the St. Louis metropolitan area. Additionally, an extension of Page Avenue to Highway 94, including a bridge over the Missouri River, provides the District with another access point to St. Louis County.

Regularly scheduled air passenger and freight service is available at St. Louis Lambert International Airport located approximately seven miles east of the City limits on Interstate 70. Commercial air service is available within the County at one public airport, which is operated by the County. The Spirit of St. Louis Airport is also located nearby in St. Louis County.

**Communications and Media.** Telecommunication services are provided to District residents by seven different companies. Wireless telephone service is offered by numerous providers. Residents of the District receive all of the County and St. Louis radio stations and television channels. There are two major newspapers circulated in the District: *The St. Charles Journal* and the *St. Louis Post-Dispatch*. In addition, there are many weekly newspapers and journals published throughout the County.

The St. Charles City-County Library District, a special service district governed by a Board of Trustees and operated with a separate tax levy, has library facilities located throughout the County, including in the District. The St. Charles City-County Library District has over 800,000 books, 60,000 audios, 53,000 videos and DVDs, and 200 online electronic resources.

## Income and Home Values

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

<u>Year</u>	<u>Per Capita Personal Income</u>	
	<u>County</u>	<u>State</u>
2023	\$69,693	\$62,604
2022	65,108	59,007
2021	62,674	56,639
2020	58,020	52,145
2019	55,296	48,425

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

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

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

<u>Median Household Income</u>	
District	\$ 78,899
City	85,522
County	102,912
State	68,920

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

The following table presents the 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	14,339	\$253,700
City	20,488	280,800
County	128,045	296,800
State	1,688,072	215,600

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

## DEBT STRUCTURE OF THE DISTRICT

### Overview

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

2024 Assessed Valuation <sup>(1)</sup>	\$1,465,814,492
2024 Estimated Actual Valuation <sup>(2)</sup>	\$6,484,146,758
2023 Estimated Population <sup>(3)</sup>	54,067
Direct General Obligation Debt (“ <b>Direct Debt</b> ”) <sup>(4)</sup>	\$88,525,000*
Overlapping General Obligation Debt (“ <b>Indirect Debt</b> ”) <sup>(5)</sup>	\$69,770,378
Total Direct Debt and Indirect Debt	\$158,295,378*
Ratio of Direct Debt to Assessed Valuation	6.04%*
Ratio of Direct Debt to Estimated Actual Valuation	1.37%*
Per Capita Direct Debt	\$1,637.32*
Ratio of Direct Debt and Indirect Debt to Assessed Valuation	10.80%*
Ratio of Direct Debt and Indirect Debt to Estimated Actual Valuation	2.44%*
Per Capita Direct Debt and Indirect Debt	\$2,927.76*

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- (1) Includes real and personal property valuations as provided by the St. Charles County Assessor, but excludes assessed valuations in the amount of \$42,519,158 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District and excludes assessed valuations attributable to state assessed railroad and utility property. For further details, see “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT.**”
- (2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios, see “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT.**”
- (3) See “**ECONOMIC INFORMATION CONCERNING THE DISTRICT – Population.**”
- (4) Includes the Bonds.
- (5) See “**DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying Indebtedness.**”

### Current Long-Term General Obligation Indebtedness

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

<u>Issue Name</u>	<u>Date of Indebtedness</u>	<u>Amount Originally Issued</u>	<u>Amount Outstanding</u>
General Obligation Bonds (Missouri Direct Deposit Program), Series 2017	06/20/2017	\$ 47,000,000	\$29,650,000
General Obligation Bonds (Missouri Direct Deposit Program), Series 2021	07/01/2021	50,000,000	28,875,000
The Bonds	07/10/2025*	<u>30,000,000*</u>	<u>30,000,000*</u>
Total		<u>\$127,000,000*</u>	<u>\$88,525,000*</u>

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\* Preliminary; subject to change.

## History of General Obligation Indebtedness

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

<u>As of June 30</u>	<u>Total Outstanding Debt</u>	<u>Assessed Valuation<sup>(1)</sup></u>	<u>Debt as % of Assessed Valuation<sup>(2)</sup></u>
2024	\$67,395,000	\$1,455,417,576	4.63%
2023	73,995,000	1,242,496,094	5.96
2022	80,365,000	1,195,823,498	6.72
2021	36,220,000	1,127,138,329	3.21
2020	44,330,000	1,119,964,267	3.96

<sup>(1)</sup> The assessed valuation used is the assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Assessed valuation excludes state assessed railroad and utility property and incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District.

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

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

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

## Legal Debt Capacity

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

### Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2024 assessed valuation)	\$226,250,047 <sup>(1)</sup>
Less General Obligation Bonds Outstanding	(88,525,000) <sup>(2)*</sup>
Less General Obligation Bonds Authorized But Unissued	<u>(60,000,000)</u>
Legal Debt Margin under Article VI, Sections 26(b)	<u>\$ 77,725,047</u>

<sup>(1)</sup> Includes the assessed valuation of locally assessed railroad and utility property and includes assessed valuation in the amount of \$42,519,158 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District, but excludes the assessed valuation of state assessed railroad and utility property

<sup>(2)</sup> Includes the Bonds in the principal amount of \$30,000,000\*.

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

\* Preliminary; subject to change.

## General Obligation Bonds Debt Service Requirements

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

<b>Fiscal Year Ended June 30</b>	<b><u>Outstanding Bonds</u></b>		<b><u>The Bonds</u></b>		<b><u>Total</u></b>
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Principal</u></b> *	<b><u>Interest</u></b>	
2026	\$ 2,760,000.00	\$ 2,130,056.26	\$ 5,185,000.00	\$	\$
2027	2,880,000.00	2,016,356.26	5,680,000.00		
2028	3,010,000.00	1,895,868.76	-		
2029	3,225,000.00	1,754,218.76	-		
2030	3,325,000.00	1,602,968.76	-		
2031	3,425,000.00	1,474,437.50	-		
2032	3,550,000.00	1,347,687.50	-		
2033	3,675,000.00	1,216,187.50	-		
2034	3,825,000.00	1,080,187.50	-		
2035	3,980,000.00	938,687.50	-		
2036	4,140,000.00	784,537.50	-		
2037	2,280,000.00	624,087.50	-		
2038	4,400,000.00	553,500.00	-		
2039	4,550,000.00	421,500.00	-		
2040	4,675,000.00	285,000.00	-		
2041	<u>4,825,000.00</u>	<u>144,750.00</u>	-		
2042			-		
2043			5,595,000.00		
2044			6,585,000.00		
2045			<u>6,955,000.00</u>		
Totals	<u>\$58,525,000.00</u>	<u>\$18,270,031.30</u>	<u>\$30,000,000.00</u>	<u>\$</u>	<u>\$</u>

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

## Other Long-Term Obligations of the District

**Leases.** The District leases various equipment, including busses, other vehicles, computer, software and office equipment under agreements classified as operating leases. For information relating to operating leases and long-term obligations of the District, see Note 9 to the District's financial statements included in **APPENDIX B** to this Official Statement.

## Future Borrowing Plans

The District does not have immediate plans to seek voter approval for additional debt. The District expect to issue the remaining \$60,000,000 of bonds authorized at the April 8, 2025 election in 2027 and 2029.

## Overlapping or Underlying Indebtedness

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\* Preliminary; subject to change.

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

<u>Taxing Jurisdiction</u>	<u>Outstanding General Obligation Debt<sup>(1)</sup></u>	<u>Approximate Percent Applicable</u>	<u>Approximate Amount Overlapping</u>
City	\$100,740,000	55.37%	\$55,779,738
City of St. Peters	40,070,000	6.11	2,448,277
St. Charles County Ambulance District	49,745,000	11.44	5,690,828
Central County Fire and Rescue District	26,150,000	9.74	2,547,010
St. Charles Community College	<u>28,735,000</u>	11.50	<u>3,304,525</u>
<b>TOTAL</b>	<b><u>\$245,440,000</u></b>		<b><u>\$69,770,378</u></b>

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

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

## FINANCIAL INFORMATION CONCERNING THE DISTRICT

### Accounting, Budgeting and Auditing Procedures

The District presents its governmental activities in fund financial statements on the modified 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 State 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 noncertified employees, pupil transportation costs, plant operation, fringe benefits, student body activities, community services, food service and any expenditures not required or permitted to be accounted for in other funds.
- **Special Revenue (Teachers') Fund:** The Special Revenue Fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the state and the local tax levy for the payment of teachers' salaries and certain employee benefits.

- **Debt Service Fund:** The Debt Service Fund accounts for the accumulation of resources for the payment of principal, interest and fiscal charges on long-term debt, including the Bonds.
- **Capital Projects Fund:** The Capital Projects Fund accounts for resources restricted for the acquisition or construction of specific capital projects or items. It accounts for the proceeds of long-term debt, taxes and other receipts designated for construction of major capital assets and all other capital outlay.

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

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

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

### **Sources of Revenue**

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

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

**Current.** For the 2023-2024 fiscal year, the District’s sources of revenue were as follows:

<u>Source</u>	<u>Amount</u>	<u>%</u>
Local Revenue:		
Property Taxes	\$ 66,126,812.21	56.56%
Proposition C Sales Tax	6,741,379.44	5.76
Other	9,963,100.61	8.52
County Revenue:		
Railroad & Utility Property Taxes	999,752.72	0.86
Fines, Forfeitures & Other	30,756.20	0.03
State Revenue	17,106,879.44	14.63
Federal Revenue	12,553,089.72	10.74
Other Revenue	<u>3,393,048.37</u>	<u>2.90</u>
<b>Total Revenue</b>	<b><u>\$116,914,818.71</u></b>	<b><u>100.00%</u></b>

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

**Historical.** The table below shows the allocation of revenues received by the District for the past five fiscal years:

<u>Source</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Local Revenue	\$69,340,604.63	\$68,333,142.67	\$ 79,247,822.61	\$ 77,597,347.25	\$ 82,831,292.26
County Revenue	908,745.41	953,792.23	992,725.86	1,000,582.59	1,030,508.92
State Revenue	12,972,258.00	13,353,940.12	12,868,585.78	14,739,974.39	17,106,879.44
Federal Revenue	4,172,436.78	6,619,534.22 <sup>(3)</sup>	6,704,569.44 <sup>(3)</sup>	5,900,206.42 <sup>(3)</sup>	12,553,089.72 <sup>(3)</sup>
Other Revenue	<u>9,984,005.13<sup>(1)</sup></u>	<u>2,607,712.41</u>	<u>53,471,830.89<sup>(2)</sup></u>	<u>3,004,093.15</u>	<u>3,393,048.37</u>
Total	<u>\$97,378,049.95<sup>(1)</sup></u>	<u>\$91,868,121.65</u>	<u>\$153,285,534.58<sup>(2)</sup></u>	<u>\$102,242,203.80</u>	<u>\$116,914,818.71</u>

(1) Includes proceeds from the sale of the District’s General Obligation Refunding Bonds, Series 2019, that matured in March 2021.

(2) Includes proceeds from the sale of the District’s General Obligation Bonds (Missouri Direct Deposit Program), Series 2021 (the “**Series 2021 Bonds**”).

(3) Includes Elementary and Secondary School Emergency Relief (“**ESSER**”) Funds received for the fiscal years ended June 30, 2021 through 2024.

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**” under “**Missouri School Finance Laws**” below). Proposition C payments vary each month due to cash availability, which is based on sales taxes paid during the second preceding month. The table below shows the approximate amount each school district received per pupil from Proposition C revenues for the following fiscal years:



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

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*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. See “**Missouri School Finance Laws**” for a description of the State Aid distribution laws.

### **Federal Revenue**

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

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

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

### **Missouri School Finance Laws**

**State Aid.** The amount of State Aid for school districts in Missouri is calculated using a formula that is primarily student-needs-based.

**Property Tax Levy Requirements.** The sum of a district’s local property tax levies in its Incidental and Teachers’ Funds must be at least \$2.75 per \$100 assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-2006 fiscal year. Levy reductions required as a

result of a “Hancock rollback” (see “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates – Operating Levy**” below) will not affect a district’s eligibility for State Aid increases.

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

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

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

**State Adequacy Target.** The State Aid formula requires DESE to calculate a “**State Adequacy Target**,” which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE’s calculation of the State Adequacy Target is based upon amounts spent, excluding federal and state transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated thereafter. For the fiscal years ended June 30, 2020 through June 30, 2024, the State Adequacy Target was \$6,375 per pupil. For the fiscal year ending June 30, 2025, the State Adequacy Target is expected to be \$6,760 per pupil.

**Dollar Value Modifier.** The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for the 2023-2024 fiscal year was 1.092, and the DVM for the District for the 2024-2025 fiscal year and the 2025-2026 fiscal year is 1.088.

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Classroom Trust Fund (Per Pupil)</b>
2024	\$472
2023	426
2022	430
2021	435
2020	327 <sup>(1)</sup>

<sup>(1)</sup> 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 are subtracted from the State Aid formula described above and thus do not increase the amount of State Aid a school district receives.

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

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

certificated staff compensation now includes the costs of public school retirement and Medicare for those staff members. These items were previously paid from the Incidental Fund.

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

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

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

**Capital Projects Fund Levy.** Prior to setting tax rates for the Incidental and Teachers' Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Incidental and Teachers' Funds to an amount below \$2.75. The District's Capital Projects Fund levy for the 2024-2025 fiscal year is \$0.1500 per \$100 of assessed valuation.

**Transfers from the Incidental Fund to the Capital Projects Fund.** In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the state board of education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for state-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) \$162,326 or (b) seven percent (7%) of the State Adequacy Target (see "**State Adequacy Target**" above) times the district's Weighted ADA. The District made a transfer of \$65,480.35 from the Incidental Fund to the Capital Projects Fund under this provision during the 2023-2024 fiscal year.

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

## Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2021 through 2024. The statement set forth below should be read in conjunction with the financial statements and notes set forth in **APPENDIX B** of this Official Statement and the financial statements on file at the District's office.

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>General (Incidental) Fund</b>				
Balance – Beginning of Year	\$ 23,587,052.61	\$ 25,259,755.14	\$ 24,618,813.69	\$ 20,257,271.74
Revenues	39,381,981.54	40,183,725.88	42,638,507.69	48,432,030.74
Expenditures	(29,727,502.96)	(34,002,179.59)	(36,261,225.12)	(37,582,574.71)
Transfers In (Out)	<u>(7,981,776.05)</u>	<u>(6,822,487.74)</u>	<u>(10,738,824.63)</u>	<u>(8,112,765.69)</u>
Balance – End of Year	<u>\$ 25,259,755.14</u>	<u>\$ 24,618,813.69</u>	<u>\$ 20,257,271.63</u>	<u>\$ 22,993,962.08</u>
<b>Special Revenue (Teachers') Fund</b>				
Balance – Beginning of Year	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Revenues	40,536,332.55	44,802,088.55	44,907,416.32	47,070,847.44
Expenditures	(48,486,254.87)	(51,596,655.04)	(55,625,373.99)	(55,118,132.78)
Transfers In (Out)	<u>7,949,922.32</u>	<u>6,794,566.49</u>	<u>10,717,957.67</u>	<u>8,047,285.34</u>
Balance – End of Year	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
<b>Debt Service Fund</b>				
Balance – Beginning of Year	\$ 6,296,483.50	\$ 5,020,564.64	\$ 6,598,832.84	\$ 7,379,364.69
Revenues	8,917,835.37	10,037,389.54	10,115,308.84	11,553,828.03
Expenditures	(10,193,754.23)	(8,459,121.34)	(9,334,776.99)	(9,339,500.39)
Transfers In (Out)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance – End of Year	<u>\$ 5,020,564.64</u>	<u>\$ 6,598,832.84</u>	<u>\$ 7,379,364.69</u>	<u>\$ 9,593,692.33</u>
<b>Capital Projects Fund</b>				
Balance – Beginning of Year	\$ 4,334,843.87	\$ 2,911,138.93	\$ 44,493,469.60	\$ 30,485,613.11
Revenues	3,031,972.19	58,262,330.61 <sup>(1)</sup>	4,580,970.84	9,858,112.50
Expenditures	(4,487,530.86)	(16,707,921.19) <sup>(2)</sup>	(18,609,694.29) <sup>(2)</sup>	(20,989,429.14) <sup>(2)</sup>
Transfers In (Out)	<u>31,853.73</u>	<u>27,921.25</u>	<u>20,866.96</u>	<u>65,480.35</u>
Balance – End of Year	<u>\$ 2,911,138.93</u>	<u>\$ 44,493,469.60</u>	<u>\$ 30,485,613.11</u>	<u>\$ 19,419,776.82</u>
<b>Total Governmental Funds</b>				
Balance – Beginning of Year	\$ 34,218,379.98	\$ 33,191,458.71	\$ 75,711,116.13	\$ 58,122,249.54
Revenues	91,868,121.65	153,285,534.58 <sup>(1)</sup>	102,242,203.80	116,914,818.71
Expenditures	(92,895,042.92)	(110,765,877.16) <sup>(2)</sup>	(119,831,070.39) <sup>(2)</sup>	(123,029,637.02) <sup>(2)</sup>
Transfers In (Out)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Balance – End of Year	<u>\$ 33,191,458.71</u>	<u>\$ 75,711,116.13</u>	<u>\$ 58,122,249.54</u>	<u>\$ 52,007,431.23</u>

<sup>(1)</sup> Includes proceeds from the sale of the Series 2021 Bonds.

<sup>(2)</sup> Includes spending of proceeds from the Series 2021 Bonds.

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

## Risk Management

The District is exposed to various risks of loss from, among things, tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Missouri United School Insurance Council (MUSIC), a protected, self-insurance program of approximately 475 Missouri public school districts and junior college districts. The District does not pay premiums to purchase insurance policies, but it does pay an annual assessment to be a member of MUSIC. Part of the annual assessment is used to purchase excess insurance for the group as a whole. The District paid \$1,205,979 in annual assessments for the fiscal year ended June 30, 2024. Settled claims have not exceeded coverage in any of the past three years. For additional information specific to the District's participation in MUSIC, see Note 5 to the District's financial statements included in Appendix B to this Official Statement.

## Pension and Employee Retirement Plans

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

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

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

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

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

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

**Schedule of Employer Contributions**

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

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

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

**Schedule of Funding Progress**

*(Dollar amounts in thousands)*

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

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

As stated in the District's audited financial statements, the District's contributions to PSRS and PEERS for the years shown were as follows:

**District Contributions to PSRS and PEERS**

Year Ended June 30	PSRS		PEERS	
	Annual Contribution <sup>(1)</sup>	Contribution (% of Payroll)	Annual Contribution <sup>(1)</sup>	Contribution (% of Payroll)
2024	\$6,384,888	14.5%	\$1,050,527	6.86%
2023	6,303,042	14.5	1,019,434	6.86
2022	6,134,523	14.5	951,870	6.86
2021	5,812,979	14.5	878,970	6.86
2020	5,751,677	14.5	851,383	6.86

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

Source: Audited financial statements of the District for the fiscal years ended June 30, 2020 through 2024..

The District's contributions to PSRS and PEERS during the fiscal year ended June 30, 2024 constituted approximately 6.04% of the District's total expenditures during the fiscal year. The District will be required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal year ending June 30, 2025, equal to the contribution percentages for the fiscal years ended June 30, 2023 and June 30, 2024.

***Estimated Proportionate Share of PSRS/PEERS Liability.*** The District has not implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, because the District's financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. PSRS and PEERS, however, have implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Accordingly, PSRS and PEERS are required annually to provide each contributing Missouri school district reports estimating each district's proportionate share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each district by multiplying the net pension liability of a plan (calculated by determining the difference between the plan's total pension liability and fiduciary net position) by a percentage reflecting the district's proportionate share of contributions to the plan during the fiscal year (calculated by dividing the District's actual contributions by the actual contributions of all participating employers for PSRS and PEERS, respectively, for the fiscal year ended June 30, 2024). At June 30, 2025 (measured as of June 30, 2024), the District's proportionate share of the net pension liability of PSRS and PEERS will be \$53,979,621 and \$5,636,884, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. At June 30, 2025 (measured as of June 30, 2024), the District's contribution to PSRS and PEERS will represent 0.78% and 0.65%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ending June 30, 2025, the District will recognize pension expense of \$5,377,764 for PSRS and \$1,146,078 for PEERS, its proportionate share of the total pension expense. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in Actuarial Section the 2024 PSRS/PEERS ACFR.

The net pension liability of PSRS and PEERS is based on a 7.3% discount rate, which was also the assumed investment rate of return for the plans effective for the fiscal year ending June 30, 2025. PSRS and



PEERS further advised the District that its proportionate share of the net pension liability using a 1.0% higher or lower discount rate at June 30, 2025 (measured as of June 30, 2024) would be as follows:

	<b><u>Proportionate Share of Net Pension Liability Sensitivity</u></b>		
	<b>1.0% Decrease (6.3%)</b>	<b>Current Discount Rate (7.3%)</b>	<b>1.0% Increase (8.3%)</b>
District's proportionate share of PSRS net pension liability	\$112,009,196	\$53,979,621	\$5,931,497
District's proportionate share of PEERS net pension liability / (asset)	\$11,888,173	\$5,636,884	\$428,002

The PSRS Board reviews and revises the actuarial assumed rate of return and discount rate annually. The actuarial assumed rate of return for the fiscal year ended June 30, 2025 remained the same as the previous year.

For additional information regarding the District's pensions and employee retirement plans, see Note 8 to the District's financial statements included in *Appendix B* to this Official Statement. For additional information regarding PSRS and PEERS, see the 2024 PSRS/PEERS ACFR.

#### **Other Postemployment Benefits**

In addition to pensions, many state and local governments, including the District, provide other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. For information specific to the District's OPEB obligations, including the District's past contributions relative to its required contributions, its assumptions as to future healthcare and other costs and its unfunded actuarial accrued liability, see Note 7 to the District's financial statements included in **APPENDIX B** to this Official Statement.

### **PROPERTY TAX INFORMATION CONCERNING THE DISTRICT**

#### **Property Valuations**

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

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

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

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

**Current Assessed Valuation.** The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District and \$42,519,158 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District) according to the assessment for calendar year 2024 for property owned as of January 1, 2024, as finally adjusted and finalized through December 31, 2024.

<u>Type of Property</u>	<u>Total Assessed Valuation</u>	<u>Assessment Rate</u>	<u>Estimated Actual Valuation</u>	<u>% of Actual Valuation</u>
<b>Real:</b>				
Residential	\$ 901,537,493	19.00%	\$4,744,934,174	73.18%
Agricultural	211,094	12.00%	1,759,117	0.03
Commercial <sup>(1)</sup>	<u>362,041,167</u>	32.00%	<u>1,131,378,647</u>	<u>17.45</u>
<b>Total Real</b>	\$1,263,789,754		\$5,878,071,938	90.66%
<b>Personal<sup>(1)</sup></b>	<u>\$ 202,024,738</u>	33.33% <sup>(2)</sup>	<u>\$ 606,074,820</u>	<u>9.34%</u>
<b>Total Real &amp; Personal</b>	<u>\$1,465,814,492</u>		<u>\$6,484,146,758</u>	<u>100.00%</u>

<sup>(1)</sup> Includes locally assessed railroad and utility property.

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

Source: St. Charles County Assessor.

**History of Property Valuations.** The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property located within the District and the incremental increase in assessed valuation over the established assessed valuation base within TIF Redevelopment Areas (defined herein) located within the District) according to the assessments of January 1, as finally reviewed and equalized by the Board of Equalization, in each of the following years has been as follows:

<u>Calendar Year</u>	<u>Assessed Valuation</u>	<u>% Change</u>
2024	\$1,465,814,492	0.71%
2023	1,455,417,576	17.14
2022	1,242,496,094	3.90
2021	1,195,823,498	6.09
2020	1,127,138,329	N/A

Source: District’s Annual Secretary of the Board Reports for fiscal years ended 2021 through 2024; St. Charles County Assessor.

## **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 1.6% of the gross tax collections made.

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

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

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

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

## **Tax Abatement and Tax Increment Financing**

Under state law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo. In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo, may seek real property tax abatement for a total period of 25 years. In addition, Chapter 100, RSMo and Article VI Section 27(b) of the Missouri Constitution authorize real and personal property tax abatement for corporations for certain projects for industrial development. Currently, there are tax abatement projects located within the District.

In addition, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the

governing body of a city or county to be a “blighted area,” “conservation area,” or “economic development area,” each as defined in such statute.

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

According to the St. Charles County Assessor’s office, the assessed valuation of the TIF Increment attributable to property within the District is \$42,519,158 for the 2024 tax year. See “**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – Current Assessed Valuation**” and “– *History of Property Valuations.*”

### **Tax Rates and Collections**

**Debt Service Levy.** The District’s debt service levy for the 2024-2025 fiscal year is \$0.75 per \$100 of assessed valuation. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

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

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

Article X, Section 22(a) of the Missouri Constitution (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.**”

In 2008, through the enactment of Senate Bill 711 (“**SB 711**”), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to

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

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

For the current fiscal year ending June 30, 2025, the District's operating levy (all funds except the debt service fund levy) is \$3.8179 per \$100 of assessed valuation, which is equal to the District's tax rate ceiling for said fiscal year.

The tax levy for debt service on the District's general obligation bonds is exempt from the calculations of and limitations upon the tax rate ceiling.

**History of Tax Levies.** The following table shows the District's tax levies (per \$100 of assessed valuation) for each of the following years:

<b>Fiscal Year Ended June 30</b>	<b>General Incidental Fund</b>	<b>Special Revenue Teachers' Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Levy</b>
2025	\$1.6179	\$2.0500	\$0.7500	\$0.1500	\$4.5679
2024	1.5878	2.0500	0.7500	0.1700	4.5578
2023	1.7495	2.2500	0.7500	0.2000	4.9495
2022	1.7492	2.2500	0.7500	0.2000	4.9492
2021	1.9616	2.2500	0.7500	0.2000	5.1616

*Source:* For the 2025 fiscal year, DESE; for fiscal years 2021-2024, the District's Annual Secretary of the Board Reports.

**Tax Collection Record.** Total Taxes Levied are based on assessed valuation as of December 31 of each year. Taxes are levied based on the assessed valuation following Board of Equalization review, which typically occurs in August. As a result of resolution of tax cases, the addition of undeclared personal property and other changes in assessment following Board of Equalization review, tax bills may be changed following the original

levy and some taxpayers may be obligated to pay additional taxes or pay less taxes. The following table sets forth tax collection information for the District in each of the following years:

<b>Fiscal Year Ended June 30</b>	<b>Total Levy (per \$100 of Assessed Value)</b>	<b>Assessed Valuation<sup>(1)</sup></b>	<b>Total Taxes Levied<sup>(2)</sup></b>	<b>Current Taxes Collected</b>		<b>Current and Delinquent Taxes Collected<sup>(3)</sup></b>	
				<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
2024	\$4.5578	\$1,455,417,576	\$66,335,022	\$63,152,787	95.20%	\$66,126,812	99.69%
2023	4.9495	1,242,496,094	61,497,344	58,665,402	95.40	60,912,655	99.05
2022	4.9492	1,195,823,498	59,183,697	56,481,386	95.43	58,468,242	98.79
2021	5.1616	1,127,138,329	58,178,372	56,348,994	96.86	58,516,003	100.58
2020	5.1289	1,119,964,267	57,441,847	54,685,360	95.20	57,078,860	99.37

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

(2) Total Taxes Levied is calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy.

(3) Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of Current and Delinquent Taxes Collected to exceed 100%.

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

### Major Property Taxpayers

The following table sets forth a list of the largest property taxpayers in the District based on the 2024 assessed valuation. The District has not independently verified the accuracy or completeness of such information.

		<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
<b>Owner</b>	<b>Type of Use</b>		
1. Pinnacle Entertainment Inc.	Gaming	\$ 90,472,661	6.17%
2. Tilden Fundamental Time Centre Apt LLC	Apartments	22,077,659	1.51
3. SCND Block 1000, 4000 LLC <sup>(1)</sup>	Retail	16,243,808	1.11
4. Sun Valley Lake MO Apartments LLP	Apartments	11,675,807	0.80
5. PRCP-Mo Bogey Hills LLC	Apartments	9,558,693	0.65
6. McDonnell Douglas Corp	Manufacturing	8,957,102	0.61
7. Lindenwood University <sup>(1)</sup>	Education	8,722,744	0.60
8. Walmart Properties Inc/Sams R E Bus Trust	Retail	8,248,354	0.56
9. TLF LI Streets LLC	Apartments	8,040,833	0.55
10. Remington Apartments Assoc. LP	Apartments	<u>7,980,612</u>	<u>0.54</u>
Total		<u>\$191,978,273</u>	<u>13.10%</u>

(1) Includes property located in TIF Redevelopment Areas.

Source: St. Charles County Assessor’s Office.

\* \* \*

**APPENDIX B**

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

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**St. Charles R-VI School District**  
**St. Charles, Missouri**

**Annual Financial Statements**

For The Year Ended June 30, 2024

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education of  
St. Charles R-VI School District

### **Report on the Audit of the Financial Statements**

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of the St. Charles R-VI School District, as of June 30, 2024, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### **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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Charles R-VI School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

### ***Supplementary Information***

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

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024, on our consideration of the St. Charles R-VI School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Charles R-VI School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Charles R-VI School District's internal control over financial reporting and compliance.

***F.E.W. CPAs***

F.E.W. CPAs  
Saint Louis, Missouri  
December 4, 2024

ST. CHARLES R-VI SCHOOL DISTRICT  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2024

	<u>Governmental</u> <u>Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 23,557,936
Restricted cash and cash equivalents	29,013,469
<b>TOTAL ASSETS</b>	<u><u>\$ 52,571,405</u></u>
<b>LIABILITIES</b>	
Payroll withholdings	\$ 91,064
<b>TOTAL LIABILITIES</b>	<u><u>\$ 91,064</u></u>
<b>NET POSITION</b>	
Restricted for:	
Student scholarships	\$ 325,989
Capital projects	19,419,777
Debt service	9,593,692
Unrestricted	23,140,883
<b>TOTAL NET POSITION</b>	<u><u>\$ 52,480,341</u></u>

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

ST. CHARLES R-VI SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 53,093,064	\$ 4,045,054	\$ 21,416,031	\$ 2,500,773	\$ (25,131,206)
Student services	7,384,224	-	-	-	(7,384,224)
Instructional staff support	3,046,000	-	-	-	(3,046,000)
Building administration	4,923,152	-	-	-	(4,923,152)
General administration and central services	8,489,356	-	-	-	(8,489,356)
Operations of plant	9,903,376	-	-	246,430	(9,656,946)
Transportation	4,544,775	13,662	3,102,982	-	(1,428,131)
Food service	2,366,813	981,846	1,512,567	-	127,600
Community services	1,196,170	968,492	-	-	(227,678)
Facility acquisition and construction	17,868,348	-	-	-	(17,868,348)
Debt service					
Interest and fiscal charges	2,794,014	-	-	-	(2,794,014)
Principal	6,986,112	-	-	-	(6,986,112)
Total governmental activities	<u>\$ 122,595,404</u>	<u>\$ 6,009,054</u>	<u>\$ 26,031,580</u>	<u>\$ 2,747,203</u>	<u>(87,807,567)</u>
General revenues:					
Property taxes levied					66,126,812
Other taxes					3,408,455
Prop C - sales tax					6,741,379
Federal and State aid not restricted to specific purposes					1,030,509
Miscellaneous					2,167,597
Investment earnings					2,690,906
Total general revenues					<u>82,165,658</u>
Changes in net position					(5,641,909)
Net position - beginning					58,122,250
Net position - ending					<u>\$ 52,480,341</u>

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



ST. CHARLES R-VI SCHOOL DISTRICT  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 23,085,026	\$ -	\$ -	\$ -	\$ 23,085,026
Restricted cash and cash equivalents	-	-	9,593,692	19,419,777	29,013,469
<b>TOTAL ASSETS</b>	<u>\$ 23,085,026</u>	<u>\$ -</u>	<u>\$ 9,593,692</u>	<u>\$ 19,419,777</u>	<u>\$ 52,098,495</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Payroll withholding	\$ 91,064	\$ -	\$ -	\$ -	\$ 91,064
<b>TOTAL LIABILITIES</b>	<u>91,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,064</u>
<b>FUND BALANCES</b>					
Restricted	325,989	-	9,593,692	19,419,777	29,339,458
Unassigned	22,667,973	-	-	-	22,667,973
<b>TOTAL FUND BALANCES</b>	<u>22,993,962</u>	<u>-</u>	<u>9,593,692</u>	<u>19,419,777</u>	<u>52,007,431</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 23,085,026</u>	<u>\$ -</u>	<u>\$ 9,593,692</u>	<u>\$ 19,419,777</u>	<u>\$ 52,098,495</u>

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

ST. CHARLES R-VI SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
JUNE 30, 2024

Total fund balance - governmental funds	\$ 52,007,431
---	---------------

Amounts reported for *governmental activities* in the statement of net position are different than amounts reported in the balance sheet for governmental funds due to the following items:

Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The net position of the internal service funds are included in the governmental activities in the Statement of Net Position.

472,910
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Net position of governmental activities	<u>\$ 52,480,341</u>
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The notes to the financial statements are an integral part of this statement

ST. CHARLES R-VI SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues collected:					
Local	\$ 30,380,464	\$ 34,497,204	\$ 11,337,677	\$ 6,615,946	\$ 82,831,291
County	314,758	437,139	216,150	62,462	1,030,509
State	8,311,674	7,628,775	-	1,166,430	17,106,879
Federal	6,460,122	4,507,729	-	1,585,238	12,553,089
Other	2,965,012	-	-	428,036	3,393,048
Total revenues collected	48,432,030	47,070,847	11,553,827	9,858,112	116,914,816
Expenditures paid:					
Current:					
Instruction	8,672,535	44,027,065	-	827,695	53,527,295
Student services	2,616,050	4,768,174	-	-	7,384,224
Instructional staff support	1,500,518	1,545,482	-	-	3,046,000
Building administration	1,702,333	3,220,819	-	-	4,923,152
General administration and central services	6,029,870	1,556,592	-	902,894	8,489,356
Operations of plant	9,018,990	-	-	884,386	9,903,376
Transportation	4,544,775	-	-	-	4,544,775
Food service	2,301,333	-	-	65,480	2,366,813
Community services	1,196,170	-	-	-	1,196,170
Facility acquisition and construction	-	-	-	17,868,348	17,868,348
Principal, interest and fiscal charges	-	-	9,339,500	440,626	9,780,126
Total expenditures paid	37,582,574	55,118,132	9,339,500	20,989,429	123,029,635
Excess (deficiency) of revenues collected over expenditures paid	10,849,456	(8,047,285)	2,214,327	(11,131,317)	(6,114,819)
Other financing sources (uses)					
Transfers to (from)	(8,112,766)	8,047,285	-	65,481	-
Total other financing sources (uses)	(8,112,766)	8,047,285	-	65,481	-
Net change in fund balances	2,736,690	-	2,214,327	(11,065,836)	(6,114,819)
Fund balances - beginning	20,257,272	-	7,379,365	30,485,613	58,122,250
Fund balances - ending	\$ 22,993,962	\$ -	\$ 9,593,692	\$ 19,419,777	\$ 52,007,431

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

ST. CHARLES R-VI SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - MODIFIED CASH BASIS - GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - governmental funds	\$ (6,114,819)
--	----------------

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

Internal service funds are used by the District to charge the cost of insurance activities to individual funds. The change in net position of the internal service funds are included in the governmental activities in the Statement of Activities.	<u>472,910</u>
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Change in net position of governmental activities	<u><u>\$ (5,641,909)</u></u>
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The notes to the financial statements are an integral part of this statement

ST. CHARLES R-VI SCHOOL DISTRICT  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUND  
JUNE 30, 2024

	Governmental Activities - Internal Service Fund
ASSETS	
Cash and cash equivalents	\$ 472,910
TOTAL ASSETS	<u>\$ 472,910</u>
LIABILITIES	
None	\$ -
TOTAL LIABILITIES	<u>\$ -</u>
NET POSITION	
Unrestricted	472,910
TOTAL NET POSITION	<u>\$ 472,910</u>

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

ST. CHARLES R-VI SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
PROPRIETARY FUND  
JUNE 30, 2024

	Governmental Activities - Internal Service Fund
Revenues	
Contributions by employees	\$ 1,806,720
Contributions by employer	8,738,036
Interest income	38,679
	<hr/>
Total revenues	10,583,435
Operating expenditures	
Medical and dental claims	8,477,101
Administration fees	1,633,424
	<hr/>
Total operating expenditures	10,110,525
	<hr/>
Change in net position	472,910
Net position at beginning of year	<hr/> -
Net position at end of year	<hr/> \$ 472,910 <hr/>

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

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The St. Charles R-VI School District (the “District”) is a political subdivision of the State of Missouri and operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority.

As discussed further in Note 1, these financial statements are presented on the modified cash basis of accounting. This modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**Financial Reporting Entity**

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying criteria set forth in GAAP. The basic but not the only criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the District’s reporting entity.

The District’s financial reporting entity is comprised of the following:

Primary Government:	St. Charles R-VI School District
---------------------	----------------------------------

The Public School Retirement System of Missouri and the Public Education Employee Retirement System were excluded from the reporting entity. These potential component units have been appointed jointly by the participating school district’s governing bodies. These are independent units that select management staff, set user charges, establish budgets and control all aspects of its daily activity.

**Fund Accounting**

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

**Governmental Funds**

Governmental Funds are those through which most functions of the District are financed. The District’s expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon the determination of changes in the financial position rather than upon net income determination.

Governmental Funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various Governmental Funds according to the purposes for which they may or must be used. The difference between Governmental Fund assets and liabilities is reported as fund balance. The following are the District’s Governmental Fund types, each of which the District considers to be a major fund:

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

General Fund - Used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Fund - Used to account for proceeds of specific revenue sources that are committed or restricted to expenditures for specific purposes other than debt service or capital projects. Accounts for expenditures for certified employees involved in administration and instruction.

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 - Used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District reports the following major proprietary fund:

Internal Service Fund - The Internal Service Fund accounts for premiums collected for the payment of claims associated with the District's self-insurance activities. Expenses consist of claims paid and fees.

**Basis of Presentation**

Government-wide Financial Statements

The statement of net position and the statement of activities present financial information about the District as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District has no business-type activities.

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

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

The fund financial statements provide detailed information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are the statement of assets, liabilities and fund balances arising from cash transactions, which generally includes only current assets and current liabilities, and a statement of revenues collected, expenditures paid and changes in fund balances, which reports on the sources and uses of current financial resources.



ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

In the financial statements, the “current financial resources” measurement focus is used:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available expendable financial resources at the end of the period.

**Basis of Accounting**

In the financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes cash, payroll withholding, fund equity, revenues, and expenditures when they result from cash transactions. Accordingly, the District does not record property and equipment, loans payable, or bonds payable on the books. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Interfund Activity**

Interfund transfers are reported as other financing sources/uses in governmental funds. All transfers are eliminated within the government-wide financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect the reported amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Cash, Cash Equivalents and Investments**

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts, and certificates of deposit with an original maturity of three months or less. Certificates of deposits held at local banks with an original maturity in excess of three months are reported at cost and as certificates of deposit in the financial statements.

Investments and certificates of deposit held in brokerage accounts are carried at fair value and labeled as investments in the financial statements. Fair value is based on quoted market prices. As of June 30, 2024 the District had no investments.

**Common Bank Account**

Separate bank accounts are not maintained for all District funds, instead, certain funds maintain their uninvested cash balances in a common account with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally, certain funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures, which have been approved by the School Board. As of June 30, 2024, the General and Debt Service Funds had overdrafts in the amount of \$2,790,478 and \$297,868, respectively.

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Teachers Salaries**

The salary payment schedule of the District for the 2023 - 2024 school year requires the payment of salaries over a twelve - month period. Consequently, the July and August 2024 payroll checks are included in the financial statements as an expenditure paid in the month of June. This practice has been consistently followed in previous years.

**Compensated Absences**

Vacation time, personal business days, and sick leave are considered as expenditures in the year paid. Amounts that are unpaid and vested in the employee are payable upon termination.

**Net Position**

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

When restricted sources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Fund Balance**

In accordance with Government Accounting Standards Board 54, Fund Balance Reporting and Government Fund Type Definitions, the School District classifies governmental fund balances as follows:

Nonspendable - consists of funds that are not available to be spent, either short term or long term, in either form or through legal restrictions. The District did not have any nonspendable resources as of June 30, 2024.

Restricted - consists of funds that are subject to external enforceable legal restrictions. The following fund balances have restricted balances: General, Debt Service, and Capital Projects.

Committed - consists of funds set aside for a specific purpose by the District's highest level of decision - making authority, the Board of Education. Formal action, such as a vote of the Board of Education, must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds. The District did not have any committed funds as of June 30, 2024.

Assigned - consists of funds that are set aside for a specific purpose by the District's highest level of decision - making authority, the Board of Education or a body or official, such as the superintendent, who has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. The District did not have any assigned funds as of June 30, 2024.

Unassigned - available expendable financial resources in a governmental fund that are not designated for a specific purpose. The General fund comprises the unassigned fund balance.

The District uses restricted amounts first when both restricted and unassigned fund balances are available, unless there are legal contracts that prohibit doing this.

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

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

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2024, the carrying amount of the District's deposits was \$52,571,405 and the bank balance was \$56,500,027.

Missouri Securities Investment Program (MOSIP) - The District has \$10,205,195 invested in the MOSIP money market as of June 30, 2024. All funds in the program are invested in accordance with Section 165.051 Missouri Revised Statutes. Each school district owns a pro-rata share of each investment or deposit which is held in the name of the Fund. Since the Fund has the characteristics of a mutual fund, it is not reported by risk category in accordance with the Governmental Accounting Standards Board.

Missouri Capital Asset Advantage Treasury (MOCAAT) – The District has \$32,030,817 invested in MOCAAT as of June 30, 2024. All funds of these programs are invested in accordance with Section 165.051 of the Missouri Revised Statutes. Each school district owns a pro rata share of each investment or deposit, which is held in the name of the Fund.

Custodial Credit Risk - Deposits - For a deposit, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The deposits were not exposed to custodial credit risk for the year ended June 30, 2024.

Custodial Credit Risk - Investments - Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the District or its agent but not in the government's name. The District does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the District or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk - The District has no policy in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities.

Investment Credit Risk - The District has no policy in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer.

**NOTE 3 - FUND BALANCE TRANSFERS**

The General Fund transferred \$8,047,285 to the Special Revenue Fund. The General Fund also transferred \$65,481 to the Capital Projects Fund. The purposes of the transfers were to fund current operations and current and future capital projects, respectively.

**NOTE 4 - SELF-INSURANCE PLAN**

The District has a self-insurance plan which covers substantially all employees and retirees' (and their dependent's) medical and dental expenses. Effective July 1, 2023 the District established an Internal Service Fund to account for the activity of the plan. The District has purchased excess loss insurance coverage to protect it from any excessive liabilities that could result from medical claims in excess of \$200,000 per insured, with an aggregate deductible of \$12,463,382 or 100% of monthly aggregate deductibles for the policy year, or the minimum aggregate deductible for the year.

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 5 - CONTINGENCIES**

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

Risk Management - The District is a member of the Missouri School Insurance Council (MUSIC), a protected, self-insurance program of approximately 475 Missouri Public School Districts and Junior College Districts. The District does not pay premiums to purchase insurance policies, but it does pay assessments to be a member of a self-sustaining risk-sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole. The District paid \$1,205,979 in annual assessments for this insurance. Settled claims have not exceeded coverage in any of the past three years.

The District is not involved in any pending litigation as of the audit report date.

**NOTE 6 - TAXES**

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

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

The assessed valuation of the tangible taxable property for the calendar year 2023 for the purposes of local taxation as:

Agricultural	\$ 211,094
Residential	901,073,791
Commercial	344,736,166
Personal Property	209,396,525
TOTAL	<u>\$ 1,455,417,576</u>

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

	<u>Unadjusted</u>	<u>Adjusted</u>
General Fund	\$ 1.5878	\$ 1.5878
Special Revenue Fund	2.0500	2.0500
Debt Service Fund	0.7500	0.7500
Capital Projects Fund	0.1700	0.1700
TOTAL	<u>\$ 4.5578</u>	<u>\$ 4.5578</u>

The receipts of current property taxes during the fiscal year ended June 30, 2024 comprised approximately 95.2% of the current assessment computed on the basis of the levy shown above.

**ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 7 - POST EMPLOYMENT BENEFITS**

The District allows employees who retire from the District to participate in the District's health, dental and life insurance plans. Upon meeting the retirement requirements per PSRS and PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay as you go basis. A stand-alone financial report is not available for the plan. During the year ended June 30, 2024, approximately 273 retirees participated in the District's insurance plans and paid premiums totaling \$936,297.

The District has 2 former employees that participated in Cobra as of June 30, 2024, paying total premiums of \$37,048.

**NOTE 8 - PENSION PLANS**

The District contributes to The Public School Retirement System of Missouri (PSRS), a cost-sharing multiple-employer defined benefit pension plan. PSRS provides retirement and disability benefits to certificated employees and death benefits to members and beneficiaries. Positions covered by PSRS are not covered by Social Security. PSRS benefit provisions are set forth in Chapter 169.010.141 of the Missouri Revised Statutes.

The statutes assign responsibility for the administration of the system to a seven member Board of Trustees. PSRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public School Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102, or by calling 1-800-392-6848.

PSRS members are required to contribute 14.5% of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the fiscal year ending June 30, 2024, 2023, and 2022 were \$6,384,888, \$6,303,042, and \$6,134,523, respectively, equal to the required contributions.

The District also contributes to The Public Education Employee Retirement System of Missouri (PEERS), a cost-sharing multiple-employer defined benefit pension plan. PEERS provides retirement and disability benefits to employees of the district who work 20 or more hours per week and who do not contribute to the PSRS. Positions covered by PEERS are also covered by Social Security. Benefit provisions are set forth in Chapter 169.600-.715 of the Missouri Revised Statutes. The statutes assign responsibility for the administration of the system to the Board of Trustees of PSRS. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: The Public Education Employee Retirement System of Missouri, P.O. Box 268, Jefferson City, Missouri 65102 or by calling 1-800-392-6848.

PEERS members are required to contribute 6.86% of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the fiscal year ending June 30, 2024, 2023, and 2022 were \$1,050,527, \$1,019,434, and \$951,870, respectively, equal to the required contributions.

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 9 - LONG-TERM DEBT OBLIGATIONS**

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

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024	Amounts Due Within One Year
Bonds payable	\$ 73,995,000	\$ -	\$ (6,600,000)	\$ 67,395,000	\$ 6,870,000
Finance leases payable	2,268,929	234,767	(386,112)	2,117,584	432,886
	<u>\$ 76,263,929</u>	<u>\$ 234,767</u>	<u>\$ (6,986,112)</u>	<u>\$ 69,512,584</u>	<u>\$ 7,302,886</u>

Principal and interest on all bonded indebtedness is paid through the Debt Service Fund.

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

	Original Issue Amount	Maturity Date	Interest Rates	Balance at June 30, 2024
Series 2017	\$ 47,000,000	2037	2.0%-5.00%	\$ 32,720,000
Series 2021	50,000,000	2041	2.25-4.00%	34,675,000
	<u>\$ 97,000,000</u>			<u>\$ 67,395,000</u>

The annual requirements to amortize general obligation bonds are as follows as of June 30, 2024:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 6,870,000	\$ 2,467,357	\$ 9,337,357
2026	2,760,000	2,192,556	4,952,556
2027	2,880,000	2,078,857	4,958,857
2028	3,010,000	1,958,369	4,968,369
2029	3,225,000	1,816,719	5,041,719
2030-2034	17,800,000	7,033,968	24,833,968
2035-2039	21,350,000	3,509,812	24,859,812
2040-2041	9,500,000	429,750	9,929,750
	<u>\$ 67,395,000</u>	<u>\$ 21,487,388</u>	<u>\$ 88,882,388</u>

Legal Debt Margin

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

Constitutional debt limit	\$ 218,312,636
General obligation bond payable	<u>(67,395,000)</u>
Legal debt margin	<u>\$ 150,917,636</u>

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 9 - LONG-TERM DEBT OBLIGATIONS** (continued)

Finance Leases Payable

In November 2015, the District entered into the 2015 Series Certificates of Participation for the Preschool. The amount borrowed was \$950,000 with a rate of interest from 0.7% to 3.0%, and the COP's mature on March 1, 2025.

In October 2021, the District entered into a lease purchase agreement with First State Bank to purchase busses and refinance prior leases. The lease term is 96 months with payments \$320,436 due annually through August 1, 2029 and a 2.25% interest rate.

In April 2024, the District entered into a lease purchase agreement with Clayton Holdings, LLC to purchase equipment. The lease term is 60 months with payments \$4,449 due monthly through April 19, 2029 and a 5.17% interest rate.

All finance lease payments are made out of the Capital Projects Fund. The annual requirements to amortize all lease purchases outstanding as of June 30, 2024, including interest payments, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 432,886	\$ 54,234	\$ 487,120
2026	331,557	42,263	373,820
2027	340,383	33,437	373,820
2028	349,479	24,341	373,820
2029	349,901	15,020	364,921
2030	313,378	7,051	320,429
	<u>\$ 2,117,584</u>	<u>\$ 176,346</u>	<u>\$ 2,293,930</u>

Operating Leases

On March 15, 2013, the District entered into various operating leases with Enterprise Fleet Management Inc. to lease many vehicles. The lease term varies depending on the lease. Monthly payments range from \$220 to \$831 per vehicle with total payments of \$10,737 due monthly. These payments are made out of the General Fund.

On April 25, 2018, the District entered into a lease agreement with De Lage Landen Public Finance, LLC to lease equipment for the District with a monthly payment in the amount of \$4,675. The term is for 72 months and the final payment was due October 15, 2024. These payments are made out of the General Fund. During fiscal 2024 the lease ended early, and equipment was returned.

On April 25, 2019, the District entered into a lease agreement with De Lage Landen Public Finance, LLC to lease equipment for the District with a monthly payment in the amount of \$1,624. The term is for 65 months and the final payment was due October 15, 2024. These payments are made out of the General Fund. During fiscal 2024 the lease ended early, and equipment was returned.

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 9 - LONG-TERM DEBT OBLIGATIONS** (continued)

Lease payments totaled \$170,358 for the year ended June 30, 2024. Future operating lease payments are as follows:

Year Ending June 30,	Total
2025	\$ 101,533
2026	34,067
2027	32,107
2028	27,103
2029	20,327
	<u>\$ 215,137</u>

**NOTE 10 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 4, 2024, the date which the financial statements were available for issue, and noted no reportable events.



## **SUPPLEMENTARY INFORMATION**

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL PROGRAM EXPENDITURES
<b>US DEPARTMENT OF AGRICULTURE:</b>			
Passed-through-Missouri Department of Elementary and Secondary Education			
School Breakfast Program (m)	10.553	092-090	\$ 278,130
National School Lunch Program (m)	10.555	092-090	1,143,804
National School Lunch Program - noncash (m)	10.555	092-090	211,584
<b>TOTAL CHILD NUTRITION CLUSTER</b>			<b>1,633,518</b>
<b>TOTAL US DEPARTMENT OF AGRICULTURE</b>			<b>1,633,518</b>
<b>US DEPARTMENT OF THE TREASURY:</b>			
Passed-through-Missouri Department of Elementary and Secondary Education			
COVID-19: ARPA MACCO Grant	21.027	092-090	344,254
<b>TOTAL US DEPARTMENT OF THE TREASURY</b>			<b>344,254</b>
<b>US DEPARTMENT OF EDUCATION:</b>			
Passed-through-Missouri Department of Elementary and Secondary Education			
Special Education Cluster			
Special Education - Grants to States	84.027	092-090	1,490,293
Special Education - Preschool Grants	84.173	092-090	40,809
<b>TOTAL SPECIAL EDUCATION CLUSTER</b>			<b>1,531,102</b>
Passed-through-Missouri Department of Elementary and Secondary Education			
Title I Grants to Local Educational Agencies	84.010	092-090	949,164
Higher Education Institutional Aid	84.031	092-090	26,166
Career and Technical Education	84.048	092-090	316,077
Title II - Improving Teacher Quality	84.367	092-090	245,527
Elementary and Secondary School Emergency Relief - COVID19 (m)	84.425	092-090	2,776,031
<b>TOTAL OTHER US DEPARTMENT OF EDUCATION</b>			<b>4,312,965</b>
<b>TOTAL US DEPARTMENT OF EDUCATION</b>			<b>5,844,067</b>
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
Passed-through-Missouri Department of Elementary and Secondary Education			
Improving Ventilation in Missouri K-12 Schools	93.323	092-090	148,975
PD Reimb. Parent Ed. Program	93.434	092-090	6,600
CRRSA - Early Childhood Professions Grant	93.575	092-090	57,898
<b>TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>213,473</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 8,035,312</b>

(m) - Program audited as a major program.

ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR JUNE 30, 2024

**NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified cash basis of accounting. 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - SUBRECIPIENTS**

None of the federal expenditures presented in the schedule were provided to sub-recipients.

**NOTE 3 - DESCRIPTIONS OF MAJOR FEDERAL PROGRAM**

The Child Nutrition Cluster programs provide funds for nutritious and well-balanced lunches and breakfasts to children.

The Education Stabilization Fund via the Elementary and Secondary School Emergency Relief Fund provides grants in support of ongoing Covid-19 recovery efforts.

**NOTE 4 - NON-CASH ASSISTANCE**

The District received and distributed commodities through the National School Lunch Program. The value of commodities as determined by the Food Service Section of the Department of Elementary and Secondary Education was \$211,584.

**NOTE 5 - INSURANCE**

The federal programs presented in the previous schedule did not have separate program specific insurance policies.

**NOTE 6 - LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES**

The federal programs presented in the previous schedule did not have any loans, loan guarantees, or interest subsidies associated with them.

**NOTE 7 - DE MINIMIS COST RATE**

The District has not elected to use the 10% de minimis indirect cost rate.

**NOTE 8 - DONATED PERSONAL PROTECTIVE EQUIPMENT**

The District did not receive any donated personal protective equipment during the year ended June 30, 2024.

## **OTHER INFORMATION**

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 29,988,271	\$ 30,387,105	\$ 30,380,464	\$ (6,641)
County	312,000	312,000	314,758	2,758
State	5,432,545	5,994,460	8,311,674	2,317,214
Federal	4,961,638	5,016,882	6,460,122	1,443,240
Other	2,882,565	2,882,565	2,965,012	82,447
Total revenues collected	<u>43,577,019</u>	<u>44,593,012</u>	<u>48,432,030</u>	<u>3,839,018</u>
Expenditures paid:				
Instruction	6,926,053	8,974,704	8,672,535	302,169
Student services	2,329,518	2,465,894	2,616,050	(150,156)
Instructional staff support	516,809	570,417	1,500,518	(930,101)
Building administration	2,044,570	2,059,570	1,702,333	357,237
General administration and central services	6,125,359	6,471,150	6,029,870	441,280
Operations of plant	8,496,649	10,550,013	9,018,990	1,531,023
Transportation	3,139,186	4,410,008	4,544,775	(134,767)
Food service	2,278,595	2,361,730	2,301,333	60,397
Community services	90,369	1,189,141	1,196,170	(7,029)
Total expenditures paid	<u>31,947,108</u>	<u>39,052,627</u>	<u>37,582,574</u>	<u>1,470,053</u>
Excess (deficiency) of revenues collected over expenditures paid	11,629,911	5,540,385	10,849,456	5,309,071
Other financing sources (uses)				
Transfers to (from)	-	(17,204,065)	(8,112,766)	9,091,299
Total other financing sources (uses)	<u>-</u>	<u>(17,204,065)</u>	<u>(8,112,766)</u>	<u>9,091,299</u>
Net change in fund balances	<u>\$ 11,629,911</u>	<u>\$ (11,663,680)</u>	2,736,690	<u>\$ 14,400,370</u>
Fund balance, beginning			<u>20,257,272</u>	
Fund balance, ending			<u>\$ 22,993,962</u>	

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 30,006,021	\$ 30,006,021	\$ 34,497,204	\$ 4,491,183
County	422,000	422,000	437,139	15,139
State	7,652,384	7,952,474	7,628,775	(323,699)
Federal	943,569	943,569	4,507,729	3,564,160
Total revenues collected	39,023,974	39,324,064	47,070,847	7,746,783
Expenditures paid:				
Instruction	44,617,865	44,870,570	44,027,065	843,505
Student services	4,631,259	4,631,259	4,768,174	(136,915)
Instructional staff support	1,533,985	1,605,885	1,545,482	60,403
Building administration	3,623,390	3,623,390	3,220,819	402,571
General administration and central services	1,797,025	1,797,025	1,556,592	240,433
Total expenditures paid	56,203,524	56,528,129	55,118,132	1,409,997
Excess (deficiency) of revenues collected over expenditures paid	(17,179,550)	(17,204,065)	(8,047,285)	9,156,780
Other financing sources (uses)				
Transfers to (from)	-	17,204,065	8,047,285	(9,156,780)
Total other financing sources (uses)	-	17,204,065	8,047,285	(9,156,780)
Net change in fund balances	<u>\$ (17,179,550)</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			-	
Fund balance, ending			<u>\$ -</u>	

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
DEBT SERVICE  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 9,931,813	\$ 9,931,813	\$ 11,337,677	\$ 1,405,864
County	197,403	197,403	216,150	18,747
Total revenues collected	10,129,216	10,129,216	11,553,827	1,424,611
Expenditures paid:				
Principal, interest and fiscal charges	9,331,356	9,339,501	9,339,500	1
Total expenditures paid	9,331,356	9,339,501	9,339,500	1
Excess (deficiency) of revenues collected over expenditures paid	<u>\$ 797,860</u>	<u>\$ 789,715</u>	2,214,327	<u>\$ 1,424,612</u>
Fund balance, beginning			<u>7,379,365</u>	
Fund balance, ending			<u>\$ 9,593,692</u>	

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - MODIFIED CASH BASIS - BUDGET (MODIFIED CASH BASIS) AND ACTUAL -  
CAPITAL PROJECTS  
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues collected:				
Local	\$ 4,134,999	\$ 4,134,999	\$ 6,615,946	\$ 2,480,947
County	65,000	65,000	62,462	(2,538)
State	350,884	600,884	1,166,430	565,546
Federal	-	1,560,274	1,585,238	24,964
Other	338,826	338,826	428,036	89,210
Total revenues collected	4,889,709	6,699,983	9,858,112	3,158,129
Expenditures paid:				
Instruction	208,407	260,316	827,695	(567,379)
General administration and central services	1,366,102	1,366,102	902,894	463,208
Operations of plant	1,612,710	3,420,330	884,386	2,535,944
Food service	-	-	65,480	(65,480)
Facility acquisition and construction	13,728,500	17,536,893	17,868,348	(331,455)
Principal, interest and fiscal charges	-	-	440,626	(440,626)
Total expenditures paid	16,915,719	22,583,641	20,989,429	1,594,212
Excess (deficiency) of revenues collected over expenditures paid	(12,026,010)	(15,883,658)	(11,131,317)	4,752,341
Other financing sources (uses)				
Transfers to (from)	-	-	65,481	65,481
Total other financing sources (uses)	-	-	65,481	65,481
Net change in fund balances	\$ (12,026,010)	\$ (15,883,658)	(11,065,836)	\$ 4,817,822
Fund balance, beginning			30,485,613	
Fund balance, ending			\$ 19,419,777	



ST. CHARLES R-VI SCHOOL DISTRICT  
NOTES TO OTHER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

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

1. In accordance with Chapter 67, RSM, the District adopts a budget for each fund.
2. Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to July 1, the budget is legally enacted by a vote of the Board of Education
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the board. Adjustments made during the year are reflected in the budget information included in the financial statements.
6. Budgets for District funds are prepared and adopted on the modified cash basis (budgetary basis), recognizing revenues when collected and expenditures when paid. Budgeted amounts lapse at year-end.

**State Compliance**  
**Section**

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**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE  
WITH SPECIFIED REQUIREMENTS OF MISSOURI LAWS AND REGULATIONS**

We have examined St. Charles R-VI School District's (the District) compliance with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, accurate disclosure by St. Charles R-VI School District's records of average daily attendance and average daily pupil transportation and other statutory requirements as listed in the Schedule of Selected Statistics 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 St. Charles R-VI School District's compliance with the specified requirements based on our examination.

Our examination was made in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, St. Charles R-VI School District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2024. This report is intended solely for the information and use of management and others within the organization, Board of Education, 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.

***FEW CPAs***

F.E.W. CPAs  
St. Louis, Missouri  
December 4, 2024

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE 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.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
NA	PK	PK		6.5000	160	1046.5000
1050	9	12		6.5000	172	1079.0000
1075	9	12		6.5000	172	1079.0000
3000	7	8		6.5000	172	1079.0000
3010	5	6		6.5000	172	1079.0000
4040	K	4		6.5000	167	1046.5000
4045	K	4		6.5000	172	1079.0000
4060	K	4		6.5000	172	1079.0000
4080	K	4		6.5000	172	1079.0000
4120	K	4		6.5000	172	1079.0000
4140	K	4		6.5000	172	1079.0000

Notes:	

**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	Part-Time	Remedial Hours	Other	Summer School	Total
1050	9-12	746,434.5119	1,909.8001	-	-	-	748,344.3120
1075	9-12	607,859.4667	-	-	239.3333	-	608,098.8000
3000	7-8	658,654.8775	788.0333	-	24.0000	-	659,466.9108
3010	5-6	683,301.7837	945.8000	-	261.0000	-	684,508.5837
4040	K-4	239,551.5000	103.2000	-	-	-	239,654.7000
4045	K-4	292,543.9835	206.4000	-	-	-	292,750.3835
4060	K-4	405,246.7137	1,988.5000	-	596.7500	-	407,831.9637
4080	K-4	165,754.6732	-	-	-	-	165,754.6732
4120	K-4	370,052.9688	103.2000	-	-	-	370,156.1688
4140	K-4	241,855.8330	51.6000	-	-	-	241,907.4330
7500	PK	-	13,298.4336	-	-	-	13,298.4336
<b>Grand Total</b>		4,411,256.3120	19,394.9670	-	1,121.0833	-	4,431,772.3623

Notes:	

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE 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	9-12	787.00	-	-	787.00
1075	9-12	633.00	-	-	633.00
3000	7-8	662.00	-	-	662.00
3010	5-6	684.00	-	-	684.00
4040	K-4	234.00	-	-	234.00
4045	K-4	299.00	-	-	299.00
4060	K-4	396.00	-	-	396.00
4080	K-4	167.00	-	-	167.00
4120	K-4	359.00	-	-	359.00
4140	K-4	238.00	-	-	238.00
7500	PK	72.00	74.72	-	146.72
<b>Grand Total</b>		<b>4,531.00</b>	<b>74.72</b>	-	<b>4,605.72</b>

Notes:

**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	248.00	37.00	N/A	N/A	285.00
1075	139.00	34.00	N/A	N/A	173.00
3000	205.20	45.00	N/A	N/A	250.20
3010	255.00	46.00	N/A	N/A	301.00
4040	112.00	20.00	N/A	N/A	132.00
4045	111.00	18.00	N/A	N/A	129.00
4060	109.00	25.00	N/A	N/A	134.00
4080	41.00	14.00	N/A	N/A	55.00
4120	142.00	28.00	N/A	N/A	170.00
4140	71.00	23.00	N/A	N/A	94.00
<b>Grand Total</b>	<b>1,433.20</b>	<b>290.00</b>	-	-	<b>1,723.20</b>

Notes:

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE 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.	<b>True</b>
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:	<b>True</b>
	Academic Programs Off-Campus	<b>N/A</b>
	Career Exploration Program – Off Campus	<b>N/A</b>
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	<b>True</b>
	Dual enrollment	<b>N/A</b>
	Homebound instruction	<b>True</b>
	Missouri Options	<b>N/A</b>
	Prekindergarten eligible to be claimed for state aid	<b>True</b>
	Remediation	<b>N/A</b>
	Sheltered Workshop participation	<b>N/A</b>
	Students participating in the school flex program	<b>N/A</b>
	Traditional instruction (full and part-time students)	<b>True</b>
	Virtual instruction (MOCAP or other option)	<b>True</b>
	Work Experience for Students with Disabilities	<b>True</b>
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.	<b>True</b>
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.	<b>True</b>
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:	<b>\$50,000</b>
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.	<b>True</b>
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.)	<b>True</b>
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.	<b>True</b>
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.)	<b>N/A</b>

ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF SELECTED STATISTICS  
FOR THE YEAR ENDED JUNE 30, 2024

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.	<b>True</b>
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.)	<b>True</b>
5.12	The amount spent for approved professional development committee plan activities was:	\$73,012
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.	<b>True</b>

Notes:	
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**6. TRANSPORTATION (SECTION 163.161, RSMO)**

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<b>True</b>
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.	<b>True</b>
6.3	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	#2,546.5
	Ineligible ADT	#0.0
6.4	The district's/charter school's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	<b>True</b>
6.5	Actual odometer records show the total district/charter-operated and contracted mileage for the year was:	#979,867
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	Eligible Miles	#652,559
	Ineligible Miles (Non-Route/Disapproved)	#327,308
6.7	Number of days the district/charter school operated the school transportation system during the regular school year:	172

Notes:	

**Federal Compliance**  
**Section**



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

To the Board of Education  
St. Charles R-VI School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund the aggregate remaining fund information of the St. Charles R-VI School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the St. Charles R-VI School District's basic financial statements, and have issued our report thereon dated December 4, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the St. Charles R-VI School District's internal control over financial reporting (internal control) to determine the 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 St. Charles R-VI School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Charles R-VI School 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 may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the St. Charles R-VI School 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.

*FEW CPAs*

F.E.W. CPAs  
Saint Louis, Missouri  
December 4, 2024

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

To the Board of Education  
St. Charles R-VI School District

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited St. Charles R-VI School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of St. Charles R-VI School District's major federal programs for the year ended June 30, 2024. St. Charles R-VI School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, St. Charles R-VI School 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of St. Charles R-VI School 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 St. Charles R-VI School 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 St. Charles R-VI School District's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on St. Charles R-VI School 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about St. Charles R-VI School 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 material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding St. Charles R-VI School 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 St. Charles R-VI School 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 St. Charles R-VI School 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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.

**F.E.W. CPAs**

F.E.W. CPAs  
St. Louis, Missouri  
December 4, 2024

**ST. CHARLES R-VI SCHOOL DISTRICT  
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: Unmodified

Internal control over financial reporting:

Material weaknesses identified \_\_\_\_\_ Yes      X   No

Significant deficiencies identified that are not considered to be material weaknesses \_\_\_\_\_ Yes      X   No

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

**Federal Awards**

Internal control over major programs:

Material weaknesses identified? \_\_\_\_\_ Yes      X   No

Reportable conditions identified that are not considered to be material weaknesses \_\_\_\_\_ Yes      X   No

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance \_\_\_\_\_ Yes      X   No

**Identification of major programs:**

<u><b>CFDA Numbers</b></u>	<u><b>Name of Federal Program or Cluster</b></u>
10.553/10.555	Child Nutrition Cluster
84.425	Elementary and Secondary
	School Emergency Relief – COVID 19

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

Auditee qualified as low risk auditee? \_\_\_\_\_ Yes      X   No

**ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**Section II - Financial Statement Findings**

There are no reportable conditions to disclose.

**Section III - Federal Award Findings**

There are no federal award findings to disclose.

**ST. CHARLES R-VI SCHOOL DISTRICT  
SCHEDULE OF RESOLUTION OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

There were no prior year audit findings.

## **APPENDIX C**

### **FORM OF CONTINUING DISCLOSURE UNDERTAKING**

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**CONTINUING DISCLOSURE UNDERTAKING**

**Dated as of July 1, 2025**

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**By the**

**SCHOOL DISTRICT OF THE  
CITY OF ST. CHARLES, MISSOURI**

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**\$30,000,000\***

**School District of the City of St. Charles, Missouri  
(Missouri Direct Deposit Program)  
General Obligation Bonds  
Series 2025**

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\* Preliminary; subject to change.

## CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of July 1, 2025 (this “**Continuing Disclosure Undertaking**”), is executed and delivered by the **SCHOOL DISTRICT OF THE CITY OF ST. CHARLES, MISSOURI** (the “**Issuer**”).

### RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **\$30,000,000\* General Obligation Bonds (Missouri Direct Deposit Program), Series 2025** (the “**Bonds**”), pursuant to a resolution adopted by the governing body of the Issuer on June 25, 2025 (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 (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** hereof.

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

“**Business Day**” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal 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](http://www.emma.msrb.org).

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\* Preliminary; subject to change.

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

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

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

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

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

## **Section 2. Provision of Annual Reports.**

- (a) The Issuer shall, not later than 180 days after the end of the Issuer’s Fiscal Year, commencing with the fiscal year 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** hereof.

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

**Section 3. Reporting of Material Events.** 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)** hereof, the Issuer shall, in a timely manner, send a notice to the MSRB, in substantially the

form attached hereto 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** hereof.

**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 hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure 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 herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the 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** hereof, 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 herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

**Section 12. Governing Law.** This 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 and effective this 10th day of July, 2025.

**SCHOOL DISTRICT OF THE CITY OF  
ST. CHARLES, MISSOURI**

By: \_\_\_\_\_  
Title: President of the Board of Education

**EXHIBIT A**  
**TO CONTINUING DISCLOSURE UNDERTAKING**

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

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

1. **“THE DISTRICT – History of Enrollment.”**
2. **“DEBT STRUCTURE OF THE DISTRICT – Overview”** (excluding information related to overlapping general obligation debt).
3. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Property Valuations – *Current Assessed Valuation*” and “– *History of Property Valuations.*”**
4. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates and Collections – *History of Tax Levies*” and “– *Tax Collection Record.*”**
5. **“PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Property Taxpayers.”**



**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:** School District of the City of St. Charles, Missouri

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

**CUSIP Numbers for Issue to which this Notice relates:**

<u><b>Maturity Date</b></u>	<u><b>CUSIP Number</b></u>
20__	787889__
20__	787889__
20__	787889__
20__	787889__
20__	787889__

**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:**

School District of the City of St. Charles, Missouri  
400 North Sixth Street  
St. Charles, Missouri 63301  
(636) 443-4033  
Attn: Assistant Superintendent of Operations

**Date Submitted:** [Date]

**SCHOOL DISTRICT OF THE CITY OF  
ST. CHARLES, MISSOURI**