NEW ISSUE: FULL-BOOK ENTRY ONLY **RATING BY MOODY'S: "Applied for" (Enhanced)**
(North Dakota School District Credit Enhancement Program)

In the opinion of Arntson Stewart Wegner PC, Bismarck, North Dakota, Bond Counsel, according to existing North Dakota and federal laws, regulations, rulings, and judicial decisions, and assuming compliance with certain covenants, as of their date of issuance, interest on the Bonds is excluded from gross income for purposes of federal income taxation and is exempt from taxable income for State of North Dakota income tax purposes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax for individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on corporations. See "TAX MATTERS" herein.

OFFICIAL STATEMENT

$1,320,000[1] GENERAL OBLIGATION BUILDING FUND BONDS, SERIES 2026A
POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
(BURKE, DIVIDE, AND MOUNTRAIL COUNTIES, NORTH DAKOTA)

Dated Date: September 1, 2026 **Principal Due:** August 1, 2027 through 2046
Minimum Bid: $1,306,800 of Par (99.0% of Par) **Good Faith Deposit:** $15,000

The $1,320,000[1] General Obligation Building Fund Bonds, Series 2026A (the "Bonds") issued by Powers Lake Public School District No. 27, North Dakota (the "District") will be issued pursuant to Section 21-03-07(7) of the North Dakota Century Code, for the purpose of providing funds, together with any other funds available, (i) to construct the Project as defined herein, and (ii) to pay the costs of issuance associated with the Bonds. The Bonds are valid and binding general obligations of the District. All taxable property within the corporate limits of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds, but are payable primarily from proceeds of the District's 20-mill building fund levy.

The Bonds will be issued as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 and integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of the Bonds, payable annually on August 1 as set forth below, and interest, payable semiannually on each February 1 and August 1, commencing February 1, 2027, will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein.

The Bonds will mature on August 1 in the years and amounts as follows:

Year	Principal[1]	Interest Rate*	Yield*	Year	Principal[1]	Interest Rate*	Yield*
2027	$ 45,000	____%	____%	2037	$ 65,000	____%	____%
2028	45,000	____%	____%	2038	70,000	____%	____%
2029	45,000	____%	____%	2039	70,000	____%	____%
2030	45,000	____%	____%	2040	75,000	____%	____%
2031	50,000	____%	____%	2041	80,000	____%	____%
2032	50,000	____%	____%	2042	80,000	____%	____%
2033	55,000	____%	____%	2043	85,000	____%	____%
2034	60,000	____%	____%	2044	90,000	____%	____%
2035	60,000	____%	____%	2045	90,000	____%	____%
2036	65,000	____%	____%	2046	95,000	____%	____%

The Bonds maturing on August 1, 2034 and thereafter are subject, at the option of the District, to redemption on August 1, 2033 and any date thereafter at a price of par plus accrued interest.

BANK QUALIFIED: The Bonds are "Qualified Tax-Exempt Obligations".

ENHANCEMENT: The District will participate in the North Dakota Credit Enhancement Program.

LEGAL OPINION: Arntson Stewart Wegner PC, Bismarck, North Dakota

PAYING AGENT: U.S. Bank Trust Company, National Association, St. Paul, Minnesota

BIDS RECEIVED UNTIL: 11:00 A.M., Central Time on Tuesday, August 11, 2026.
In the offices of PFM Financial Advisors LLC, Minneapolis, Minnesota.

BIDS CONSIDERED: Tuesday, August 11, 2026 at a regular meeting.

DELIVERY: Delivery of the Bonds will occur on or about September 1, 2026.

The date of this Official Statement is July 30, 2026.

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(1) Preliminary, subject to change.
* Interest rates, reoffering yields or prices and rating will be set forth in the Final Official Statement described herein.

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

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

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

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INTRODUCTION TO OFFICIAL STATEMENT

The following information is furnished solely to provide limited introductory information regarding the District's $1,320,000[(1)] General Obligation Building Fund Bonds, Series 2026A (the "Bonds") and does not purport to be comprehensive. All such information is qualified in its entirety by reference to the more detailed descriptions appearing in this Official Statement, including the appendices hereto.

Issuer:	Powers Lake Public School District No. 27, North Dakota (the "District").	
Authority of Issuance	The Bonds are being issued by the District pursuant to Section 21-03-07(7) of the North Dakota Century Code, and pursuant to a resolution that has been duly adopted by the District.	
Security:	The Bonds are valid and binding general obligations of the District. All taxable property within the corporate limits of the District is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds, but are primarily payable from proceeds of the District's 20-mill building fund levy.	
Purpose:	The Bonds are issued for the purpose of providing funds, together with any other available funds, to construct and equip an agricultural education classroom addition, including an additional shop, locker room, unisex restroom, classroom, and ITV space for students enrolled in distance education courses, create ADA circulation connecting the school to the addition, re-purpose existing space as a grade 6-12 Special Education Classroom, and otherwise renovate, improve and maintain school buildings and property and make site improvements (the "Project"), and to pay the costs of issuance associated with the Bonds.	
Principal Payments:	Principal on the Bonds is payable annually on August 1 of the years 2027 through 2046.	
Interest Payments:	Interest on the Bonds is payable on February 1 and August 1, commencing February 1, 2027.	
Optional Redemption:	The Bonds maturing on August 1, 2034 and thereafter are subject, at the option of the District, to redemption on August 1, 2033 and any date thereafter at a price of par plus accrued interest.	
Enhancement:	The District will participate in the North Dakota Credit Enhancement Program.	
Denominations:	$5,000 or multiples thereof.	
Book-Entry Only:	The Bonds will be issued as book-entry only securities through the Depository Trust Company.	
Tax Status:	Generally exempt from federal and state income taxes (see "Tax Exemption" herein). The Bonds are designated as "Qualified Tax-Exempt Obligations."	
Record Date:	Interest and principal shall be paid to the registered holders of the Bonds on the 15th day of the calendar month next preceding such interest payment date, whether or not such day is a business day.	
Dated Date/Delivery Date:	On or about September 1, 2026.	
Professional Consultants:	*Municipal Advisor:*	PFM Financial Advisors LLC Minneapolis, Minnesota
	Bond Counsel:	Arntson Stewart Wegner PC Bismarck, North Dakota
	Paying Agent:	U.S. Bank Trust Company, National Association St. Paul, Minnesota

(1) Preliminary, subject to change.

The information set forth herein has been obtained from the District and other sources which are believed to be reliable, but it is not to be construed as a representation by the Municipal Advisor or Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall, under any circumstances, create any implication that there has been no change in the affairs of the District or in any other information contained herein, since the date hereof.

The Official Statement is in a form deemed final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1) (the "Rule"), but is subject to minor revision or amendment in accordance with the Rule. Not later than seven business days following the award of the Bonds, the District shall provide copies of the Final Official Statement, as that term is used in the Rule, to the purchaser of the Bonds. The Final Official Statement will be the Official Statement dated July 30, 2026, revised to include the maturity dates and amounts, interest rates and reoffering yields or prices, credit ratings, and any other information required by law. Any such revisions shall, on or after the date thereof, be fully incorporated in the Final Official Statement by reference.

The purchaser will be supplied with Final Official Statements in electronic form. The Final Official Statement will be furnished without cost.

Questions regarding the Bonds or the Official Statement can be directed to, and additional copies of the Official Statement, the District's audited financial reports and the Resolution may be obtained from PFM Financial Advisors LLC, 45 South 7th Street, Suite 2950, Minneapolis, Minnesota 55402, (612/338-3535), the District's municipal advisor.

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DESCRIPTION OF THE BONDS

Authority and Purpose

The Bonds are being issued by the District pursuant to a Resolution to be adopted by the Board of Education of Powers Lake Public School District No. 27 (the "Board of Education") (the "Resolution") on August 11, 2026, and pursuant to the provisions of Section 21-03-07(7) of the North Dakota Century Code, as amended.

The Board of Education adopted an Initial Resolution on January 26, 2026, authorizing the issuance of General Obligation Building Fund Bonds to (i) construct and equip an agricultural education classroom addition, including an additional shop, locker room, unisex restroom, classroom, and ITV space for students enrolled in distance education courses, (ii) create ADA circulation connecting the school to the addition, (iii) re-purpose existing space as a grade 6-12 Special Education Classroom, (iv) otherwise renovate, improve and maintain school buildings and property and make site improvements, (the “Project”) and (v) pay the costs associated with the issuance of the Bonds. No protest to the issuance of the Bonds was filed within the 60-day protest period.

Security and Source of Payment

The Bonds are payable primarily from an irrevocably pledged 20 mill tax levy authorized by Section 57-15-16 of the North Dakota Century Code (School Building Fund Levy). In the event of a deficiency in the School Building Fund Levy, all taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation regarding rate or amount to pay the Bonds.

The District’s taxable valuation for taxes payable in 2026 is $10,143,581 (See “PROPERTY VALUATIONS AND TAXES – Property Valuations”). A 20-mill levy based upon this valuation, if collected in full, would produce $202,872 annually. The projected maximum annual debt service payable from the School Building Fund Levy in the period during which the Bonds will be outstanding, including all outstanding debt payable from the School Building Fund Levy, is $154,804 in fiscal year 2028. Thus, the lowest projected debt service coverage under these assumptions is 1.31x. The School Building Fund Levy may not be repealed or discontinued so long as the Bonds or other debt payable from the proceeds of the School Building Fund Levy are outstanding.

The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

Additional Bonds

The District reserves the right to issue additional bonds payable from the School Building Fund Levy, provided such tax levies will be sufficient for the payment of all principal and interest, as the same become due, on the Bonds previously issued against the School Building Fund Levy and such additional bonds to be issued against the School Building Fund Levy.

Concurrent Financing

Concurrently with the issuance of the Series 2026A Bonds, the District is issuing its General Obligation State Aid Certificates of Indebtedness, Series 2026B (the "Series 2026B Certificates"), in the principal amount of $900,000. The Series 2026B Certificates are being offered pursuant to a separate Official Statement. The Series 2026A Bonds and the Series 2026B Certificates are separate and distinct obligations of the District, secured by different pledges and payable from different sources. The issuance of the Series 2026A Bonds is not conditioned upon the issuance of the Series 2026B Certificates.

Estimated Sources and Uses of Funds

Table 1 below presents the estimated sources and uses of funds for the Bonds.

Table 1
Sources and Uses of Funds[1]

Sources of Funds	
Par Amount	$ 1,320,000.00
Premium	
Total Sources of Funds	
Uses of Funds	
Project Fund	
Cost of Issuance	
Underwriter's Discount	
Total Uses of Funds	

(1) Preliminary, subject to change.

Credit Enhancement

North Dakota School District Credit Enhancement Program

The District has elected to participate in the North Dakota School District Credit Enhancement Program (the "Program"). Under the Program, if a school district is unable to make a bond payment, upon receipt of a notice of potential default, the State of North Dakota (the "State") will make the payment three days prior to the bond payment date from funds due, or payable, or appropriated to the school district under Chapter 15.1-27 of the North Dakota Century Code. To participate in the Program, the District's school board must adopt a resolution (the "Resolution") wherein the school district elects to participate in the Program, obligates the school district to be bound by the provisions of Section 6-09.4-23 and authorizes the withholding of state funds as required by the Program. The Resolution must further provide that the election to participate in the Program is irrevocable so long as the evidence of indebtedness enhanced by the Program remains outstanding and unpaid. The Resolution also must require the school district to deposit a bond payment with the paying agent five days before the payment date to the bondholders; certify that the state funds available to the school district under NDCC Chapter 15.1-27 are at least 2 times the maximum annual debt service on the bonds; and provide for an additional bonds test requiring at least 2 times coverage of the maximum annual debt service for all outstanding bonds and subsequent bonds issued under the Program.

The maximum annual debt service for all outstanding issues in the credit enhancement program, is $269,658 in the fiscal year ending June 30, 2028. The total state aid due to the District for the 2025-26 school year is $ 2,343,964. The state aid provides 8.69x times coverage for the maximum annual debt service of all outstanding bonds in the Program.

Interest Computation

Interest on the Bonds will be payable semi-annually on February 1 and August 1, commencing February 1, 2027. It will be computed on a 360-day year, 30-day month basis, to the holder of record as to the close of business on the fifteenth day of the immediately preceding month.

Redemption Provisions

Optional Redemption

The Bonds maturing on August 1, 2034 and thereafter are subject to optional redemption on August 1, 2033 and any date thereafter at a price of par plus accrued interest to the redemption date.

Notice of Redemption

Notice of the call for any redemption of the Bonds shall identify the Bonds to be redeemed and shall be given by the Bond Registrar by a mailing of a copy of the redemption notice by first-class mail not less than thirty (30) days nor more than sixty (60) days prior to the redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books; which notice shall specify (i) the place where the Bond must be delivered for redemption, (ii) the redemption date, and (iii) that from and after the redemption date interest on the Bond shall cease to accrue; provided, however, that failure to give such notice by mailing, or any defect therein shall not affect the validity of any proceedings for the redemption of Bonds.

Book-Entry Only System

The information contained in the following paragraphs of this subsection "Book-Entry Only System" has been extracted from a schedule prepared by Depository Trust Company ("DTC") entitled "SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY ONLY ISSUANCE." The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (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 Security certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. 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.

3. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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.

4. 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.

5. 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.

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

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

8. Redemption proceeds, distributions, and dividend payments 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 Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or 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.

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

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

NEITHER THE DISTRICT NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE BONDS UNDER THE RESOLUTION; (III) THE SELECTION BY DTC OR BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS OF A SERIES; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF BONDS; OR (VI) ANY OTHER MATTER.

Limited Continuing Disclosure

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the District has agreed for the benefit of the holders and beneficial owners of the Bonds to provide Audited Financial Statements relating to the District (the "Annual Report"), upon request, and to provide notices of the occurrence of certain enumerated material events. The Annual Report and material event notices are to be filed with the MSRB through its Electronic Municipal Market Access system (EMMA®) at www.emma.msrb.org. The details and terms of the undertaking, as well as the information to be contained in the annual report or the notices of material events are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Bonds are delivered. Such undertaking will be in substantially the form attached hereto as Appendix C.

The District has never been subject to continuing disclosure undertakings under the Rule. A failure by the District to comply with the undertaking will not constitute an event of default on the Bonds (although holders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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THE DISTRICT

General Information

Powers Lake Public School District is located in North Dakota in Burke, Divide, and Mountrail Counties. It is a rural K-12 school district, including an area of approximately 396 square miles and encompassing the city of Powers Lake and surrounding rural areas. The current population of the District is approximately 880 people. Powers Lake is approximately 70 miles northwest of Minot.

The District operates one K-12 building. In 2015, an addition was constructed on the former High School building to accommodate the consolidation of the Elementary School, bringing all grades into a single facility.

Organization and Administration

The District is governed by the Board of Education which consists of five members. The three major functions of the Board are planning and policy making, legislation and appraisal or evaluation. A current listing of Board members and administrative staff is detailed in the table below.

Members of the Board

Name	Position	Term Expires
Jeremy Bullinger	President	July 2028
Galen Grote	Vice President	July 2028
Bryan Moberg	Member	July 2027
Derek Hockenbary	Member	July 2029
Jon Breding	Member	July 2028

Administration

Name	Position
Sue Kranz	Superintendent
Shayna Johnson	Business Manager

Enrollment Trends

The District's projected enrollment for the fall of the 2026/27 school year is 227. Enrollments in the District for the past five school years are set forth in Table 2 below.

Table 2
District Historical Enrollment

School Year	Students
2025/2026	216
2024/2025	210
2023/2024	208
2022/2023	227
2021/2022	209

Source: State of ND Department of Public Instruction

District Employees

The District employs 18 full-time equivalent teachers, 3 full-time equivalent administrative personnel, and 14 classified/other full-time equivalent personnel. Organized employees of the District are represented by the Powers Lake Education Association.

Collective Bargaining Agreements

The licensed teachers of the school district are covered by the Powers Lake School District Negotiated Agreement. The current agreement operates from July 1, 2026, through June 30, 2028; recent negotiations were completed and approved by the School Board on March 13, 2026. No other employee groups are covered by labor agreements.

Pension Plans

North Dakota Teachers' Fund for Retirement

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a Board comprised of seven members. The Board consists of the State Treasurer, the Superintendent of Public Instruction and five members appointed by the Governor.

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age 70½. Re-funded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

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

As of June 30, 2025, the School District reported a liability of $2,634,319 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of covered payroll in the pension plan relative to the covered payroll of all participating TFFR employers. As of June 30, 2024, the School District's proportion was 0.187175%, which was an increase of 0.003727% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized pension expense of $233,212.

ECONOMIC AND DEMOGRAPHIC INFORMATION

Population

Table 3 shows the population for the City of Powers Lake and Burke, Divide, and Mountrail Counties for the past five decennial censuses.

Table 3
Population

Year	City of Powers Lake	Divide County	Mountrail County	Burke County
2025 (Est.)	372	2,110	9,395	2,132
2020	387	2,195	9,809	2,201
2010	280	2,071	7,673	1,968
2000	309	2,283	6,631	2,242
1990	408	2,899	7,021	3,002

Source: U.S. Census Bureau, www.census.gov

Employment Statistics

Average annual employment figures for the last five years, including the most recent figure available, for Burke, Divide, and Mountrail Counties and the State of North Dakota are listed in Table 4 below. The figures shown below are not seasonally adjusted.

Table 4
Average Annual Employment Figures

	Divide County		Mountrail County		Burke County		State of North Dakota
Year	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Labor Force	Unemployment Rate	Unemployment Rate
2026[(1)]	970	2.3%	4,156	3.1%	1,089	2.0%	2.6%
2025	968	2.1%	4,212	2.7%	1,090	2.2%	2.6%
2024	981	2.4%	4,106	2.5%	1,095	2.3%	2.4%
2023	1,076	1.6%	4,046	2.0%	1,092	1.7%	2.0%
2022	1,003	1.9%	4,039	2.2%	1,065	1.9%	2.1%
2021	1,018	2.9%	4,121	4.5%	1,063	3.7%	3.1%

(1) As of May 2026
Source: U.S. Bureau of Labor Statistics, https://www.bls.gov

Housing and Income Statistics

Table 5 below presents key housing and income statistics for Burke County as compared with the State of North Dakota.

Table 5
Housing and Income Statistics

	Burke County	State of North Dakota
2024 Median Value of Home	$ 158,100	$ 249,900
2024 Median Household Income	$ 91,591	$ 76,657
Per Capita Personal Income		
2024	$ 51,797	$ 43,389
2023	53,659	42,474
2022	50,714	40,748
2021	46,234	37,343
2020	43,862	36,289

Source: U.S. Census Bureau.

Major Employers

Table 6 below presents the top employers of the Powers Lake area.

Table 6
Principal Employers

Firm	Type of Business	Number of Employees
Powers Lake School	Schools	35
Powers Lake Elementary School	Schools	15
Farmers Union Oil Co Cenex	Convenience Stores	10
Food Barn	Restaurants	10
Northwest Veterinary Svc	Veterinarians	10
Farmers Union Oil Co	Convenience Stores	9
Jorgenson Lumber	Doors-Garage	7
Ambulance	Ambulance Service	6
Lil' Ranchers Cmnty Childcare	Child Care Service	6
Powers Lake Ambulance	Ambulance Service	6

Source: Data Axle Reference Solutions.

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FINANCIAL SUMMARY

(This summary is subject in all respects to more complete information contained in this Official Statement.)

2025/26 MARKET VALUE (100%)	$	206,819,909
2025/26 ASSESSED VALUE (50%)	$	103,409,954
2025/26 TAXABLE VALUE	$	10,143,581
LONG-TERM DEBT		
G.O. Debt Paid by Unlimited Tax Levy	$	859,526
G.O. Debt Paid by Building Fund Levy (Includes the Bonds)		1,725,000
State Aid Certificates of Indebtedness (Includes Series 2026B)		900,000
Total Long-Term Debt	$	3,484,526
ESTIMATED DISTRICT POPULATION		880

DEBT RATIOS:

	Amount	Debt Per Capita (880)	% of Market Value
G.O. Debt Paid by Unlimited Tax Levy	$ 859,526	$ 977	0.42%
G.O. Debt Paid by Building Fund Levy	1,725,000	1,960	0.83%
State Aid Certificates of Indebtedness	900,000	1,023	0.44%
Total	$ 3,484,526	$ 3,960	1.68%

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INDEBTEDNESS OF DISTRICT

General Obligation Debt

Table 7 summarizes the general obligation long-term debt of the District as of the issuance of the Series 2026A Bonds. The annual maturity schedules are presented in Table 8 below and Table 9 on the following page for such bonds.

Table 7
General Obligation Debt

Date	Purpose	Original Issue Size	Interest Rate Range	Outstanding Maturities	Principal Outstanding
G.O. Debt Paid by Unlimited Tax Levy					
07/01/14	GO School Construction Loan	$ 1,980,000	1.42%	06/01/27-34	$ 859,526
Total G.O. Debt Paid by Unlimited Tax Levies					$ 859,526
G.O. Debt Paid by Building Fund Levy					
09/24/15	GO Building Fund Bonds[1]	$ 790,000	2.60%-3.60%	08/01/27-35	$ 405,000
09/01/26	GO Building Fund Bonds[1]	1,320,000	This Issue	08/01/27-46	1,320,000
G.O. Debt Paid by Building Fund Levy					$ 1,725,000
Total Long-Term Debt					$ 2,584,526

(1) North Dakota School District Credit Enhancement Program.

Table 8
General Obligation Debt: Unlimited Tax Levy
Annual Maturity Schedule

Fiscal Year Ending (June 30)	Principal	Interest	Total
2027	$ 102,214	$ 12,205	$ 114,419
2028	103,665	10,754	114,419
2029	105,137	9,282	114,419
2030	106,630	7,789	114,419
2031	108,144	6,275	114,419
2032	109,680	4,739	114,419
2033	111,238	3,182	114,419
2034	112,817	1,602	114,419
Total	$ 859,526	$ 55,827	$ 915,353

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Table 9
General Obligation Debt: Building Fund Levy
Annual Maturity Schedule

Fiscal Year	Outstanding		Series 2026A		
(June 30)	Principal	Interest	Principal(1)	Interest(1)	Total
2027	$ --	$ 6,665	$ --	$ 24,216	$ 30,881
2028	40,000	12,810	45,000	56,994	154,804
2029	40,000	11,670	45,000	54,744	151,414
2030	40,000	10,430	45,000	52,494	147,924
2031	45,000	9,113	45,000	50,244	149,356
2032	45,000	7,718	50,000	47,869	150,586
2033	45,000	6,210	50,000	45,369	146,579
2034	50,000	4,500	55,000	42,744	152,244
2035	50,000	2,700	60,000	39,869	152,569
2036	50,000	900	60,000	36,869	147,769
2037	--	--	65,000	33,744	98,744
2038	--	--	65,000	30,819	95,819
2039	--	--	70,000	28,119	98,119
2040	--	--	70,000	25,319	95,319
2041	--	--	75,000	22,419	97,419
2042	--	--	80,000	19,319	99,319
2043	--	--	80,000	16,119	96,119
2044	--	--	85,000	12,819	97,819
2045	--	--	90,000	9,319	99,319
2046	--	--	90,000	5,719	95,719
2047	--	--	95,000	1,959	96,959
Total	$ 405,000	$ 72,715	$ 1,320,000	$ 657,082	$ 2,454,797

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Table 10 and Table 11 below present the annual maturity schedule of the Certificates.

Table 10
Certificates of Indebtedness

Date	Issue	Original Issue Size	Interest Range Outstanding	Outstanding Maturities	Principal Outstanding
09/01/26	State Aid Certificates of Indebtedness[2]	$ 900,000[1]	Series 2026B	08/01/27-46	$ 900,000
Total					$ 900,000

[1] Preliminary, subject to change.
[2] North Dakota School District Credit Enhancement Program.

Table 11
Certificates of Indebtedness
Annual Maturity Schedule

Fiscal Year	Series 2026B		
(June 30)	Principal[1]	Interest[1]	Total
2027	$ --	$ 17,156	$ 17,156
2028	25,000	40,550	65,550
2029	30,000	39,175	69,175
2030	30,000	37,675	67,675
2031	30,000	36,175	66,175
2032	35,000	34,550	69,550
2033	35,000	32,800	67,800
2034	40,000	30,925	70,925
2035	40,000	28,925	68,925
2036	40,000	27,125	67,125
2037	45,000	25,425	70,425
2038	45,000	23,625	68,625
2039	45,000	21,713	66,713
2040	50,000	19,575	69,575
2041	50,000	17,325	67,325
2042	55,000	14,963	69,963
2043	55,000	12,488	67,488
2044	60,000	9,900	69,900
2045	60,000	7,200	67,200
2046	65,000	4,388	69,388
2047	65,000	1,463	66,463
Total	$ 900,000	$ 483,119	$ 1,383,119

[1] Preliminary, subject to change.

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Special Assessment Obligations

The District has no special assessment obligations outstanding as of June 30, 2025.

Other Obligations

The District has issued an Oil and Gas Gross Production Tax Revenue Note, Series 2015, in the original principal amount of $2,005,000 to provide funds for the construction and renovation of major capital facilities. The Note is payable from income derived from the District's oil and gas gross production tax revenues. The outstanding balance as of the issuance of the Bonds is $162,149.88, payable in annual installments at an interest rate of 1.42%, with a final installment of $49,304.52 due October 20, 2027. The annual requirements to amortize the outstanding revenue note are set forth in Table 12:

Table 12
Revenue Payments

Fiscal Year (ending June 30)	Outstanding	
	Principal	Interest
2027	$ 113,535.68	$ 2,328.11
2028	48,614.20	690.32
Total	$ 162,149.88	$ 3,018.43

Future Financing

The District has no plans to issue additional debt within the next six months.

Debt Limit

According to Article V, Section 15 of the North Dakota Constitution and Section 21-03-04 of the North Dakota Century Code, North Dakota Schools Districts may not become indebted for any purpose in excess of 5% of their assessed value except that a school district by a majority vote of the qualified voters voting upon the question at a primary or general election, may increase such limitation of indebtedness five percent on such assessed value beyond the five percent limit. At the special election on October 8, 2013, the District's electors approved an increase in its debt limit to 10%. Section 57-02-01 of the North Dakota Century Code defines "Assessed Value" as 50% of the true and full value of the property.

Table 13
Debt Limit Computation

Assessed Value (2025/26)	$ 103,409,954
Percentage	10.00%
Authorized Debt Limit (100.00%)	$ 10,340,995
Debt Subject to Limit (28.91%)	2,989,526
Debt Margin (71.09%)	$ 7,351,469

Overlapping Debt

There are four taxing jurisdictions that overlap the District, and none had general obligation debt outstanding as of the issuance of the bonds.

FINANCIAL INFORMATION

Financial Reports

The District's financial reports are audited by an independent auditing firm. Copies of the District's Audit Report for the years ended June 30, 2022 through 2025 are available upon request from the District or the District's Municipal Advisor, PFM Financial Advisors LLC. See Appendix A for the District's 2025 Audit Report.

Results of Operations

Statement of revenues and expenditures of the General Fund of the District have been compiled from the District's Audit Report and presented in a format to facilitate year-to-year comparison. Table 14 presents a statement of revenues, expenditures and changes in fund balance for the fiscal years ended June 30, 2022, through 2025.

Table 14
Statement of Revenues, Expenditures and
Changes in Fund Balance for the General Fund
(Years Ended June 30)

	2025	2024	2023	2022
Revenues				
Local Sources	$ 1,015,432.24	$ 936,484.34	$ 750,894.43	$ 695,987.17
County Sources	914,622.37	953,901.28	947,194.88	928,844.19
State Sources	2,301,768.32	2,185,096.34	2,273,764.53	2,174,592.73
Federal Sources	113,832.37	120,996.54	222,241.31	142,400.13
Other Sources	2,314.00	79,856.91	9,518.77	--.--
Total Revenues	$ 4,347,969.30	$ 4,276,335.41	$ 4,203,613.92	$ 3,941,824.22
Expenditures				
Current				
Regular Instruction	$ 1,923,776.60	$ 1,963,736.29	$ 1,717,900.76	$ 1,796,867.79
Federal Programs	107,799.48	102,845.12	206,084.45	75,612.76
Special Education	491,338.11	400,141.00	402,494.22	388,509.53
Vocational Education	290,190.53	249,383.32	268,098.03	253,912.21
District Wide Services	8,271.25	6,672.61	5,096.05	8,822.91
Administration	386,652.28	350,231.52	388,522.00	349,235.87
Operations and Maintenance	381,487.96	301,317.17	377,431.10	324,592.79
Student Transportation	226,143.71	244,632.32	251,927.83	207,284.00
Student Activities	186,923.81	142,126.35	138,881.11	133,501.21
Early Childhood Education	65,096.31	56,769.63	29,794.89	--.--
Tuition and Assessments	20,286.00	32,118.00	--.--	--.--
Food Services	94,634.61	102,778.11	59.59	25,677.44
Capital Outlay	--.--	123,275.00	--.--	89,550.00
Debt Service				
Principal	110,376.20	108,363.82	163,063.58	254,690.83
Interest	5,487.59	7,499.97	2,800.21	11,172.96
Total Expenditures	$ 4,298,464.44	$ 4,191,890.23	$ 3,952,153.82	$ 3,919,430.30
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 49,504.86	$ 84,445.18	$ 251,460.10	$ 22,393.92
Other Financing Sources (Uses)				
Transfers In	$ 22,000.00	$ 30,000.00	--.--	$ 65,000.00
Transfers Out	--.--	(12,546.66)	(79,875.38)	(50,000.00)
Total Other Financing Sources (Uses)	$ 22,000.00	$ 17,453.34	$ (79,875.38)	$ 15,000.00
Net Change in Fund Balance	$ 71,504.86	$ 101,898.52	$ 171,584.72	$ 37,393.92
Fund Balance - July 1	1,458,981.67	1,357,083.15	1,185,498.43	1,148,104.51
Fund Balance – July 1, Restated	1,458,981.67	--.--	--.--	--.--
Fund Balance – June 30	$ 1,530,486.53	$ 1,458,981.67	$ 1,357,083.15	$ 1,185,498.43

General Fund Budget

Table 15 below presents a summary of the District's Budget for the fiscal year ending June 30, 2026 and 2027, as well as the unaudited results for the fiscal year ending June 30, 2026.

Table 15
General Fund Budget for FY 2026

	2026 Budget	2026 Actual[1]	2027 Budget
Revenues			
Local Sources	$ 901,223	$ 1,064,489	$ 948,475
State Sources	2,415,688	2,445,891	2,422,087
Federal Sources	239,524	67,595	95,520
County Sources	903,000	1,225,634	978,000
Other Sources	39,500	175,179	46,000
Total Revenues	$ 4,498,935	$ 4,978,789	$ 4,490,082
Total Expenditures	$ 4,488,313	$ 4,545,542	$ 4,474,217

(1) Unaudited.

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PROPERTY VALUATIONS AND TAXES

Property Valuations

The City Assessor's office establishes an estimated market value on all properties. The assessed value is computed at 50% of estimated market value. The taxable value is then computed in the following manner: on residential property the taxable value is 9% of the assessed value; on commercial property the taxable value is 10% of the assessed value. Table 16 shows the market, assessed and taxable values of taxable property in the District for assessment year 2025, collection year 2026. Table 17 shows the trend in property valuations over the last five years.

Table 16
Property Values
Assessment 2025/Collection 2026

Real Property:	Market Value	Assessed Value	Taxable Value
Residential	$ 39,482,889	$ 19,741,444	$ 1,776,730
Agricultural	77,917,500	38,958,750	3,895,875
Commercial	10,455,220	5,227,610	522,761
Utilities:			
Railroad	745,800	372,900	37,290
Other Utilities	78,218,500	39,109,250	3,910,925
Total	$ 206,819,909	$ 103,409,954	$ 10,143,581

Table 17
Trend in Valuations

Assessment Year	Market Value[(1)]	Assessed Value[(1)]	Taxable Value
2024	$ 199,928,182	$ 99,964,101	$ 9,860,095
2023	189,959,397	94,980,002	9,369,559
2022	184,845,530	92,423,072	9,114,951
2021	179,009,886	89,505,258	8,821,156
2020	175,518,666	87,759,636	8,655,347

(1) Market and assessed values for Divide County were not provided by the county auditor. Divide County represents less than 1% of the District's total taxable valuation.

Source: Burke, Divide, and Mountrail County Auditors.

Tax Levies and Collections

After final equalization by assessing authorities in September of each year, the County Auditor calculates mill rates and spreads taxes. The resulting taxes are payable on the following January 1. Taxes are collected by the County in two semiannual installments, and the receipts are distributed by the County to the local government entities. A discount of five percent is given on the tax bill if the entire payment is made by February 15. Discounts given are subtracted from the levy amount by the County Auditor. If taxes are not paid by March 1, a three percent penalty is charged with the penalty being raised on May 1 to six percent, on July 1 to nine percent, and on October 15 to twelve percent.

North Dakota residents over 65 years of age whose income is less than $42,000 receive a homestead property tax credit. The credit is subtracted from their tax bill. Local government entities are reimbursed by the state for all homestead credits. Therefore, the District, as well as other local government entities, has no loss in tax revenues from the credit.

Table 18 summarizes the District's aggregate tax levies and collections for collection years 2021 through 2025 across Burke, Divide, and Mountrail Counties. Data for Mountrail and Divide Counties are as of April 30, 2026; data for Burke County are as of June 1, 2026.

Table 18
Tax Levies and Collections

			Amount Collected During Collection Year		Amount Collected as of 04/30/26 & 06/01/26	
Levy Year/ Collection Year	Levy	95% Net Levy	Amount Collected	% of Net Levy	Amount Collected	% of Net Levy
2025/26	$ 1,684,151	$ 1,599,943	$ 1,580,964	In Process of Collection…………………		
2024/25	1,662,632	1,579,500	1,654,206	104.73%	$ 1,662,632	105.26%
2023/24	1,490,051	1,415,549	1,427,764	100.86%	1,490,051	105.26%
2022/23	1,462,268	1,389,155	1,366,865	98.40%	1,462,268	105.26%
2021/22	1,324,520	1,258,294	1,241,191	98.64%	1,324,520	105.26%

Source: Burke, Divide, and Mountrail County Auditors.

Mill Levy Summary

Table 19 below shows the total mills currently levied by the District for the last five years.

Table 19
Mill Levy Summary

Powers Lake School District	2025/26	2024/25	2023/24	2022/23	2021/22
General	70.00	69.68	70.00	65.00	60.00
Tuition	5.32	--.--	--.--	--.--	--.--
Miscellaneous	12.00	11.94	9.00	12.00	12.00
Special Reserve	3.00	2.99	--.--	2.00	2.00
Building Fund	10.00	14.93	15.01	15.00	15.00
Sinking & Interest	20.00	19.91	22.51	22.50	22.50
Total	120.32	119.45	116.52	116.50	111.50

Source: Burke, Divide, and Mountrail County Auditors.

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Principal Taxpayers

A list of the ten largest taxpayers in the District with the highest taxable values for the 2025 assessment for taxes payable in 2026 is presented in Table 20 below.

Table 20
Principal Taxpayers

Taxpayer	Taxable Valuation	Percent of Total Taxable Valuation[1]
Hess North Dakota Pipelines LLC	$ 2,380,582	23.47%
Northern Divide Wind LLC	899,433	8.87%
Andeavor Field Services LLC	759,616	7.49%
Liberty Resources II	574,518	5.66%
Hess Bakken Investments II LLC	488,065	4.81%
Glacier Peak Midstream LLC	290,674	2.87%
Hiland Crude LLC	226,783	2.24%
Steel Reef Burke LLC	154,695	1.53%
Alliance Pipeline C/O Pembina Pipeline	149,678	1.48%
Soo Line West Railroad	75,997	0.75%
Total	$ 6,000,041	59.15%

[1] Based on the 2025/2026 taxable valuation of $10,143,581. Total tax capacity includes real and personal property and is not adjusted for incremental value.

Source: Burke, Divide, and Mountrail County Auditors.

RATING

An enhanced rating has been requested from Moody's Investors Services, Inc. ("Moody's") for the Bonds. A rating reflects only the view of the rating organization or explanations of the significance of such rating may be obtained from the rating agency furnishing the same. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrants. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

TAX-EXEMPTION

The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the opinion of Arntson Stewart Wegner PC, Bismarck, North Dakota, Bond Counsel, according to existing North Dakota and federal laws, regulations, rulings, and judicial decisions, and assuming compliance with certain covenants, as of their date of issuance, interest on the Bonds is excluded from gross income for purposes of federal income taxation and is exempt from taxable income for State of North Dakota income tax purposes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax for individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on corporations. See "TAX MATTERS" herein.

Noncompliance by the District following the issuance of the Bonds with its covenants in the resolution under which the Bonds are issued relating to certain continuing requirements of the Internal Revenue Code of 1986 (the "Code") may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes.

In the case of an insurance company subject to the tax imposed by Section 831 of the Code the amount which otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by an amount equal to fifteen percent of the interest to be paid on the Bonds that is received or accrued during the taxable year. Interest on the Bonds may additionally be included in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code.

The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from ownership or disposition of the Bonds or receipt of interest on the Bonds. Prospective purchasers or certificate holders should consult their tax advisors with respect to collateral tax consequences and applicable state and local tax rules in states other than North Dakota.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are designated as "Qualified Tax-Exempt Obligations" for purposes of Section 265 of the Internal Revenue Code of 1986 relating to the ability of certain financial institutions to deduct from income for federal income tax purposes, eighty percent of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

CLOSING DOCUMENTS

Simultaneously with the delivery of and payment for the Bonds by the original purchasers thereof, the District will furnish to the original purchasers the customary closing documents in form satisfactory to Bond Counsel.

CERTIFICATION

The District will furnish a statement to the effect that this Official Statement, to the best of its knowledge and belief as of the date of sale and the date of delivery, is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading.

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the opinion of Arntson Stewart Wegner PC, Bismarck, North Dakota, Bond Counsel, as to validity and tax exemption. Bond Counsel has not participated in the preparation of this Official Statement.

MUNICIPAL ADVISOR

The District has retained PFM Financial Advisors LLC, of Minneapolis, Minnesota, as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds. In preparing the Official Statement, the Municipal Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Municipal Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

Requests for information concerning the District should be addressed to PFM Financial Advisors LLC, 45 South 7th Street, Suite 2950, Minneapolis, Minnesota 55402 (612/338-3535).

LITIGATION

There is no litigation now pending or, to the knowledge of District officials, threatened which questions the validity of the Bonds or of any proceedings of the District taken with respect to the issuance or sale thereof.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, 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 will be realized.

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

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27

By: Sue Kranz
Superintendent

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APPENDIX A

The District's Audited Financial Statements
For the Fiscal Year Ended June 30, 2025

AUDIT REPORT

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

For the Year Ended June 30, 2025

RATH & MEHRER, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

TABLE OF CONTENTS
For the Year Ended June 30, 2025

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

SCHOOL DISTRICT OFFICIALS
June 30, 2025

Jody Schroeder	Board President
Jacob Loeks	Vice President
Jeremy Bullinger	Board Member
Galen Grote	Board Member
Roger Helseth	Board Member
Sue Gunderson-Kranz	Superintendent
Shayna Johnson	Business Manager

Rath & Mehrer, P.C.

Certified Public Accountants

Jayson Rath, CPA
Bryce Fischer, CPA
Todd Goehring, CPA

Specializing in Governmental Auditing

1003 E. Interstate Ave. Ste. 7
Bismarck, ND 58503-0500
Phone 701-258-4560
rathandmehrer@hotmail.com

INDEPENDENT AUDITOR'S REPORT

Governing Board
Powers Lake Public School District No. 27
Powers Lake, North Dakota

Report on the Audit of Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Powers Lake Public School District No. 27, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the school district's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the school district, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the school district's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the school district's basic financial statements. The combining nonmajor fund financial statements and the schedule of fund activity arising from client transactions are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of fund activity arising from client transactions are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026 on our consideration of the 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 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 school district's internal control over financial reporting and compliance.

Rath and Mehrer

Rath and Mehrer, P.C.

Bismarck, North Dakota

March 13, 2026

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS:	
Cash and Investments	2,148,877.13
Taxes Receivable	94,507.30
Due from County Treasurer	4,965.84
Intergovernmental Receivables	62,072.68
Capital Assets (net of accumulated depreciation):	
Buildings	6,445,485.00
Vehicles	253,944.00
Total Capital Assets	6,699,429.00
Total Assets	9,009,851.95
DEFERRED OUTFLOWS OF RESOURCES:	
Changes in Resources Related to Pensions	520,730.00
LIABILITIES:	
Payroll Benefits Payable	16,946.93
Interest Payable	8,496.17
Long-Term Liabilities:	
Due Within One Year:	
G.O. School Construction Loan Payable	100,782.72
Revenue Bonds Payable	112,014.70
Due After One Year:	
General Obligation Bonds Payable	600,000.00
G.O. School Construction Loan Payable	859,525.83
Revenue Bonds Payable	162,149.88
Net Pension Liability	2,634,319.00
Total Liabilities	4,494,235.23
DEFERRED INFLOWS OF RESOURCES:	
Changes in Resources Related to Pensions	154,312.00
NET POSITION:	
Net Investment in Capital Assets	4,864,955.87
Restricted for:	
Special Purposes	164,379.62
Food Services	2,326.95
Student Activities	180,844.55
Debt Service	184,362.81
Capital Projects	159,582.62
Unrestricted	(674,417.70)
Total Net Position	4,882,034.72

The accompanying notes are an integral part of these financial statements.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Statement of Activities
For the Year Ended June 30, 2025

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Regular Instruction	1,965,174.60		17,409.42	(1,947,765.18)
Federal Programs	107,799.48		105,915.28	(1,884.20)
Special Education	491,338.11	32,760.77	1,000.00	(457,577.34)
Vocational Education	290,190.53		44,674.85	(245,515.68)
District Wide Services	8,271.25			(8,271.25)
Administration	386,652.28			(386,652.28)
Operations and Maintenance	451,389.10		39,978.25	(411,410.85)
Student Transportation	301,067.71		115,585.40	(185,482.31)
Student Activities	434,462.46	286,478.59		(147,983.87)
Early Childhood Education	65,096.31		60,000.00	(5,096.31)
Tuition and Assessments	20,286.00			(20,286.00)
Food Services	224,779.19	80,991.74	57,920.10	(85,867.35)
Interest on Long-Term Debt	48,292.75			(48,292.75)
Unallocated Depreciation	114,883.00			(114,883.00)
Total Governmental Activities	4,909,682.77	400,231.10	442,483.30	(4,066,968.37)

General Revenues:	
Taxes:	
Property taxes; levied for general purposes	866,757.56
Property taxes; levied for debt service	202,487.82
Property taxes; levied for building purposes	150,359.32
Telecommunications taxes	4,706.25
Oil and gas production taxes	914,622.37
State aid - not restricted to specific program	2,023,120.40
Federal aid - not restricted to specific program	7,917.09
Earnings on investments and other revenue	195,233.98
Total General Revenues	4,365,204.79
Change in Net Position	298,236.42
Net Position - July 1	4,583,798.30
Net Position - July 30	4,882,034.72

The accompanying notes are an integral part of these financial statements.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Balance Sheet
Governmental Funds
June 30, 2025

	Major Fund		
	General	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and Investments	1,481,967.95	666,909.18	2,148,877.13
Taxes Receivable	65,505.44	29,001.86	94,507.30
Due from County Treasurer	3,392.83	1,573.01	4,965.84
Intergovernmental Receivables	62,072.68		62,072.68
Total Assets	1,612,938.90	697,484.05	2,310,422.95
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Payroll Benefits Payable	16,946.93		16,946.93
Deferred Inflows of Resources:			
Unavailable Revenue	65,505.44	29,001.86	94,507.30
Total Liabilities and Deferred Inflows of Resources	82,452.37	29,001.86	111,454.23
Fund Balances:			
Restricted for:			
Special Purposes		162,265.19	162,265.19
Food Services			-
Food Services		2,326.95	2,326.95
Student Activities		180,844.55	180,844.55
Debt Service		168,083.51	168,083.51
Capital Projects		154,961.99	154,961.99
Unassigned	1,530,486.53		1,530,486.53
Total Fund Balances	1,530,486.53	668,482.19	2,198,968.72
Total Liabilities, Deferred Inflows of Resources and Fund Balances	1,612,938.90	697,484.05	2,310,422.95

The accompanying notes are an integral part of these financial statements.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Total Fund Balances for Governmental Funds		2,198,968.72
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.		
Cost of Capital Assets	9,077,364.00	
Less Accumulated Depreciation	(2,377,935.00)	
Net Capital Assets		6,699,429.00
Property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as unavailable revenue in the funds.		94,507.30
The deferred outflows and inflows of resources reported on the statement of net position are the result of changes in resources related to pensions and do not affect current financial resources.		
Total Deferred Outflows of Resources	520,730.00	
Total Deferred Inflows of Resources	(154,312.00)	
Net Deferred Outflows/Inflows of Resources		366,418.00
Long-term liabilities applicable to the school district's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities -both current and long-term- are reported in the statement of net position. Balances at June 30, 2025 are:		
General Obligation Bonds Payable	(600,000.00)	
G.O. School Construction Loan Payable	(960,308.55)	
Revenue Bonds Payable	(274,164.58)	
Interest Payable	(8,496.17)	
Net Pension Liability	(2,634,319.00)	
Total Long-Term Liabilities		(4,477,288.30)
Total Net Position of Governmental Activities		4,882,034.72

The accompanying notes are an integral part of these financial statements.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
For the Year Ended June 30, 2025

	Major Fund	*Formerly Major Funds*			
	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:					
Local Sources	1,015,432.24			779,330.17	1,794,762.41
County Sources	914,622.37				914,622.37
State Sources	2,301,768.32			5,269.65	2,307,037.97
Federal Sources	113,832.37			52,650.45	166,482.82
Other Sources	2,314.00				2,314.00
Total Revenues	4,347,969.30	-	-	837,250.27	5,185,219.57
Expenditures:					
Current:					
Regular Instruction	1,923,776.60				1,923,776.60
Federal Programs	107,799.48				107,799.48
Special Education	491,338.11				491,338.11
Vocational Education	290,190.53				290,190.53
District Wide Services	8,271.25				8,271.25
Administration	386,652.28				386,652.28
Operations and Maintenance	381,487.96			69,901.14	451,389.10
Student Transportation	226,143.71				226,143.71
Student Activities	186,923.81			247,538.65	434,462.46
Early Childhood Education	65,096.31				65,096.31
Tuition and Assessments	20,286.00				20,286.00
Food Services	94,634.61			130,144.58	224,779.19
Debt Service:					
Principal	110,376.20			274,371.65	384,747.85
Interest	5,487.59			49,032.45	54,520.04
Total Expenditures	4,298,464.44	-	-	770,988.47	5,069,452.91
Excess (Deficiency) of Revenue Over (Under) Expenditures	49,504.86	-	-	66,261.80	115,766.66
Other Financing Sources (Uses):					
Transfers In	22,000.00				22,000.00
Transfers Out				(22,000.00)	(22,000.00)
Total Other Financing Sources (Uses)	22,000.00	-	-	(22,000.00)	-
Net Change in Fund Balances	71,504.86	-	-	44,261.80	115,766.66
Fund Balance - July 1, as previously reported	1,458,981.67	191,921.99	171,416.02	260,882.38	2,083,202.06
Change Within Financial Reporting Entity - (Major to Nonmajor Fund)		(191,921.99)	(171,416.02)	363,338.01	-
Fund Balance - July 1, as Restated	1,458,981.67	-	-	624,220.39	2,083,202.06
Fund Balance - June 30	1,530,486.53	-	-	668,482.19	2,198,968.72

The accompanying notes are an integral part of these financial statements.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Reconciliation of Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds		115,766.66
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.		
Current Year Capital Outlay	-	
Current Year Depreciation Expense	(189,807.00)	(189,807.00)
The proceeds of debt issuances are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, issuing debt increases long-term liabilities and does not affect the statement of activities. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which repayment of debt exceeded debt proceeds.		
Debt Proceeds	-	
Repayment of Debt	384,747.85	384,747.85
Some expenses reported in the statement of activities do not require the the use of current financial resources and are not reported as expenditures in governmental funds.		
Net Decrease in Interest Payable	6,227.29	
Net Increase to Pension Expense	(41,398.00)	(35,170.71)
Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures.		
Net Increase in Taxes Receivable		22,699.62
Change in Net Position of Governmental Activities		298,236.42

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Powers Lake Public School District No. 27 have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

The accompanying financial statements present the activities of the school district. The school district has considered all potential component units for which the school district is financially accountable and other organizations for which the nature and significance of their relationships with the school district are such that exclusion would cause the school district's financial statements to be misleading or incomplete. The Government Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the school district to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the school district.

Based on these criteria, there are no component units to be included within the Powers Lake Public School District No. 27 as a reporting entity.

B. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the primary government, Powers Lake Public School District No. 27. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the school district's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the school district's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The school district reports the following major governmental fund:

General Fund. This is the school district's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide Financial Statements: The government-wide financial statements are reported using the economic resources measurement focus. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the school district gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The school district considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Under the terms of grant agreements, the school district funds certain programs by a combination of specific cost-reimbursements grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net position available to finance the program. It is the school district's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

D. Cash and Investments

Cash includes amounts in demand deposits and money market accounts.

Investments consist of certificates of deposit stated at cost.

E. Capital Assets

Capital assets include plant and equipment. Assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial individual cost of $5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 to 70 years
Vehicles	5 to 10 years

F. Compensated Absences

No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Vested or accumulated vacation leave is not reported in the government-wide statement of net position as it is considered immaterial.

G. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. Pension

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

I. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the school district is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

> **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash such as inventories or prepaid expenses) or (b) legally or contractually required to be maintained intact (i.e., endowment funds).
>
> **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the school district or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments (i.e., funds restricted by state statute, unspent bond proceeds, grants earned but not spent, debt covenants or taxes raised for a specific purpose).
>
> **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the school board through the adoption of a resolution. The school board also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the school district's intent to be used for specific purposes, but are neither restricted nor committed. Intent can be expressed by the school board or by an official to which the school board delegates authority.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The school district reports positive unassigned fund balance only in the general fund. Negative fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the school district's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the school district's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the school district has not spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

J. Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

In the government-wide financial statements, interfund transactions have been eliminated.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, actual results could differ from those estimates.

Note 2 DEPOSITS AND INVESTMENTS

In accordance with North Dakota Statutes, the school district maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in other financial institutions situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes bills, notes or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal Land Bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities or by any county, city, township, school district, park district or any other political subdivision of the State of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by another state of the United States or other securities approved by the banking board.

At June 30, 2025 the school district's carrying amount of deposits was $2,148,877 and the bank balance was $2,365,678. Of the bank balance, $350,000 was covered by Federal Depository Insurance. The remaining balance of $2,015,678 was collateralized with securities held by the pledging financial institution's agent in the government's name.

Credit Risk

The school district may invest idle funds as authorized in North Dakota Statutes, as follows:

(1) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities or organizations created by an act of Congress.

(2) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above.

(3) Certificates of deposit fully insured by the federal deposit insurance corporation.

(4) Obligations of the State.

At June 30, 2025 the school district held certificates of deposit in the amount of $100,000, which are all considered deposits.

Concentration of Credit Risk

The school district does not have a limit on the amount the school district may invest in any one issuer.

Note 3 TAXES RECEIVABLE

Taxes receivable represent the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes receivable.
The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on the property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

Note 4 DUE FROM COUNTY TREASURER

The amount due from county treasurer consists of the cash on hand for taxes collected but not remitted to the school district at June 30.

Note 5 INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables consist of reimbursements due for expenses in the operation of various school programs. This amount consists of a mix of state and federal dollars.

Note 6 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance July 1	Increases	Decreases	Balance June 30
Governmental Activities:				
Capital assets being depreciated:				
Buildings	8,121,000			8,121,000
Vehicles	1,037,419		81,055	956,364
Total	9,158,419	-	81,055	9,077,364
Less accumulated depreciation for:				
Buildings	1,560,632	114,883		1,675,515
Vehicles	708,551	74,924	81,055	702,420
Total	2,269,183	189,807	81,055	2,377,935
Governmental Activities Capital Assets, Net	6,889,236	(189,807)	-	6,699,429

Depreciation expense was charged to functions/programs of the school district as follows:

Student Transportation	74,924
Unallocated Depreciation	114,883
Total Depreciation Expense	189,807

Note 7 PAYROLL BENEFITS PAYABLE

Payroll benefits payable consist of benefits owed to federal, state and private agencies for amounts withheld from teacher's salaries as of June 30, but not yet remitted.

Note 8 UNAVAILABLE REVENUE

Unavailable revenue on the fund financial statements consists of amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable but not available and include taxes receivable.

Note 9 INTEREST PAYABLE

Interest payable consists of interest on long-term liabiities accrued to June 30, 2025.

Note 10 LONG-TERM DEBT

Changes in Long-Term Liabilities. During the year ended June 30, 2025, the following changes occurred in liabilities reported in the long-term liabilities – Governmental Activities:

	Balance July 1	Increases	Decreases	Balance June 30	Due Within One Year
General Obligation Bonds	775,000		175,000	600,000	
G.O. School Construction Loan	1,059,680		99,372	960,308	100,783
Revenue Bonds	384,541		110,376	274,165	112,015
Total	2,219,221	-	384,748	1,834,473	212,798

Outstanding debt at June 30, 2025 consists of the following:

General Obligation Debt: General obligation debt is a direct obligation and pledges the full faith and credit of the government.

Bonds and Loan Payable: The school district has issued general obligation bonds and a loan to provide funds for the construction and renovation of major capital facilities.

$965,000 General Obligation School Building Bonds, Series 2014, due in annual installments of $50,000 to $55,000 through August 1, 2028; interest is at 2.5% to 3.2%.	155,000.00
$790,000 General Obligation School Building Fund Bonds, Series 2015, due in annual installments of $40,000 to $50,000 through through August 1, 2035; interest is at 2.6% to 3.6%.	445,000.00
$1,980,000 State School Construction Loan of 2014, due in annual installments of $114,419.11 through June 1, 2034; payments include interest at 1.42%.	960,308.55
Total Bonds and Loan Payable	1,560,308.55

The annual requirements to amortize the outstanding general obligation bond and loan debt are as follows:

Year Ending June 30	Principal	Interest
2026	100,782.72	20,821.38
2027	142,213.84	28,360.27
2028	193,665.28	27,548.83
2029	195,137.32	23,511.78
2030	201,630.27	19,098.83
2031-2035	676,879.12	46,037.29
2036	50,000.00	900.00
Total	1,560,308.55	166,278.38

The school district's principal and interest payments for the General Obligation School Bonds due August 1, 2025 were paid in advance on June 24, 2025 and therefore no principal payments are due for FY 2026.

Revenue Bonds Payable. The school district has issued bonds to provide funds for the construction and renovation of major capital facilities whereby the school pledges income derived from its oil and gas gross production tax to pay debt service.

$2,005,000 Oil and Gas Gross Production Tax Revenue Note, Series 2015, due in annual installments of $115,863.79 through October 20, 2026 and a final installment of $49,304.52 on October 20, 2027; payments include interest at 1.42%.	274,164.58

The annual requirements to amortize the outstanding revenue bonds payable are as follows:

Year Ending June 30	Principal	Interest
2026	112,014.70	3,849.09
2027	113,535.68	2,328.11
2028	48,614.20	690.32
Total	274,164.58	6,867.52

Note 11 TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended June 30, 2025:

Fund	Transfer In	Transfer Out
General	22,000.00	
Food Service		22,000.00

To subsidize expenditures.

Note 12 RISK MANAGEMENT

The Powers Lake Public School District No. 27 is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The school district pays an annual premium to NDIRF for its general liability and automobile insurance coverage. The coverage by NDIRF is limited to losses of $2,000,000 per occurrence for general liability and automobile.

The school district also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The school district pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of $1,000,000 per occurrence during a 12 month period. The State Bonding Fund currently provides the school district with a blanket fidelity bond coverage in the amount of $1,586,204 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The school district has worker's compensation with the Department of Workforce Safety and Insurance; and purchases commercial insurance for employee health and accident insurance.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Note 13 PENSION PLAN

North Dakota Teachers' Fund for Retirement

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor.

Pension Benefits

For purposes of determining pension benefits, members are classified within one of three categories. *Tier 1 grandfathered and Tier 1 non-grandfathered* members are those with service credit on file as of July 1, 2008. *Tier 2* members are those newly employed and returning refunded members on or after July 1, 2008.

A *Tier 1 grandfathered* member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equals 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

A *Tier 1 non-grandfathered* member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

A *Tier 2* member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR for all three categories are determined by NDCC Section 15-39.1-10. Tier 1 Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% times the number of service credits earned. Tier 2 Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age 70.5. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

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

At June 30, 2025, the Powers Lake Public School District reported a liability of $2,634,319 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The district's proportion of the net pension liability was based on the district's share of covered payroll in the pension plan relative to the covered payroll of all participating TFFR employers. At June 30, 2024 the school district's proportion was .187175 percent, which was an increase of .003727 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the school district recognized pension expense of $233,212. At June 30, 2025 the school district reported deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	59,869	105,162
Changes in assumptions	27,709	-
Net difference between projected and actual earnings on pension plan investments	107,579	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	133,718	49,150
District contributions subsequent to the measurement date (see below)	191,855	-
Total	520,730	154,312

$191,855 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

Year ended June 30:	
2025	(3,089)
2026	184,227
2027	(5,624)
2028	(5,390)
2029	(3,682)
Thereafter	8,121

Actuarial assumptions. The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	Composed of 3.80% wage inflations, plus step rate promotional increases for members with less than 30 years of service.
Investment rate of return	7.25%, net of investment expenses, including inflation.
Cost-of-living adjustments	None

For active and inactive members, mortality rates were based on the PubT-2010 Employee table, projected with generational improvement using Scale MP-2019. For healthy retirees, mortality rates were based on 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019. For disability retirees, mortality rates were based on the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.

The actuarial assumptions used were based on the results of an actuarial experience study dated March 19, 2020. They are the same as the assumptions used in the July 1, 2024 funding actuarial valuation for TFFR.

As a result of the March 19, 2020 actuarial experience study, the TFFR Board adopted several assumption changes, including the following:

* Investment return assumption lowered from 7.75% to 7.25%.
* Inflation assumption lowered from 2.75% to 2.30%.
* Individual salary increases were lowered.
* Rates of turnover, retirement and disability were changed to better reflect anticipated future experience.
* The post-retirement healthy mortality table was updated to 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019.
* The disabled mortality was updated to the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.
* The pre-retirement mortality table was updated to PubT-2010 Employee table projected with generation improvement using Scale MP-2019.

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates.

The long-term expected rate of return on TFFR investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of July 1, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	55%	5.8%
Global Fixed Income	26%	2.9%
Global Real Assets	18%	6.3%
Cash Equivalents	1%	1.6%

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employee contributions will be made at rates equal to those based on the July 1, 2024 Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of July 1, 2024. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

Sensitivity of the school district's proportionate share of the net pension liability to changes in the discount rate. The following presents the district's proportionate share of the net pension liability calculated using the discount rate of 7.25% as of June 30, 2024, as well as what the district's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
The district's proportionate share of the net pension liability	3,710,421	2,634,319	1,736,550

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued TFFR financial report.

Note 14 TAX ABATEMENTS

The school district has not entered into any tax abatement agreements that would reduce the district's tax revenues for the year ended June 30, 2025.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance with Final Budget
Revenues:			
Local Sources	844,823.00	1,015,432.24	170,609.24
County Sources	900,000.00	914,622.37	14,622.37
State Sources	2,253,517.79	2,301,768.32	48,250.53
Federal Sources	111,463.00	113,832.37	2,369.37
Other Sources	33,000.00	2,314.00	(30,686.00)
Total Revenues	4,142,803.79	4,347,969.30	205,165.51
Expenditures:			
Current:			
Regular Instruction	1,899,750.65	1,923,776.60	(24,025.95)
Federal Programs	81,634.00	107,799.48	(26,165.48)
Special Education	480,637.59	491,338.11	(10,700.52)
Vocational Education	277,100.47	290,190.53	(13,090.06)
District Wide Services	6,750.00	8,271.25	(1,521.25)
Administration	377,840.00	386,652.28	(8,812.28)
Operations and Maintenance	308,825.00	381,487.96	(72,662.96)
Student Transportation	254,150.00	226,143.71	28,006.29
Student Activities	146,250.00	186,923.81	(40,673.81)
Early Childhood Education	56,671.50	65,096.31	(8,424.81)
Tuition and Assessments		20,286.00	(20,286.00)
Food Services	107,200.00	94,634.61	12,565.39
Debt Service:			
Principal	115,863.79	110,376.20	5,487.59
Interest		5,487.59	(5,487.59)
Total Expenditures	4,112,673.00	4,298,464.44	(185,791.44)
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,130.79	49,504.86	19,374.07
Other Financing Sources:			
Transfers In		22,000.00	22,000.00
Net Change in Fund Balances	30,130.79	71,504.86	41,374.07
Fund Balance - July 1	1,458,981.67	1,458,981.67	
Fund Balance - June 30	1,489,112.46	1,530,486.53	41,374.07

Notes to the Budgetary Comparison Schedule
June 30, 2025

Note 1 SUMMARY OF SIGNIFICANT BUDGET POLICIES

Based upon available financial information and requests by the governing board, the business manager prepares the school district budget. The budget is prepared for the general fund on the modified accrual basis of accounting. The budget includes the proposed expenditures and the means of financing them. All annual appropriations lapse at year-end.

School district taxes must be levied by the governing board on or before August 10. The taxes levied must be certified to the county auditor by August 10. The governing board may amend its tax levy and budget, but the certification must be filed with the county auditor by October 10. The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.

Note 2 LEGAL COMPLIANCE

The governing board did not amend the budget during the year ended June 30, 2025.

Excess of Actual Expenditures Over Budget

Expenditures exceeded budget in the following fund for the year ended June 30, 2025:

General Fund	$185,791.44

No remedial action is anticipated or required by the district regarding these excess expenditures.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Schedule of Employer's Share of Net Pension Liability
ND Teachers Fund for Retirement
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.187175%	0.183448%	0.180386%	0.186158%	0.183681%	0.173972%	0.171890%	0.165646%	0.173659%	0.165744%
District's proportionate share of the net pension liability	2,634,319	2,574,348	2,626,522	1,961,468	2,811,238	2,396,033	2,291,054	2,275,192	2,544,200	2,167,691
District's covered employee payroll	1,587,100	1,472,011	1,419,483	1,434,722	1,340,245	1,220,462	1,171,519	1,121,466	1,129,683	1,019,506
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.98%	174.89%	185.03%	136.71%	209.76%	196.32%	195.56%	202.88%	225.21%	212.62%
Plan fiduciary net position as a percentage of the total pension liability	70.42%	69.34%	67.50%	75.70%	63.40%	65.50%	65.50%	63.20%	59.20%	62.10%

Schedule of Employer Contributions
ND Teachers Fund for Retirement
Last 10 Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily required contribution	202,355	187,682	180,984	182,927	170,883	155,609	149,369	142,987	144,036	129,987
Contributions in relation to the statutorily required contributions	(202,355)	(187,682)	(188,082)	(182,927)	(170,883)	(155,609)	(149,369)	(142,987)	(144,036)	(129,987)
Contribution deficiency (excess)	0	0	(7,098)	0	0	0	0	0	0	0
District's covered-employee payroll	1,587,100	1,472,011	1,419,483	1,434,722	1,340,245	1,220,462	1,171,519	1,121,466	1,129,683	1,019,506
Contributions as a percentage of covered-employee payroll	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%	12.75%

- For changes of benefit terms and assumptions, see Note 13 to the financial statements.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Reserve	Food Service	Student Activity	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
ASSETS:						
Cash and Investments	162,141.12	2,326.95	180,844.55	167,255.42	154,341.14	666,909.18
Taxes Receivable	2,114.43			16,279.30	10,608.13	29,001.86
Due From County Treasurer	124.07			828.09	620.85	1,573.01
Total Assets	164,379.62	2,326.95	180,844.55	184,362.81	165,570.12	697,484.05
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
Deferred Inflows of Resources:						
Unavailable Revenue	2,114.43	-	-	16,279.30	10,608.13	29,001.86
Fund Balances:						
Restricted for:						
Special Purposes	162,265.19					162,265.19
Food Services		2,326.95				2,326.95
Student Activities			180,844.55			180,844.55
Debt Service				168,083.51		168,083.51
Capital Projects					154,961.99	154,961.99
Total Fund Balances	162,265.19	2,326.95	180,844.55	168,083.51	154,961.99	668,482.19
Total Deferred Inflows of Resources Resources and Fund Balances	164,379.62	2,326.95	180,844.55	184,362.81	165,570.12	697,484.05

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Reserve	Food Service	Student Activity	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:						
Local Sources	28,278.64	94,303.21	303,735.59	199,995.62	153,017.11	779,330.17
State Sources		5,269.65				5,269.65
Federal Sources		52,650.45				52,650.45
Total Revenues	28,278.64	152,223.31	303,735.59	199,995.62	153,017.11	837,250.27
Expenditures:						
Current:						
Operations and Maintenance					69,901.14	69,901.14
Student Activities			247,538.65			247,538.65
Food Services		130,144.58				130,144.58
Debt Service:						
Principal				199,371.65	75,000.00	274,371.65
Interest				24,462.45	24,570.00	49,032.45
Total Expenditures	-	130,144.58	247,538.65	223,834.10	169,471.14	770,988.47
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,278.64	22,078.73	56,196.94	(23,838.48)	(16,454.03)	66,261.80
Other Financing (Uses):						
Transfers Out		(22,000.00)				(22,000.00)
Net Change in Fund Balances	28,278.64	78.73	56,196.94	(23,838.48)	(16,454.03)	44,261.80
Fund Balance - July 1	133,986.55	2,248.22	124,647.61	191,921.99	171,416.02	624,220.39
Fund Balance - June 30	162,265.19	2,326.95	180,844.55	168,083.51	154,961.99	668,482.19

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Schedule of Fund Activity
Arising from Client Transactions
For the Year Ended June 30, 2025

	Balance 7-1-2024	Revenues	Transfers In	Transfers Out	Expenditures	Balance 6-30-2025
General Fund	1,431,142.49	4,310,342.97	22,000.00		4,298,464.44	1,465,021.02
Special Revenue Funds						
Special Reserve	133,902.47	28,238.65				162,141.12
Food Service	2,248.22	141,107.28		22,000.00	119,028.55	2,326.95
Student Activity	124,647.61	303,735.59			247,538.65	180,844.55
Total Special Revenue Funds	260,798.30	473,081.52	-	22,000.00	366,567.20	345,312.62
Debt Service Fund						
Sinking and Interest	190,396.44	200,693.08			223,834.10	167,255.42
Capital Projects Fund						
Building	169,710.89	153,415.53			168,785.28	154,341.14
Construction	684.51	1.35			685.86	-
Total Capital Projects Fund	170,395.40	153,416.88	-	-	169,471.14	154,341.14
Total All Funds	2,052,732.63	5,137,534.45	22,000.00	22,000.00	5,058,336.88	2,131,930.20

The above statement is reported on a client basis, which includes client adjustments for payroll benefits payable in the general fund.

Rath & Mehrer, P.C.
Certified Public Accountants

Jayson Rath, CPA
Bryce Fischer, CPA
Todd Goehring, CPA

Specializing in Governmental Auditing

1003 E. Interstate Ave. Ste. 7
Bismarck, ND 58503-0500
Phone 701-258-4560
rathandmehrer@hotmail.com

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*

INDEPENDENT AUDITOR'S REPORT

Governing Board
Powers Lake Public School District No. 27
Powers Lake, North Dakota

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 and the aggregate remaining fund information of the Powers Lake Public School District No. 27, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the school district's basic financial statements, and have issued our report thereon dated March 13, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the school district's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the school district's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the school district'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001 and 2025-002, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the school district's financial statements are free of 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 financial statements. 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.*

School District's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the school district's response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Responses.* The school district's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 school district's internal control or on compliance. This is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the school district's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rath and Mehrer

Rath and Mehrer, P.C.

Bismarck, North Dakota

March 13, 2026

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
Powers Lake, North Dakota

Schedule of Findings and Responses
For the Year Ended June 30, 2025

SECTION I – SUMMARY OF AUDIT RESULTS:

Financial Statements

Type of Auditor's Report Issued:

Governmental Activities	Unmodified
Major Governmental Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	____ Yes	_X_ No
• Significant deficiency(ies) identified?	_X_ Yes	____ None Reported
Noncompliance Material to financial statements noted?	____ Yes	_X_ No

SECTION II – FINANCIAL STATEMENT FINDINGS:

Significant Deficiencies

1. 2025-001 – Segregation of Duties

Criteria: To ensure adequate internal control over financial reporting and prevent material misstatements due to errors or fraud, there should be a segregation of the functions of approval, custody of assets, posting and reconciliation.

Condition: The school district has one person responsible for most accounting functions. The employee is responsible to collect monies, deposit monies, issue checks, send checks to vendors, record receipts and disbursements in journals, maintain the general ledger and prepare bank reconciliations.

Cause: The school district does not have a large enough staff to properly segregate all duties.

Effect: A lack of segregation of duties leads to a limited degree of internal control.

Recommendation: We recommend that management and the governing board be aware of the lack of segregation of duties and implement controls whenever possible to mitigate this risk.

Views of Responsible Officials: The school district is aware of the condition and segregates duties whenever possible.

2. <u>2025-002- Financial Statement Preparation</u>

Criteria: A good system of internal controls requires the school district to determine that the financial statements are prepared based on accounting principles generally accepted in the United States of America. This means that the school district must maintain knowledge of current accounting principles and required financial statement disclosures.

Condition: The school district's financial statements, including the accompanying note disclosures, are prepared by the school district's external auditors.

Cause: The school district feels that it is more cost effective to have their external auditors prepare the complete financial statements and disclosures, rather than invest in ongoing specialized training that would be necessary.

Effect: Without the assistance of the auditors, the financial statements could be misstated or omit material financial statement disclosures.

Recommendation: We recommend that management be aware of this condition and be prepared and able to provide all necessary information and schedules to complete the financial statements and disclosures; and review and approve them prior to distribution.

Views of Responsible Officials: The school district will continue to have the external auditors prepare the financial statements, including note disclosures, but will review and approve them prior to external distribution.

<u>APPENDIX B</u>

Legal Opinion

September 1, 2026

Powers Lake Public School District No. 27
PO Box 346
Powers Lake, ND 58773

____
____
____

$__________
POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
BURKE, DIVIDE AND MOUNTRAIL COUNTIES, NORTH DAKOTA
GENERAL OBLIGATION BUILDING FUND BONDS, SERIES 2026A

We have acted as Bond Counsel to Powers Lake Public School District No. 27, Burke, Divide and Mountrail Counties, North Dakota (the "District"), in connection with the issuance of its $__________ General Obligation Building Fund Bonds, Series 2026A, dated the date hereof (the "Bonds"). The Bonds are issued pursuant to North Dakota Century Code Chapter 21-03 and a resolution adopted by the District on August 11, 2026 (the "Resolution"). In such capacity, we have examined such law and such certified proceedings and other documents as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations of the District contained in the Resolution, and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The District is duly created and validly existing as a body corporate and politic and political subdivision of the State of North Dakota with the power to adopt the Resolution and perform the agreements on its part contained therein, and to issue the Bond.

2. The Resolution has been duly adopted by the District and constitutes a valid and binding obligation of the District enforceable against the District.

3. The Bonds have been duly authorized, executed and delivered by the District and are valid and binding general obligations of the District. The Bonds are issued for the purpose of providing funds to replace the existing high school heating, ventilation and air conditioning (HVAC) system, and update and expand the elementary school kitchen and related service areas, and to otherwise improve, renovate, update, construct and equip school property and make site improvements to school property.

4. The Bonds unless paid from other sources, are payable as to both principal and interest from the 2026 General Obligation Building Fund Bond Fund to which the District has irrevocably pledged that portion of the tax levies authorized by Section 57-15-16, N.D.C.C. (School Building Fund Levy) necessary for such principal and interest payments. In the event of a deficiency, all taxable property in the territory of the District is subject to ad valorem taxation without limitation regarding rate or amount to pay the Bonds. The District is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.

5. Under the existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excluded from gross income of the holders thereof for federal income tax purposes. Interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax applicable to individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. The opinion set forth in this paragraph is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and 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 interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The interest on the Bonds is excluded from gross income for State of North Dakota income tax purposes.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally to the extent applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

Sincerely,

ARNTSON STEWART WEGNER PC

APPENDIX C

Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is made and entered into as of September 1, 2026, by Powers Lake Public School District No. 27, Burke, Divide and Mountrail Counties, North Dakota (the "District"), in connection with the issuance of the District's $__________ General Obligation School Building Bonds, Series 2026A (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted August 11, 2026 (the "Resolution"), and the Bonds will be delivered to the Purchaser on the date hereof. Pursuant to the Resolution, the District covenants and agrees as follows:

SECTION 1. PURPOSE OF THIS DISCLOSURE CERTIFICATE. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners of the Bonds and in order to assist the Participating Underwriters within the meaning of SEC Rule 15c2-12(b)(5) (the "Rule") in complying with the Rule. This Disclosure Certificate constitutes the written undertaking required by the Rule.

SECTION 2. DEFINITIONS. In addition to the definitions set forth in the Resolution, which apply to any capitalized term use in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the District pursuant to and as described in Sections 3 and 4 of this Disclosure Certificate.

"Disclosure Representative" means the Business Manager of the District or his or her designee, or such other person as the District shall designate in writing to the Dissemination Agent, if any, from time to time.

"Dissemination Agent" means any Dissemination Agent appointed hereunder, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Final Official Statement" means the deemed final official statement dated August __, 2026, which constitutes the final official statement delivered in connection with the Bonds, which is available from the MSRB.

"Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of a debt obligation or derivative instrument. Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Financial Statements" means the District's audited or, if unavailable, unaudited annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the District intends to continue to prepare in substantially the same form. If unaudited financial statements are provided, audited financial statements will be provided when and if available.

"Fiscal Year" means the fiscal year of the District.

"MSRB" means the Municipal Securities Rulemaking Board located at 1300 I Street NW, Suite 1000, Washington, DC 20005.

"Owner" means the person in whose name the Bond is registered or a beneficial owner of such Bond.

"Participating Underwriter" means any of the original underwriters of the Bonds (including the Purchaser) required to comply with the Rule in connection with the offering of the Bonds.

"Repository" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA®) system or any other nationally recognized municipal securities information repository recognized from time to time by the SEC for purposes of the Rule.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and including written interpretations thereof by the SEC.

"SEC" means the Securities and Exchange Commission.

"Specified Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"Unaudited Financial Statements" means the annual financial report submitted to the North Dakota Department of Public Instruction.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(*a*) The District shall, or shall cause any Dissemination Agent to, not later than 365 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2026, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report to the Dissemination Agent, if any. 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 Section 4 of this Disclosure Certificate; provided that the audited Financial Statements of the District may be submitted separately from the balance of the Annual Report.

(*b*) If by fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the Repositories, the Dissemination Agent, if any, has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with subsection (a).

(*c*) If the Dissemination Agent, if any, is unable to verify that an Annual Report has been provided to the Repositories by the date required in subsection (a), the Dissemination Agent shall send a notice to the Repository in substantially the form attached as Exhibit A.

(*d*) The Disclosure Representative or the Dissemination Agent, if any, shall:

(*i*) determine each year prior to the date for providing the Annual Report the name and address of the Repository;

(*ii*) transmit the Annual Report to the Repository by (A) electronic facsimile transmissions, confirmed by first class mail, postage prepaid, or (B) first class mail, postage prepaid, or any overnight delivery service selected by the Disclosure Representative or the Dissemination Agent; and

(*iii*) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided, and listing all the Repositories to which it was provided.

SECTION 4. CONTENT OF ANNUAL REPORTS. The Annual Report shall contain or incorporate by reference the District's Financial Statements or Unaudited Financial Statements and the operating data of the District, which is customarily prepared and is publicly available.

SECTION 5. REPORTING OF SPECIFIED EVENTS.

(*a*) The District shall also provide in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events or conditions of which any of its Board Members or employees has actual knowledge:

(*i*) Principal and interest payment delinquencies;

(*ii*) Non-payment related defaults;

(*iii*) Unscheduled draws on debt service reserves reflecting financial difficulties (the Bond issue has no debt service reserve);

(*iv*) Unscheduled draws on credit enhancements reflecting financial difficulties;

(*v*) Substitution of credit or liquidity providers, or their failure to perform (the Bond issue has no credit or liquidity providers);

(*vi*) Adverse tax opinions the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice 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;

(*vii*) Modifications to rights of Owners of the Bonds, if material;

(*viii*) Bond calls, if material, and tender offers;

(*ix*) Defeasances;

(*x*) Release, substitution, or sale of property securing repayment of the Bonds;

(*xi*) Rating changes;

(*xii*) Bankruptcy, insolvency, receivership or similar events of the District;

(*xiii*) The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(*xiv*) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(*xv*) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

(*xvi*) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(*b*) Unless otherwise required by law, the District shall provide notices of Specified Events required by this Section to the Repository.

(*c*) Unless otherwise required by law and subject to technical and economic feasibility, the District shall employ such methods of information transmission as shall be requested or recommended by the designated recipients of the District's information.

SECTION 6. TERMINATION OF REPORTING OBLIGATION. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 7. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. If at any time there is no other designated Dissemination Agent, the Business Manager of the District shall be the Dissemination Agent.

SECTION 8. AMENDMENT; WAIVER. Notwithstanding any other provision of this Disclosure Certificate, the District and the Dissemination Agent may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the District) and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule. This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the District receives an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. The provisions of this Disclosure Certificate may be amended without the consent of the Owners of the Bonds, but only upon the receipt by the District of an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate by the District with the Rule.

SECTION 9. ADDITIONAL INFORMATION. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Specified Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Specified Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Specified Event.

SECTION 10. DEFAULT. In the event of a failure of the District or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall), or any Owner, including beneficial owners, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. BENEFICIARIES. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters, and Owners, including beneficial owners, from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. COUNTERPARTS. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District has caused this Disclosure Certificate to be executed by its duly authorized officers, all as of the date first written above.

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27

____

President, School Board

ATTEST:

____

Business Manager

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of District: Powers Lake Public School District No. 27

Name of Bond Issue: General Obligation Building Fund Bonds, Series 2026A

Date of Issuance: September 1, 2026

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named bonds as required by the Resolution adopted August 11, 2026. The District anticipates that the Annual Report will be filed by ____________________.

Dated: _________________________.

,

on behalf of the DISTRICT

cc: District

APPENDIX D

Official Notice of Sale

OFFICIAL NOTICE OF SALE

$1,320,000[(1)]
GENERAL OBLIGATION BUILDING FUND BONDS, SERIES 2026A
POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
(Burke, Divide, and Mountrail Counties, North Dakota)

NOTICE IS HEREBY GIVEN that these Bonds will be offered for sale according to the following terms:

TIME AND PLACE

Electronic and sealed bids for the purchase of $1,320,000[(1)] General Obligation Building Fund Bonds, Series 2026A (the "Bonds") will be received by Powers Lake Public School District No.27 (the "District") on Tuesday, August 11, 2026, until 11:00 A.M. Central Time in the Minneapolis office of PFM Financial Advisors LLC, 45 South 7th Street, Suite 2950, Minneapolis, Minnesota 55402. Considerations of the award of the Bonds will be by the School Board at a regular meeting on the day of the sale. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the District will be accepted unless all Bids are rejected. No bid may be altered or withdrawn after the time appointed for opening bids.

AUTHORIZATION, SECURITY AND PURPOSE

The Bonds are being issued by the District pursuant to a Resolution to be adopted by the School Board (the "Resolution") on August 11, 2026, and pursuant to the provisions of Section 21-03-07(7) of the North Dakota Century Code, as amended.

The Board adopted an Initial Resolution on January 26, 2026, at which the issuance of General Obligation Building Fund Bonds was authorized. The Bonds are general obligations of the District, for the payment of which the District pledges its full faith and credit and power to levy ad valorem taxes without limitation as to rate or amount. The Bonds are primarily payable from the proceeds of the District's 20-mill building fund levy; however, if necessary for the payment of the Bonds, the District is required to levy a tax without limitation as to rate or amount.

The Bonds will be issued for the purpose of providing funds, together with any other funds available, (i) construct and equip an agricultural education classroom addition, including an additional shop, locker room, unisex restroom, classroom, and ITV space for students enrolled in distance education courses, (ii) create ADA circulation connecting the school to the addition, (iii) re-purpose existing space as a grade 6-12 Special Education Classroom, (iv) otherwise renovate, improve and maintain school buildings and property and make site improvements (the "Project"), and (v) pay the costs associated with the issuance of the Bonds.

CREDIT ENHANCEMENT

The District will participate in the North Dakota Credit Enhancement Program.

FORMS OF BIDS

Bids must be submitted on or in substantial compliance with the Official Bid Form or through Parity (the "Electronic Bid System"). The District shall not be responsible for any malfunction or mistake made by any person, or as a result of the use of the electronic bidding, facsimile facilities or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the proposal as received.

No bids will be received after 11:00 A.M. Central Time on Tuesday, August 11, 2026, as specified in the Official Notice of Sale. The time as maintained by the Electronic Bid System shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the proposal. If more than one bid is received from the bidder, the last bid shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the offices of PFM Financial Advisors LLC, 45 South 7th Street, Suite 2950, Minneapolis, MN 55402, (612) 338-3535.

Electronic Bidding: Electronic bids must be submitted through Parity (the "Electronic Bid System"). Information about the Electronic Bid System may be obtained by contacting Parity® at i-Deal/Parity®, Customer Support, 1359 Broadway, 2nd Floor, New York, New York 10018 (212) 849-5021.

The District assumes no responsibility or liability for proposals submitted electronically. Notice is hereby given that electronic proposals will be received via Parity, in the manner described below, until 11:00 A.M. Central Time on Tuesday, August 11, 2026, but no bid will be received after that time. If any provisions in this Official Notice of Sale conflicts with information provided by an electronic bidding service, these terms of Bond Sale shall control.

Each bidder shall be solely responsible for making necessary arrangements to access the Electronic Bid System for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. The District is permitting bidders to use the services of the Electronic Bid System solely as a communication mechanism to conduct the electronic bidding and the Electronic Bid System is not an agent of the District. Provisions of the Official Notice of Sale and the Official Bid Form shall control in the event of conflict with information provided by the Electronic Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at the offices of PFM Financial Advisors LLC, Fax number (612) 338-7264. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the District nor its agents will assume liability for the inability of the bidder to reach the above named fax number prior to the time of sale specified above. Time of receipt shall be the time recorder by the facsimile receiver.

BOND TERMS AND REDEMPTION

The Bonds are dated September 1, 2026 as the date of original issuance and are in global book-entry form, and individual purchases may be made in denominations of $5,000 and integral multiples thereof of a single maturity. Interest is payable semiannually on each February 1 and August 1, commencing February 1, 2027. Principal is payable annually on August 1 in the following years and amounts:

Year	Principal[(1)]	Year	Principal[(1)]
2027	$ 45,000	2037	$ 65,000
2028	45,000	2038	70,000
2029	45,000	2039	70,000
2030	45,000	2040	75,000
2031	50,000	2041	80,000
2032	50,000	2042	80,000
2033	55,000	2043	85,000
2034	60,000	2044	90,000
2035	60,000	2045	90,000
2036	65,000	2046	95,000

(1) Preliminary, subject to change.

The Bonds maturing on August 1, 2034, and thereafter are subject, at the option of the District, to redemption on August 1, 2033, and any date thereafter at a price of par plus accrued interest.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

ADJUSTMENT TO PRINCIPAL AFTER DETERMINATION OF BEST BID

The District reserves the right after proposals are opened and prior to award of the Bonds, to adjust each maturity in multiples of $5,000. In the event the maturity amounts of the Bonds are adjusted, the purchase price will be adjusted to ensure that the percentage net compensation (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the District (excluding accrued interest) by (ii) the principal amount of the Bonds) remains constant.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are designated as "Qualified Tax-Exempt Obligations" for purposes of Section 265 of the Internal Revenue Code of 1986 relating to the ability of certain financial institutions to deduct from income for federal income tax purposes, eighty percent of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

TYPE OF BID AND AWARD

Bids for **not less than $ 1,306,800 (99.0%) of par** plus accrued interest from the date of the Bonds to the date of delivery must be received by the District prior to the time specified above. All bids shall be deemed to incorporate the provisions of this Official Notice of Sale. Each proposal must specify the interest rates on the Bonds in multiples of 1/20 or 1/8 of 1%. All Bonds of the same maturity shall bear a single uniform rate from date of issue to maturity. Each proposal must be for the entire principal amount of the Bonds. Interest will be computed on a 360-day-year, 30-day month basis. No conditional proposals will be accepted.

Bids will be compared on the basis of true interest cost (TIC). The bid which results in the lowest true interest cost will be deemed the most favorable. The true interest cost is computed as the discount rate which, when used with semiannual compounding to determine the present worth of the principal and interest payments as of the date of the Bonds, produces an amount equal to the purchase price. If two or more bids provide the same lowest true interest rate, the District shall determine which bid shall be accepted, and such determination shall be final.

Upon award of the Bonds, the successful bidders will advise the District of the initial reoffering price to the public of the Bonds. Simultaneously with or before delivery of the Bonds, the successful bidder shall furnish to the District a certificate in form and substance acceptable to bond counsel (a) confirming the initial reoffering prices, (b) certifying that a bona fide initial reoffering of the Bonds has been made to the public (excluding bond houses, brokers, and other intermediaries), and (c) stating the price at which a substantial portion of the Bonds were sold to the public (excluding bond houses, brokers and other intermediaries).

The District reserves the right to reject any and all bids, to waive any informality in any bid and to adjourn the sale.

GOOD FAITH DEPOSIT

A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check payable to the District, or a wire transfer immediately following the award of the Bonds, in the amount of $15,000, is required. The Deposit should be received or wire-transferred not later than 3:30 P.M. Central Time on the next business day following the award. If such Deposit is not received by that time, the District may rescind its award to the winning bidder and award the sale of the Bonds to the next best bidder.

ESTABLISHMENT OF ISSUE PRICE
(HOLD-THE-OFFERING-PRICE RULE MAY APPLY – BIDS NOT CANCELLABLE)

The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the District's Municipal Advisor and any notice or report to be provided to the District may be provided to the District's Municipal Advisor.

The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

1) the District shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2) all bidders shall have an equal opportunity to bid;
3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the District shall promptly so advise the winning bidder. The District may then determine to treat the initial offering price to the public as of the award date of the Bonds as the issue price of each maturity by imposing on the winning bidder the Hold-the-Offering-Price Rule as described in the following paragraph (the "Hold-the-Offering-Price Rule"). Bids will not be subject to cancellation in the event that the District determines to apply the Hold-the-Offering-Price Rule to the Bonds. **Bidders should prepare their bids on the assumption that the Bonds will be subject to the Hold-the-Offering-Price Rule in order to establish the issue price of the Bonds.**

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "Initial Offering Price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the award date for the Bonds and ending on the earlier of the following:

1) the close of the fifth (5th) business day after the award date; or
2) the date on which the underwriters have sold at least 10% of a maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public (the "10% Test"), at which time only that particular maturity will no longer be subject to the Hold-the-Offering-Price Rule.

The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Notes: Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

1) *"public" means any person other than an underwriter or a related party,*
2) *"underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public).*
3) *a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation or another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and*
4) *"sale date" means the date that the Bonds are awarded by the District to the winning bidder.*

BOND INSURANCE AT PURCHASER'S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser of the Bonds. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser, except that, if the District has requested and received a rating on the Bonds from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the Purchaser.
Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery on the Bonds.

BOOK-ENTRY ONLY SYSTEM

The Bonds will be issued as fully registered bonds without coupons, and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC") will act as securities depository of the Bonds. Individual purchases will be made in book entry form only. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants, for subsequent dispersal to the beneficial owner of the Bonds.

LEGAL OPINION

An opinion as to the validity of the Bonds will be furnished by Arntson Stewart Wegner PC, Bond Counsel. The legal opinion, in substantially the form included as Appendix B herein, will accompany the Bonds and will state that the Bonds are valid and binding general obligations of the District enforceable in accordance with their terms, except to the extent to which enforceability may be limited by principles of equity and by state or United States laws relating to bankruptcy, reorganization, moratorium or creditors' rights generally.

CUSIP NUMBERS

The successful bidder will assume no obligation for assignment or printing of CUSIP numbers on the Bonds or for the correctness of such numbers printed thereon, but will permit such printing to be done at the expense of the Purchaser, if the Purchaser waives any extension of the time of delivery caused thereby.

DELIVERY

The Bonds will be delivered without cost to the Purchaser at a location mutually agreed upon by the Purchaser and the District. Delivery will be subject to the approving legal opinion of Arntson Stewart Wegner PC, Bismarck, North Dakota, Bond Counsel, and customary closing Certificates, including a certificate that the Official Statement did not at the date of delivery of the Bonds contain any untrue statement of a material fact or fail to state a material fact necessary in order to make the statements contained therein not misleading, a certificate as to absence of material litigation, and an arbitrage certificate. Bonds will be delivered against payment in immediately available funds at the District's designated depository on the date of delivery. The Bonds will be available for delivery on or about September 1, 2026.

(The remainder of this page has been left blank intentionally.)

OFFICIAL STATEMENT

The District has prepared an Official Statement dated July 30, 2026 which the District deems to be a preliminary or "near-final" Official Statement as that term is defined in Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). The Official Statement is available to prospective bidders and to others who request copies from the District or its Municipal Advisor, PFM Financial Advisors LLC

Not later than seven business days following the award of the Bonds, the District shall provide a reasonable number of copies of the Final Official Statement, as that term is used in the Rule, to the successful purchaser of the Bonds. The Final Official Statement will be the Official Statement dated July 30, 2026, revised to include the maturity date and amount, interest rate and reoffering yield or price, and any other information required by law. Any such revisions shall, on or after the date thereof, be fully incorporated in the Final Official Statement by reference.

The successful bidder will be supplied with an electronic copy of the Final Official Statement. Information for bidders and bidding forms will be distributed by PFM Financial Advisors LLC, 45 South 7th Street, Suite 2950, Minneapolis, Minnesota 55402 (612/338-3535).

POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27
(BURKE, DIVIDE, AND MOUNTRAIL COUNTIES,
NORTH DAKOTA)

/s/ Sue Kranz
Superintendent

Further information may be obtained from:
PFM Financial Advisors LLC
45 South 7th Street, Suite 2950
Minneapolis, Minnesota 55402
Tel: (612) 338-3535
Fax: (612) 338-7264

OFFICIAL BID FORM

(Electronic and Sealed Bids Accepted)

$1,320,000[(1)]
GENERAL OBLIGATION BUILDING FUND BONDS, SERIES 2026A
POWERS LAKE PUBLIC SCHOOL DISTRICT NO. 27, NORTH DAKOTA

Members of the Board — **Sale Date: August 11, 2026**
Powers Lake Public School District No. 27 — **FAX: (612) 338-7264**
c/o PFM Financial Advisors LLC

For all or none of the principal amount of $1,320,000[(1)] General Obligation Building Fund Bonds, Series 2026A (the "Bonds"), dated as of date of delivery, legally issued and as described in the Official Notice of Sale, we will pay the District $________________________ (not less than $ 1,306,800) plus accrued interest on the total principal of $1,320,000 to date of delivery, provided the Bonds bear the following interest rates:

Year	Principal[(1)]	Interest Rate*	Yield*	Year	Principal[(1)]	Interest Rate*	Yield*
2027	$ 45,000	_____%	_____%	2037	$ 65,000	_____%	_____%
2028	45,000	_____%	_____%	2038	70,000	_____%	_____%
2029	45,000	_____%	_____%	2039	70,000	_____%	_____%
2030	45,000	_____%	_____%	2040	75,000	_____%	_____%
2031	50,000	_____%	_____%	2041	80,000	_____%	_____%
2032	50,000	_____%	_____%	2042	80,000	_____%	_____%
2033	55,000	_____%	_____%	2043	85,000	_____%	_____%
2034	60,000	_____%	_____%	2044	90,000	_____%	_____%
2035	60,000	_____%	_____%	2045	90,000	_____%	_____%
2036	65,000	_____%	_____%	2046	95,000	_____%	_____%

(1) Preliminary, subject to change.

We hereby designate that the following bonds be aggregated into term bonds maturing on August 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

Years Aggregated	Maturity Year	Amount
_________ through _________	______________	______________
_________ through _________	______________	______________

The Bonds mature on August 1 in each of the years as indicated above, and interest is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027.

In making this offer, we accept the terms and conditions as defined in the Official Notice of Sale published in the Official Statement dated July 30, 2026, and certify that we are an Underwriter and have an established industry reputation for underwriting new issuances of municipal bonds. All blank spaces of this offer are intentional and are not to be construed as an omission. Our good faith deposit in the amount of $15,000 has been or will be submitted in accordance with the Official Notice of Sale.

NOT PART OF THIS BID:

Explanatory Note: According to our computation, this bid involves the following:

$_________________________________
True Interest Cost

________________________________%
True Interest Rate (TIC)

Respectfully submitted,

____
Account Manager

By__________________________________

(A list of the firms associated with us in this bid is on the reverse side of this proposal.)

* *

The foregoing offer is hereby accepted by and on behalf of Powers Lake Public School District No. 27, North Dakota, this 11th day of August, 2026.

____
Board President

____
Business Manager