NEW ISSUE	**S&P RATING: AAA**
BOOK-ENTRY ONLY	**See "BOND RATING" herein**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the District, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the ***"Code"****), the interest on the Bonds (1) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax and (2) is exempt from income taxation by the State of Missouri. The Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See* ***"TAX MATTERS"*** *in this Official Statement.*

$31,075,000
SCHOOL DISTRICT OF CLAYTON, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2019

Dated: Date of Delivery	**Due: March 1, as shown on the inside cover**

The General Obligation Refunding Bonds, Series 2019 (the **"Bonds"**) will be issued by the School District of Clayton, St. Louis County, Missouri (the **"District"**) for the purposes of providing funds to (1) pay a portion of the interest on the Bonds, (2) refund a portion of the District's outstanding general obligation bonds, and (3) pay costs of issuance related to the Bonds. See the section herein captioned **"PLAN OF FINANCING."**

The Bonds will be issued as fully-registered bonds in the denomination of $5,000 or integral multiples thereof. Principal on the Bonds will be payable annually on March 1 as set forth on the inside cover of this Official Statement. Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing March 1, 2020, by check or draft mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the 15th day of the month preceding the applicable interest payment date.

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

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

<u>See inside cover for maturities, principal amounts, interest rates, prices and CUSIP numbers.</u>

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

The Bonds are offered when, as and if issued by the District and accepted by the Underwriter, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the District, and subject to certain other conditions. Bond Counsel will also pass on certain matters relating to this Official Statement. Piper Jaffray & Co. has served as financial advisor to the District on this transaction. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about December 5, 2019.

The date of this Official Statement is November 19, 2019.

SCHOOL DISTRICT OF CLAYTON, ST. LOUIS COUNTY, MISSOURI

$31,075,000
General Obligation Refunding Bonds
Series 2019

MATURITY SCHEDULE

Base CUSIP: 184270

Due (March 1)	Principal Amount	Interest Rate	Price	CUSIP
2021	$5,240,000	3.00%	102.293%	KY1
2022	5,500,000	3.00	104.076	KZ8
2023	3,145,000	3.00	105.765	LA2
2024	225,000	3.00	107.330	LB0
2025	3,955,000	3.00	108.740	LC8
2026	4,035,000	3.00	109.776	LD6
2027	245,000	3.00	110.686	LE4
2028	4,230,000	3.00	109.675	LF1
2029	4,500,000	2.00	100.537	LG9

SCHOOL DISTRICT OF CLAYTON,
ST. LOUIS COUNTY, MISSOURI

#2 Mark Twain Circle
Clayton, Missouri 63105
(314) 854-6000

BOARD OF EDUCATION

Mr. Joe Miller, *President and Member*
Ms. Amy Rubin, *Vice-President and Member*
Mr. Gary Pierson, *Secretary and Member*
Mr. Jason Wilson, *Treasurer and Member*
Dr. Lily Raymond, *Member*
Ms. Kristin Redington, *Member*
Ms. Stacy Siwak, *Member*

DISTRICT ADMINISTRATION

Dr. Sean Doherty, *Superintendent*
Dr. Robyn Wiens, *Assistant Superintendent of Student Services*
Dr. Tony Arnold, *Assistant Superintendent of Human Resources*
Dr. Milena Garganigo, *Assistant Superintendent of Teaching and Learning*
Ms. Mary Jo Gruber, *Chief Financial Officer*
Mr. Chris Tennill, *Chief Communications Officer*
Mr. Jeffrey Puls, *Chief Technology Officer*

PAYING/ESCROW AGENT

BOKF, N.A.
St. Louis, Missouri

BOND COUNSEL

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

FINANCIAL ADVISOR

Piper Jaffray & Co.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY

LEFT BLANK

OFFICIAL STATEMENT

$31,075,000
SCHOOL DISTRICT OF CLAYTON, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION REFUNDING BONDS
SERIES 2019

INTRODUCTION

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

General

This Official Statement, including the cover page and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of $31,075,000 aggregate principal amount of General Obligation Refunding Bonds, Series 2019 (the **"Bonds"**) by the School District of Clayton, St. Louis County, Missouri (the **"District"**). The issuance and sale of the Bonds is authorized by a resolution of the Board of Education of the District adopted on November 13, 2019 (the **"Resolution"**). *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.*

Purpose of the Bonds

The Bonds are being issued for the purposes of providing funds to (1) pay the interest on the Bonds due on March 1, 2020 (the **"Crossover Date"**), (2) refund a portion of the District's outstanding general obligation bonds, including (a) all of the Taxable General Obligation Bonds (Recovery Zone Economic Development Bonds – Direct Pay), Series 2010B, outstanding in the aggregate principal amount of $16,205,000 (the **"Series 2010B Refunded Bonds"**), and (b) all of the Taxable General Obligation Bonds (Build America Bonds – Direct Pay), Series 2010C, outstanding in the aggregate principal amount of $16,270,000 (the **"Series 2010C Refunded Bonds"** and, together with the Series 2010B Refunded Bonds, the **"Refunded Bonds"**), and (3) pay the costs of issuing the Bonds. See the section herein captioned **"PLAN OF FINANCING."**

Security for the Bonds

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

Continuing Disclosure

The District will enter into a Continuing Disclosure Undertaking dated as of December 1, 2019 (the **"Continuing Disclosure Undertaking"**) in which it will agree to provide certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated material events relating to the Bonds. The financial information, operating data and notice of events will be filed in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission. See the section herein captioned **"CONTINUING DISCLOSURE UNDERTAKING."**

Description of Documents

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

THE BONDS

General

The Bonds are being issued in the aggregate principal amount of $31,075,000. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page hereof, subject to redemption and payment prior to maturity, upon the terms and conditions described under the section herein captioned **"THE BONDS – Redemption Provisions."** Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 in each year, beginning March 1, 2020.

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

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

Book-Entry Only System

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

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

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

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

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

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

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

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

Registration, Transfer and Exchange of Bonds

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

The Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and in the same aggregate or principal amount as the Bond that was presented for transfer or exchange. Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Paying Agent, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Paying Agent, are the responsibility of the Registered Owners of the Bonds. If any Registered Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. The District and the Paying Agent shall not be required to register the transfer or exchange of any Bond (1) that has been called for redemption after notice of such redemption has been mailed by the Paying Agent in accordance with the Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption or (2) during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Resolution.

Redemption Provisions

At the option of the District, the Bonds or portions thereof maturing on March 1, 2028 and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2027 and thereafter as a whole or in part at any time at the Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (as defined herein).

Selection of Bonds to be Redeemed

Bonds shall be redeemed only in the principal amount of $5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as determined by the District, and Bonds of less than a full Stated Maturity shall be selected by the Paying Agent in $5,000 units of principal amount by lot or in such other equitable manner as the Paying Agent may determine.

In the case of a partial redemption of Bonds, when Bonds of denominations greater than $5,000 are then-Outstanding, then for all purposes in connection with such redemption each $5,000 of face value shall be treated as though it were a separate Bond of the denomination of $5,000. If it is determined that one or more, but not all, of the $5,000 units of face value represented by any Bond are selected for redemption, then upon notice of intention to redeem such $5,000 unit or units, the Registered Owner of such Bond or the Registered Owner's duly authorized agent shall present and surrender such Bond to the Paying Agent (1) for payment of the price which such Bonds are to be redeemed (the **"Redemption Price"**) and interest to the date fixed for redemption (the **"Redemption Date"**) of such $5,000 unit or units of face value called for redemption, and (2) for exchange, without charge to the Registered Owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Registered Owner of any such Bond shall fail to present such Bond to the Paying Agent for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the $5,000 unit or units of face value called for redemption (and to that extent only).

Notice of Redemption

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

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

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

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

Effect of Call for Redemption

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

SECURITY FOR THE BONDS

Pledge of Full Faith and Credit. The Bonds will constitute general obligations of the District and will be payable as to principal or Redemption Price of and interest on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

Levy and Collection of Annual Tax. Under the Resolution, there is levied upon all of the taxable tangible property within the District a direct annual tax sufficient to produce the amounts necessary for the payment of the principal or Redemption Price of and interest on the Bonds as the same become due and payable in each year. Such taxes shall be extended upon the tax rolls in each year, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the District are levied and collected. The proceeds derived from said taxes shall be deposited in the Debt Service Fund, shall be kept separate and apart from all other funds of the District, and shall be used solely for the payment of the principal or Redemption Price of and interest on the Bonds as and when the same become due, taking into account scheduled mandatory redemptions, if any, and the fees and expenses of the Paying Agent.

PLAN OF FINANCING

The Refunding

The proceeds of the Bonds will be used for the purpose of (1) paying the interest on the Bonds due on the Crossover Date, (2) redeeming and paying the principal of the Refunded Bonds on the Crossover Date at a redemption price of 100% of the principal amount thereof and (3) paying the costs of issuing the Bonds.

The District will enter into an Escrow Trust Agreement dated as of December 1, 2019 (the **"Escrow Trust Agreement"**), with BOKF, N.A., as escrow agent (the **"Escrow Agent"**). Pursuant to the Escrow Trust Agreement, the District will transfer a portion of the proceeds of the Bonds to the Escrow Agent for deposit in the Escrow Fund (the **"Escrow Fund"**) established under the Escrow Trust Agreement to purchase direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the **"Escrowed Securities"**). The Escrowed Securities will mature in such amounts and at such times as shall be sufficient, together with interest to accrue thereon and any cash deposit to the Escrow Fund, to (1) pay the interest on the Bonds on the Crossover Date and (2) redeem and pay the principal of the Refunded Bonds on the Crossover Date.

The Escrow Trust Agreement provides that the Escrowed Securities are irrevocably pledged to the payment of (1) the interest on the Bonds due on the Crossover Date and (2) the principal of the Refunded Bonds on the Crossover Date, and may be applied only to such payments.

Set forth below is a description of the Series 2010B Refunded Bonds:

Maturity Date (March 1)	Principal Amount	Interest Rate	CUSIP Number	Redemption Date	Redemption Price
2028	$ 3,830,000	4.700%	184270 JN7	March 1, 2020	100%
2029	4,165,000	4.850	184270 JP2	March 1, 2020	100
2030	8,210,000	5.000	184270 JQ0	March 1, 2020	100
Total	$16,205,000				

Set forth below is a description of the Series 2010C Refunded Bonds:

Maturity Date (March 1)	Principal Amount	Interest Rate	CUSIP Number	Redemption Date	Redemption Price
2021	$ 3,575,000	3.900%	184270 JV9	March 1, 2020	100%
2022	3,630,000	4.000	184270 JR8	March 1, 2020	100
2023	1,070,000	4.200	184270 JS6	March 1, 2020	100
2025	3,850,000	4.400	184270 JT4	March 1, 2020	100
2026	3,925,000	4.500	184270 JU1	March 1, 2020	100
2028	220,000	4.700	184270 JW7	March 1, 2020	100
Total	$16,270,000				

Sources and Uses of Funds

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

Sources of Funds:	Total
Par Amount of Bonds	$31,075,000.00
Plus: Original Issue Premium	1,741,861.75
Total	$32,816,861.75
Uses of Funds:	
Deposit to Escrow Fund	$32,566,968.59
Costs of Issuance (including Underwriter's Discount)	249,893.16
Total	$32,816,861.75

RISK FACTORS

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

Ad Valorem Property Taxes

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

Concentration of property ownership in the District would expose the District's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. In calendar year 2018, no single property owner owned more than 2.53% of the total taxable property in the District. See **"PROPERTY TAX INFORMATION – Major Property Taxpayers"** in ***Appendix A*** of this Official Statement.

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

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

Ratings

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

Bankruptcy

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

Pensions and Other Postemployment Benefits

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

State Aid

Approximately 2.98% of the District's revenue for the fiscal year ended June 30, 2019 was derived from moneys provided by the State of Missouri as State Aid. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue"** and **"– State Revenue"** in ***Appendix A*** of this Official Statement. Reductions in State Aid could occur in the future if, for example, Missouri faces fiscal problems similar to those currently affecting the neighboring states of Illinois and Kansas, or the District experiences a decline in enrollment.

Enrollment

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

Amendment of the Resolution

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

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

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

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

Defeasance Risks

When any or all of the principal of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Resolution and the pledge of the District's faith and credit thereunder and all other rights granted thereby will terminate with respect to the principal of the Bonds or scheduled interest payments thereon so paid and discharged. Principal of the Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said principal of the Bonds or the scheduled interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments.

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

Cybersecurity Risks

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

THE DISTRICT

The District is located in the City of Clayton, Missouri, the county seat of St. Louis County, Missouri, and includes a portion of the City of Richmond Heights. The District covers an area of approximately 3.25 square miles. See **"THE DISTRICT"** in ***Appendix A*** for further information regarding the District.

LEGAL MATTERS

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

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

BOND RATING

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

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

TAX MATTERS

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

Opinion of Bond Counsel

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

Federal and State of Missouri Tax Exemption. The interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri.

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

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

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

Other Tax Consequences

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

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

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

Collateral Federal Income Tax Consequences. Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Bonds, including the possible application of state, local, foreign and other tax laws.

CONTINUING DISCLOSURE UNDERTAKING

The District will enter into the Continuing Disclosure Undertaking dated as of December 1, 2019 (the **"Continuing Disclosure Undertaking"**) with respect to the Bonds to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the **"Rule"**). The District is the only "obligated person" with responsibility for continuing disclosure.

Annual Reports

Pursuant to the Continuing Disclosure Undertaking, the District will, not later than 180 days after the end of the District's fiscal year, commencing with the year ending June 30, 2019, provide to the Municipal Securities Rulemaking Board (**"MSRB"**), through EMMA (described below) the following financial information and operating data (the **"Annual Report"**):

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with the accounting principles described in the notes to the financial statements set forth in ***Appendix B*** of this Official Statement. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in this Official Statement and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(2) The information relating to the District and its operations set forth in ***Appendix A*** of this Official Statement, set forth in the tables under the sections captioned: **"THE DISTRICT - History of Enrollment," "PROPERTY TAX INFORMATION - Property Valuations –** ***History of Property Valuations*****," "- Tax Rates," "- Tax Collections"** and **"- Major Property Taxpayers,"** and **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue."**

Notices of Material Events

Pursuant to the Continuing Disclosure Undertaking, the District also is required to give notice to the MSRB no later than 10 business days after the occurrence of any of the following events with respect to the Bonds (**"Material Events"**):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;

(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the District;
(13) 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;
(14) appointment of a successor or additional paying agent or the change of name of the paying agent, if material.
(15) incurrence of a Financial Obligation (as defined herein) 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
(16) 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.

"Financial Obligation" means a (1) debt obligation; (2) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (3) guarantee of (1) or (2) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The District is also required to timely file a notice with the MSRB of any failure of the District to file an Annual Report by the deadline prescribed above.

Dissemination Agent

The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Continuing Disclosure Undertaking, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or report prepared by the District pursuant to the Continuing Disclosure Undertaking.

Amendments to Continuing Disclosure Undertaking

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

Remedies

In the event of a failure of the District to comply with any provision of the Continuing Disclosure Undertaking, the Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under the Continuing Disclosure Undertaking. A default under the Continuing Disclosure Undertaking will not be deemed an event of default under the Resolution, and the sole remedy under the Continuing Disclosure Undertaking in the event of any failure of the District to comply with the Continuing Disclosure Undertaking is an action to compel performance.

Electronic Municipal Market Access System (EMMA)

All Annual Reports and notices of Material Events required to be filed by the District under the Continuing Disclosure Undertaking must be submitted to the MSRB through the MSRB's Electronic Municipal Market Access system (**"EMMA"**). EMMA is an internet-based, online portal for free investor access to municipal bond information, including offering documents, material event notices, real-time municipal securities trade prices and MSRB education resources, available at ***www.emma.msrb.org***. Nothing contained on EMMA relating to the District, the Bonds or the District's outstanding bonds is incorporated by reference into this Official Statement.

Prior Compliance

The District believes it has materially complied with its prior continuing disclosure obligations under the Rule during the past 5 years, however, the District filed the Annual Report for fiscal year ended June 30, 2015 four days late.

ABSENCE OF LITIGATION

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

UNDERWRITING

Raymond James & Associates, Inc., St. Petersburg, Florida (the **"Underwriter"**), has agreed to purchase the Bonds at a price of $32,692,561.75 (which is equal to the aggregate original principal amount of the Bonds, less an underwriting discount of $124,300.00, plus original issue premium of $1,741,861.75). The Underwriter is purchasing the Bonds for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

FINANCIAL ADVISOR

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

CERTAIN RELATIONSHIPS

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

MISCELLANEOUS

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

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

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

SCHOOL DISTRICT OF CLAYTON,
ST. LOUIS COUNTY, MISSOURI

By: /s/ Joe Miller
President of the Board of Education

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX A

INFORMATION REGARDING THE DISTRICT

THIS PAGE INTENTIONALLY

LEFT BLANK

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY

LEFT BLANK

THE DISTRICT

General

The School District of Clayton, St. Louis County, Missouri (the **"District"**) is located in the City of Clayton, Missouri (the **"City"**), the county seat of St. Louis County, Missouri (the **"County"**), and includes a portion of the City of Richmond Heights. The District covers an area of approximately 3.25 square miles.

Board of Education

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

The current members and officers of the Board are:

Name and Title	Year First Elected	Current Term Expires
Joe Miller, President and Member	2016	2022
Amy Rubin, Vice President and Member	2015	2021
Gary Pierson, Secretary and Member	2017	2020
Jason Wilson, Treasurer and Member	2018	2021
Lily Raymond, Member	2014[1]	2020
Kristin Redington, Member	2011	2020
Stacy Siwak, Member	2019	2022

(1) Dr. Raymond previously served on the Board from 2006-2012.

Administration

The Board appoints the Superintendent of Schools who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Dr. Sean Doherty has served as Superintendent of Schools since July 2016 and previously served the District for two years as Assistant Superintendent of Human Resources and four years as principal. Dr. Doherty began his career as a teacher in the Webster Groves School District and has also worked in the Parkway School District as a teacher, assistant principal and principal. He holds a Doctorate of Education in Educational Leadership and a Master of Arts in Elementary Administration.

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

The District has a total of 464 employees, including 17 administrative personnel, 265 teachers and 182 non-certificated employees.

Professional Staff

The average teacher employed by the District has 17.5 years of teaching experience, compared to a statewide average of 12.5 years, and 94.6% of the District's teachers hold advanced degrees compared to a statewide average of 61.8%. For the 2019-2020 school year, the average salary for all teaching staff was $78,724 compared to a statewide average salary for teaching staff of $50,019.

Educational Facilities

The District operates 1 high school, 1 middle school, 3 elementary schools and 1 early childhood education center, as shown below. The aggregate replacement cost of the current physical facilities of the District as most recently determined for insurance purposes is $167,801,962.

Name of School	Grades Served
Clayton High School	9-12
Wydown Middle School	6-8
Ralph M. Captain Elementary	K-5
Glenridge Elementary School	K-5
Meramec Elementary	K-5
Family Center	PK

History of Enrollment

Listed below are the District's Fall enrollment figures[1] for the last five completed school years:

Grade	2014-15	2015-16	2016-17	2017-18	2018-19
K	151	162	178	168	153
1st	173	169	169	198	164
2nd	174	177	183	187	190
3rd	185	180	180	196	192
4th	176	193	198	188	188
5th	203	191	206	210	194
6th	205	216	205	221	219
7th	209	221	229	201	242
8th	197	211	219	235	210
9th	217	211	222	232	226
10th	218	221	210	222	237
11th	226	216	224	206	227
12th	214	222	214	217	210
Total	2,548	2,590	2,637	2,681	2,652

(1) Excludes Pre-K and Special School District of St. Louis County, Missouri enrollment.
Source: Missouri Department of Elementary and Secondary Education.

Education Programs

The District operates schools with grades Pre-K through 12. The District operates under the oversight of the Missouri Department of Elementary and Secondary Education (**"DESE"**). Programs offered by the District are comprehensive with an academic curriculum encompassing several foreign languages, math, science, literature, composition and social studies, with such academic curriculum augmented by regular instruction in art, music, physical education and technology. The District offers numerous special programs such as gifted education, advanced college placement, interscholastic and intramural athletics, adult education, early childhood, parents as teachers, summer programs and a comprehensive special education program.

Other District Statistics

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

	2014-15	**2015-16**	**2016-17**	**2017-18**	**2018-19**
Ave. Daily Attendance (ADA)	2,356.21	2,420.24	2,455.34	2,482.67	2,480.37
Proportional Attendance Rate	93.7%	94.4%	93.3%	92.6%	93.3%
Current Expenditures per ADA	$17,856.75	$18,020.09	$18,392.66	$18,821.98	$19,009.36
Students per Teacher	11	11	11	11	11
Students per Classroom Teacher	12	12	12	12	12

Source: Missouri Department of Elementary and Secondary Education.

School Rating and Accreditation

DESE administers the Missouri School Improvement Program (**"MSIP"**), the state's school accountability system for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, four review cycles have been completed, each cycle lasting from five to six years. The fifth cycle, referred to as MSIP 5, began in the 2012-13 school year.

DESE computes an Annual Performance Report (**"APR"**) for every public school district and charter local education agency and for each school. This overall score is comprised of scores for each of the MSIP 5 performance standards: (1) Academic Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies), (2) Subgroup Achievement (percent proficient or advanced in English language arts, mathematics, science and social studies for students in certain super subgroups (Hispanic, Black, FRL (free/reduced price lunch eligible), IEP (Individualized Education Program for child with disability), ELL (English Language Learners)), (3) High School Readiness (K-8 districts) or College and Career Readiness (K-12 districts) based on certain test scores, (4) Attendance Rate, and (5) Graduation Rate (K-12 districts). Status, progress and growth (where applicable) are used to calculate a comprehensive score used to determine the accreditation level of a school district.

Under MSIP 5, there are four levels of school accreditation: (1) Accredited with Distinction, for districts with equal to or greater than 90% of the points possible on the APR and meeting other criteria yet to be determined by the State Board of Education (a resolution to adopt criteria was considered but withdrawn in September 2014 and no further attempt to adopt criteria has been made making the achievement of the status Accredited with Distinction impossible until criteria have been adopted), (2) Accredited, for districts with scoring equal to or greater than 70% of the points possible on the APR, (3) Provisional, for districts with equal to or greater than 50% but less than 70% of the points possible on the APR, and (4) Unaccredited, for districts scoring less than 50% of the points possible on the APR.

In the District's 2018 APR, the District earned 98.5% of the points possible, placing the District in the "Accredited" category (as stated above, no placement in the Accredited with Distinction Category is currently possible).

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

ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING THE DISTRICT

Population

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

	1990	2000	2010	Latest Available Estimate[1]
District	16,260	17,623	18,618	18,691
City	13,874	12,825	15,939	16,826
County	993,529	1,016,315	998,954	996,945
State	5,117,073	5,595,211	5,988,927	6,126,452

(1) Figure for the District is for 2017 and figures for the City, the County and the State of Missouri are for 2018.
Source: U.S. Bureau of the Census 1990, 2000 and 2010 Censuses, 2013-2017 American Community Survey 5-Year Estimates, and Missouri Census Data Center – MCDC Demographic Profile 3 Trend Report, 1990 – 2000.

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

Age	District	City	County	State
Under 5 years	461	418	58,328	373,141
5-19 years	5,117	4,486	189,067	1,176,263
20-24 years	2,064	1,541	63,527	425,687
25-44 years	4,506	4,007	243,990	1,536,109
45-64 years	3,962	3,491	276,007	1,608,068
65 years and over	2,581	2,271	168,620	956,032
TOTAL	18,691	16,214	999,539	6,075,300
Median age	30.5	31.2	40.3	38.4

Source: United States Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

[Remainder of Page Intentionally Left Blank.]

Commerce, Industry and Employment

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

Name	Product or Service	Employment
Centene Corporation	Health care consulting	2,024
SSM Health Care	Health care	2,000
St. Louis County	County government	1,609
Enterprise Rent-A Car	Car leasing	1,115
Washington University	Education	694
Caleres	Shoe manufacturer	634
Commerce Bank	Bank	550
District	Public education	449
Husch Blackwell	Legal	416
Armstrong Teasdale	Legal	366

Source: Comprehensive Audit Financial Report of the City of Clayton, Missouri for the Fiscal Year ending September 30, 2018 and Comprehensive Audit Financial Report of the City of Richmond Heights, Missouri for the Fiscal Year ending June 30, 2018.

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

	2015	2016	2017	2018	2019[1]
County					
Total Labor Force	533,436	532,450	526,310	525,125	543,690
Unemployed	24,737	22,492	18,113	15,801	17,313
Unemployment Rate	4.6%	4.2%	3.4%	3.0%	3.2%
State					
Total Labor Force	3,075,227	3,080,850	3,061,441	3,052,386	3,106,326
Unemployed	154,466	140,536	115,101	97,578	104,900
Unemployment Rate	5.0%	4.6%	3.8%	3.2%	3.4%
United States					
Total Labor Force	148,834,000	151,436,000	153,337,000	155,761,000	157,816,000
Unemployed	8,296,000	7,751,000	6,982,000	6,314,000	6,203,000
Unemployment Rate	5.3%	4.9%	4.4%	3.9%	3.8%

(1) Figures for the year 2019 are preliminary numbers for the month of August 2019 and not an annualized calculation.
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Income and Home Values

The following table presents per capita income[1] for the County and the State for the years 2013 through 2017, the latest date for which such information is available:

Year	County	State
2017	$67,029	$44,978
2016	64,533	43,587
2015	62,119	42,839
2014	60,512	41,538
2013	57,633	40,152

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

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

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

	Median Household Income
District	$88,403
City	91,531
County	62,931
State	51,542

Source: United States Census Bureau, 2013-2017 American Community Survey 5-year Estimates.

The median value of owner-occupied housing units in the District, the City, the County and the State of Missouri was as follows:

	Number of Owner-Occupied Units	Median Home Value
District	3,625	$572,100
City	3,302	590,800
County	279,767	181,100
State	1,597,325	145,400

Source: United States Census Bureau, 2013-2017 American Community Survey 5-year Estimates.

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District as of November 1, 2019 (unless otherwise noted). This information should be reviewed in conjunction with the information contained in this section and the financial statements of the District in ***Appendix B*** to this Official Statement.

2019 Assessed Valuation[(1)]	$1,322,182,620
2019 Estimated Actual Valuation[(2)]	$5,619,211,707
2017 Estimated Population[(3)]	18,691
Direct General Obligation Debt (**"Direct Debt"**)[(4)]	$67,652,000
Overlapping General Obligation Debt (**"Indirect Debt"**)[(5)]	$16,909,000
Total Direct Debt and Indirect Debt	$84,561,000
Ratio of Direct Debt to Assessed Valuation	5.12%
Ratio of Direct Debt to Estimated Actual Valuation	1.20%
Per Capita Direct Debt	$3,619.50
Ratio of Direct Debt and Indirect Debt to Assessed Valuation	6.40%
Ratio of Direct Debt and Indirect Debt to Estimated Valuation	1.50%
Per Capita Direct Debt and Indirect Debt	$4,524.16

____

(1) Includes real and personal property valuations as provided by the St. Louis County Department of Revenue, including assessed valuations in the amount of $10,057,820 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts (defined herein) located within the District and excludes assessed valuations attributable to state assessed railroad and utility property. For further details, see **"PROPERTY TAX INFORMATION."**

(2) Estimated actual valuation is calculated by dividing different classes of property by the corresponding assessment ratio. For a detail of these different classes and ratios, see **"PROPERTY TAX INFORMATION."**

(3) 2017 is most recent available figure. See **"ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING THE DISTRICT – Population."**

(4) Includes the Bonds and excludes the Refunded Bonds. See **"DEBT STRUCTURE OF THE DISTRICT – General Obligation Indebtedness."**

(5) See **"DEBT STRUCTURE OF THE DISTRICT – Overlapping or Underlying Indebtedness."**

General Obligation Indebtedness

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

Issue Name	Date of Indebtedness	Amount Originally Issued	Amount Outstanding
General Obligation Qualified School Construction Bonds (Tax Credit Bonds), Series 2009A	10/14/2009	$ 9,185,000	$ 9,185,000
Taxable General Obligation Bonds (Build America Bonds – Direct Pay), Series 2009C	11/03/2009	10,720,000	3,195,000
Taxable General Obligation Qualified School Construction Bonds (Direct-Pay Bonds), Series 2010A	09/08/2010	3,987,000	3,987,000
General Obligation Refunding Bonds, Series 2017	12/27/2017	23,465,000	20,210,000
The Bonds	12/05/2019	31,075,000	31,075,000
Total		$78,432,000	$67,652,000

History of General Obligation Indebtedness

The following table shows the outstanding debt of the District for the fiscal years ended June 30, 2014 - 2018.

As of June 30	Total Outstanding Debt[(1)]	Assessed Valuation[(2)]	Debt as % of Assessed Valuation[(3)]
2018	$92,802,000	$1,152,388,120	8.05%
2017	80,927,000	1,036,106,710	7.81
2016	85,107,000	1,037,313,560	8.20
2015	89,122,000	1,002,431,060	8.89
2014	92,842,000	1,000,980,880	9.28

(1) Includes $26,340,000 principal amount of bonds that had been subject to a crossover refunding in December 2017, which was paid on March 1, 2019 and are no longer outstanding, see **"DEBT STRUCTURE OF THE DISTRICT - General Obligation Indebtedness."**

(2) The assessed valuation used is the assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Assessed valuation excludes state assessed railroad and utility property and incremental increase in assessed valuation over the established assessed valuation base within TIF Districts (defined herein) located within the District, see **"PROPERTY TAX INFORMATION – Property Valuations."**

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

Source: Audited Financial Statements of the District for the fiscal years ended June 30, 2014 – 2018.

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

Legal Debt Capacity

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

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2019 assessed valuation)	$198,327,393[(1)]
General Obligation Bonds Outstanding	67,652,000 [(2)]
Legal Debt Margin under Article VI, Sections 26(b)	$130,675,393

(1) Includes real and personal property valuations as provided by the St. Louis County Department of Revenue, including assessed valuations in the amount of $10,057,820 attributable to the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District and excludes assessed valuations attributable to state assessed railroad and utility property. For further details, see **"PROPERTY TAX INFORMATION"**

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

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

Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property (see "**PROPERTY TAX INFORMATION – Property Valuations – *Current Assessed Valuation*"**), the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, the district would exceed its legal debt limit.

General Obligation Bonds Debt Service Requirements

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

Fiscal Year Ended June 30	Outstanding Bonds[1] Principal	Outstanding Bonds[1] Interest	The Bonds Principal	The Bonds Interest[2]	Total
2020	$ 4,935,000	$ 2,101,958		$ 211,954	$ 7,248,912
2021	1,675,000	966,935	$ 5,240,000	887,250	8,769,185
2022	1,612,308	913,577	5,500,000	730,050	8,755,934
2023	4,375,000	852,577	3,145,000	565,050	8,937,627
2024	6,192,692	763,827	225,000	470,700	7,652,219
2025	2,155,000	637,992	3,955,000	463,950	7,211,942
2026	2,530,000	530,242	4,035,000	345,300	7,440,542
2027	6,702,000	403,742	245,000	224,250	7,574,992
2028	3,115,000	256,000	4,230,000	216,900	7,817,900
2029	3,285,000	131,400	4,500,000	90,000	8,006,400
Total	$36,577,000	$ 7,558,249	$31,075,000	$4,205,404	$79,415,653

(1) Includes the interest subsidy payments that the District expects to receive from the U.S. Treasury pursuant to the American Recovery and Reinvestment Act in connection with its outstanding tax-advantaged bonds through maturity, reduced by 5.9% to account for the provisions of the Budget Control Act of 2011 and the austerity measures enacted thereunder (commonly known as "Sequestration"). The amount of future interest subsidy payments the District will receive is unknown at this time.

(2) The interest on the Bonds due on March 1, 2020 will be paid from the Escrow Fund established under the Escrow Trust Agreement. See **"PLAN OF FINANCING – The Refunding"** in the forepart of this Official Statement.

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

Other Long-Term Obligations of the District

In June 2019 the District entered into a lease financing transaction to finance the District's half of the costs associated with improvements to the Center of Clayton. The District shares in the costs for improvements to the Center of Clayton with the City. The District's obligation to make annual lease payments under the lease financing transaction is subject to annual appropriation. The following is a schedule of future payments:

Rental Payment Date	Principal Portion	Interest Portion	Rental Payment	Annual Rental Payment
03/01/2020	$ 320,000.00	$ 83,043.49	$ 403,043.49	$ 403,043.49
09/01/2020		57,720.29	57,720.29	
03/01/2021	480,000.00	56,779.20	536,779.20	594,499.49
09/01/2021		51,881.36	51,881.36	
03/01/2022	490,000.00	51,035.46	541,035.46	592,916.82
09/01/2022		45,920.78	45,920.78	
03/01/2023	500,000.00	45,172.07	545,172.07	591,092.85
09/01/2023		39,838.56	39,838.56	
03/01/2024	515,000.00	39,405.53	554,405.53	594,244.09
09/01/2024		33,573.87	33,573.87	
03/01/2025	525,000.00	33,026.47	558,026.47	591,600.34
09/01/2025		27,187.53	27,187.53	
03/01/2026	540,000.00	26,744.26	566,744.26	593,931.79
09/01/2026		20,618.73	20,618.73	
03/01/2027	550,000.00	20,282.56	570,282.56	590,901.29
09/01/2027		13,928.29	13,928.29	
03/01/2028	565,000.00	13,776.89	578,776.89	592,705.18
09/01/2028		7,055.38	7,055.38	
03/01/2029	580,000.00	6,940.34	586,940.34	593,995.72
Total	$5,065,000.00	$673,931.06	$5,738,931.06	$5,738,931.06

Future Borrowing Plans

The District has planned capital expenditures over the next three to five years. However, the District has not determined whether any borrowing will be necessary to fund such capital expenditures.

Overlapping or Underlying Indebtedness

The following table sets forth the approximate overlapping and underlying general obligation indebtedness of political subdivisions with boundaries overlapping the District[(1)] as of November 1, 2019, unless otherwise noted, and the percent attributable (on the basis of assessed valuation figures) to the District. The table was compiled from publicly available information furnished by the jurisdictions responsible for the debt and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations such as leases, the amounts of which may be unknown to the District at this time and are not included below.

Taxing Body	General Obligation Debt	Approximate Percent Applicable	General Obligation Amount Overlapping
County	$87,375,000	4.80%	$ 4,194,000
City	12,715,000	100.00	12,715,000
City of Richmond Heights	0	43.51	0
Total	$100,090,000		$16,909,000

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

Source: State Auditor of Missouri – Bond Registration Reports; Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (**"EMMA"**); St. Louis County Department of Revenue

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District-wide financial statements are prepared in accordance with generally accepted accounting principles using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund financial statement. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

The major funds of the District are as follows:

Governmental Funds:

- **General (Incidental) Fund**: The General Fund is the primary operating fund of the District. It is used to account for general activities of the District, including expenditures for non-certificated employees, pupil transportation costs, plant operation, fringe benefits, student body activities, community services, food service and any expenditures not required or permitted to be accounted for in other funds.

- **Special Revenue (Teachers') Fund**: The Special Revenue Fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the state and the local tax levy for the payment of teachers' salaries and certain employee benefits.

- **Debt Service Fund**: The Debt Service Fund accounts for the accumulation of resources for the payment of principal, interest and fiscal charges on long-term debt.

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

Proprietary Funds:

- **Enterprise Fund**: The Enterprise Fund is used to account for business-type activities financed primarily by user charges. The measurement of financial activity focuses on net income similar to the private sector.

- **Internal Service Fund**: The internal service fund accounts for the activities of the District's medical self-insurance fund. This includes the collection of premiums from employees and the payment of claims, direct insurance payments, and administrative fees. A liability for estimated claims incurred is recorded in this fund.

The Treasurer of the District is responsible for handling all moneys of the District and administering the above funds. All moneys received by the District from whatever source are credited to the appropriate fund.

Moneys may be disbursed from such funds by the Treasurer only for the purpose for which they were levied, collected or received and only upon checks drawn by the Treasurer pursuant to orders of the Board or upon orders for payment issued by the Treasurer pursuant to orders of the Board.

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

The financial records of the District are audited annually by an independent public accountant according to accounting principles generally accepted in the United States. The most recent annual audit has been performed by Kerber, Eck & Braeckel LLP, Certified Public Accountants, St. Louis, Missouri. The audited financial statements of the District for the fiscal year ended June 30, 2018, together with the independent auditor's report thereon, are included in this Official Statement at ***Appendix B***. A summary of significant accounting policies of the District is contained in the notes accompanying the financial statements in ***Appendix B***. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the District's office.

Sources of Revenue

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

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

[Remainder of Page Intentionally Left Blank.]

For the 2018-2019 fiscal year, the District's sources of revenue were as follows:

Revenue Source	**Amount**	**% of Total**
Local Revenue		
Property Taxes	$42,500,328.02	72.66%
Proposition C Sales Tax	2,277,859.65	3.89
Other	9,424,614.01	16.11
County Revenue		
Railroad & Utility Property Tax	505,169.45	0.86
Fines, Forfeitures & Others	20,655.07	0.04
State Revenue	1,742,803.66	2.98
Federal Revenue	1,575,537.19	2.69
Other Revenue	448,667.28	0.77
Total	$58,495,634.33	100.00%

Source: District's Annual Secretary of the Board Report for fiscal year ended June 30, 2019.

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

Fiscal Year Ended June 30	**Local Revenue**	**County Revenue**	**State Revenue**	**Federal Revenue**	**Other Revenue**	**Total Revenue**
2019	$54,202,801.68	$525,824.52	$1,742,803.66	$1,575,537.19	$448,667.28	$58,495,634.33
2018	58,169,724.83	559,301.57	1,729,438.44	1,622,546.47	4,677,266.81[(1)]	66,758,278.12[(1)]
2017	51,798,388.87	536,785.22	1,741,019.91	1,684,452.83	869,235.45	56,629,882.28
2016	50,717,926.39	549,600.64	1,689,504.02	1,638,654.76	952,662.68	55,548,348.49
2015	53,531,448.91	541,933.71	1,621,831.58	1,774,657.87	841,059.16	58,310,931.23

(1) Excludes proceeds from sale of General Obligation Refunding Bonds, Series 2017 and includes sale of surplus real property.

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2015 - 2019.

Local Revenue

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

Proposition C revenues are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district based on the district's weighted average daily attendance (see **"*Weighted ADA*"** under **"Missouri School Finance Laws"** below). For the 2018-2019 fiscal year, each school district received approximately $1,007 per pupil from Proposition C revenues based upon each district's 2017-2018 Weighted ADA. For the 2019-2020 fiscal year, each school district is expected to receive approximately $1,036 per pupil from Proposition C revenues based upon each district's 2018-2019 Weighted ADA; however, this is a preliminary estimate and subject to change.

County Revenue

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

State Revenue

The primary source of state revenue or "State Aid" is provided under a formula enacted under Chapter 163, RSMo. In its 2005 regular session, the Missouri General Assembly approved significant changes to the formula by adoption of Senate Bill 287 (**"SB 287"**), which became effective July 1, 2006. The changes to State Aid distribution laws are more fully described below under **"Missouri School Finance Laws."**

Federal Revenue

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

The federal "No Child Left Behind" law required that every public school student score at a "proficient" level or higher in math and reading by 2014. Each state established its own proficiency levels. Federal sanctions for school districts that failed to meet established proficiency standards included allowing parents and students in underperforming schools within a district to request a transfer to a school within the district that met proficiency standards. In addition, schools that continued to fail to meet proficiency standards were required to make additional changes in staffing, curriculum and management. Federal sanctions applied only to public schools that received Title I federal money.

In July of 2012, the State earned a waiver from the No Child Left Behind law when the United States Department of Education (the **"DOE"**) approved the State's proposed accountability system aimed at replacing the existing accountability measures of the No Child Left Behind law. This waiver expired August 1, 2016. The State's proposed system, Top 10 by 20, outlines a plan for the State to be in the top 10 states by 2020, with a focus on students becoming college and career ready by graduation.

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

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

Missouri School Finance Laws

State Aid. The amount of State Aid for school districts in Missouri has typically been calculated using a complex formula. The impact of SB 287 was to transition the state away from a local-tax-rate-based formula to a formula that is primarily student-needs-based. The formula was phased in over a seven-year period, which began in the 2006-07 fiscal year and ended with the 2012-13 school year. Since the 2013-2014 school year, State Aid has been calculated solely using the student-needs-based formula.

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

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

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced price lunch (**"FRL"**), receive special education services **("IEP"**), or possess limited English language proficiency (**"LEP"**). These FRL, IEP and LEP students are weighted to the extent they exceed certain thresholds (based on the percentage of students in each of the categories in certain high performing districts (**"Performance Districts"**), which thresholds can change every two years. For fiscal years 2017 and 2018, DESE revised the thresholds downward as required under Senate Bill 586, which modified the definition of State Adequacy Target to require that a future recalculation of the State Adequacy Target never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018. For fiscal years 2019 and 2020, DESE revised the thresholds downward for FRL and IEP and upward for LEP. Beginning with the 2018-2019 fiscal year, certain school districts who operate early childhood education programs, such as the District, will also be able to claim a portion of their pre-kindergarten FRL students in their calculation of ADA; however, the portion of pre-kindergarten FRL students included in the calculation of ADA cannot exceed 4% of the total number of FRL students between the ages of 5 and 18 who are included in the school district's calculation of ADA. The District's State Aid revenues would be adversely affected by decreases in its Weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP and LEP students.

State Adequacy Target. The State Aid formula requires DESE to calculate a "State Adequacy Target," which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE's calculation of the State Adequacy Target is based upon amounts spent, excluding federal and state transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated subsequent to fiscal year 2018. For the fiscal year ended June 30, 2019, the State Adequacy Target was $6,308 per pupil. For the current fiscal year ending June 30, 2020, the State Adequacy Target is expected to be $6,375 per pupil; however, this is preliminary and subject to change.

***Dollar Value Modifier*.** The DVM is an index of the relative purchasing power of a dollar in different areas of the state. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for 2017-2018 and 2018-2019 were 1.094 and 1.095, respectively. The DVM for the District for 2019-2020 is 1.092. The DVM for the District for 2020-2021 will be 1.0890.

Local Effort. For the 2006-07 fiscal year, the Local Effort figure utilized in a district's State Aid calculation was the amount of locally generated revenue that the district would have received in the 2004-05 fiscal year if its operating levy was set at $3.43. The $3.43 amount is called the "performance levy." For all years subsequent to the 2006-07 fiscal year, a district's Local Effort amount has been frozen at the 2006-07 amount, except for adjustments due to increased locally collected fines or decreased assessed valuation in the district. Growth in assessed valuation and operating levy increases will result in additional local revenue to the district, without affecting State Aid payments.

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts.

These include (1) 75% of allowable transportation costs, (2) the career ladder entitlement, (3) the vocational education entitlement and (4) educational and screening program entitlements.

Classroom Trust Fund (Gambling Revenue) Distribution. A portion of the State Aid received under the formula will be in the form of a distribution from the "Classroom Trust Fund," a fund in the state treasury containing a portion of the state's gambling revenues. This money is distributed to school districts on the basis of ADA (versus *Weighted* ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district except that, beginning with the 2010-2011 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-2010 fiscal year must be placed in the Teachers' or Incidental Fund. For the 2018-2019 fiscal year, each school district received approximately $413 per pupil based on its 2017-2018 ADA. For the 2019-2020 fiscal year, according to budget estimates provided by DESE in June 2019, each school district is expected to receive approximately $412 per pupil based on its 2018-2019 ADA; however, this is a preliminary estimate and subject to change. Classroom Trust Fund dollars do not increase the amount of State Aid.

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

In addition to these mandatory deposits, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses (1) and (2) of the preceding paragraph. Since the 2007-08 fiscal year, school districts are further required to spend for certificated staff compensation and tuition expenditures each year, per the second preceding year's Weighted ADA, as much as was spent in the previous year from local and county tax revenues deposited in the Teachers' Fund, plus the amount of any transfers from the Incidental Fund to the Teachers' Fund that are calculated to be local and county tax sources. This amount is to be determined by dividing local and county tax sources in the Incidental Fund by total revenue in the Incidental Fund. Commencing with the 2006-07 fiscal year, the formula provides that certificated staff compensation now includes the costs of public school retirement and Medicare for those staff members. These items were previously paid from the Incidental Fund.

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

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

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

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

Incidental Funds to an amount below $2.75. The District's current Capital Projects Fund levy is $0.1000 per $100 of assessed valuation.

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the state board of education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for state-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) $162,326 or (b) seven percent (7%) of the State Adequacy Target (see ***"State Adequacy Target"*** above) times the district's Weighted ADA. The District made no transfer from the Incidental Fund to the Capital Projects Fund under this provision during the 2018-2019 fiscal year.

Transfers from the Incidental Fund to the Debt Service Fund and/or Capital Projects Fund. If a school district is not using the seven percent (7%) or the $162,326 transfer discussed in parts (5)(a) and (5)(b) of the prior paragraph and is not making payments on lease purchases pursuant to Section 177.088, RSMo, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of (1) the State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund, or (2) Five percent (5%) of the State Adequacy Target (see ***"State Adequacy Target"*** above) times the district's Weighted ADA. The District made no transfer from the Incidental Fund to the Debt Service Fund or the Capital Projects Fund under this provision during the 2018-2019 fiscal year.

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's audited financial statements for fiscal years ended June 30, 2015 – 2018. The statement set forth below should be read in conjunction with the other financial statements and notes set forth in ***Appendix B*** of this Official Statement and the financial statements on file at the District's office.

[Remainder of Page Intentionally Left Blank.]

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

	2015	**2016**	**2017**	**2018**
General (Incidental) Fund:				
Beginning Balance	$ 6,710,377	$ 8,187,380	$ 9,392,528	$ 7,270,888
Revenues	18,240,992	18,106,016	15,351,463	16,543,041
Expenditures	(17,119,041)	(17,213,021)	(17,755,812)	(18,717,562)
Transfers To (From)[1]	355,052	312,153	282,704	268,863
Ending Balance	$ 8,187,380	$ 9,392,528	$ 7,270,883	$ 5,365,230
Special Revenue (Teachers') Fund:				
Beginning Balance	$12,970,683	$13,049,066	$10,913,482	$10,037,407
Revenues	28,795,338	28,092,136	30,392,695	32,148,777
Expenditures	(28,557,661)	(30,082,718)	(31,142,338)	(31,604,083)
Transfers To (From) [1]	(159,294)	(145,002)	(126,431)	(145,321)
Ending Balance	$13,049,066	$10,913,482	$10,037,408	$10,436,780
Debt Service Fund:				
Beginning Balance	$ 4,761,830	$ 4,638,641	$ 4,446,111	$ 4,218,965
Revenues	7,321,800	7,440,379	7,454,360	8,367,790
Expenditures	(7,444,989)	(7,632,909)	(7,681,505)	(7,905,582)
Transfers To (From)[1]	0	0	0	19,786,928[2]
Ending Balance	$ 4,638,641	$ 4,446,111	$ 4,218,966	$24,468,101
Capital Projects (Building) Fund:				
Beginning Balance	$ 1,520,977	$ 759,674	$ 1,374,438	$ 1,590,607
Revenues	1,882,590	1,899,636	2,274,368	1,366,405
Expenditures	(2,630,153)	(1,261,913)	(2,037,347)	(1,622,483)
Transfers To (From) [1]	(13,740)	(22,959)	(20,852)	4,128,713[2]
Ending Balance	$ 759,674	$ 1,374,438	$ 1,590,607	$ 5,463,242
Total Funds:				
Beginning Balance	$25,963,867	$26,634,761	$26,126,559	$23,117,867
Revenues	56,240,720	55,538,167	55,472,886	58,426,013
Expenditures	(55,751,844)	(56,190,561)	(58,617,002)	(59,849,710)
Transfers To (From) [1]	182,018	144,192	135,421	24,039,183[2]
Ending Balance	$26,634,761	$26,126,559	$23,117,864	$45,733,353

(1) Includes transfers between funds listed in this table and transfers from the enterprise funds described in the District's audited financial statements.

(2) Includes other financing sources and uses as described in the District's audited financial statements, including the sale of surplus real estate and sale of General Obligation Refunding Bonds, Series 2017.

Source: Audited Financial Statements of the District for the fiscal years ended June 30, 2015 – 2018.

Risk Management

General. The District is exposed to various risks of loss from, among things, tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains several insurance policies providing coverage that includes casualties to the District's facilities and general liability insurance, which policies are subject to certain deductible clauses. The District also maintains a fully-insured medical health care plan covering substantially all of its employees. There has been no significant reduction in insurance coverage from the previous year.

MUSIC. The District is a member of the Missouri United School Insurance Council (**"MUSIC"**), a protected, self-insurance program of approximately 467 Missouri public school districts and junior college districts. The District does not pay premiums to purchase insurance policies, but it does pay an annual assessment to be a member of MUSIC. Part of the annual assessment is used to purchase excess insurance for the group as a whole. For additional information specific to the District's participation in MUSIC, see Note L to the District's financial statements included in ***Appendix B*** to this Official Statement.

Self-Funded Insurance. Starting January 1, 2018, the District began utilizing an internal service fund to account for the risks associated with the employees' health insurance plan. Liabilities of the fund are recorded when it is probably that a loss has occurred and the amount of the loss can be reasonably estimated. The District incurred claims of $1,721,368 of which $1,424,816 was paid and $296,552 was unpaid. The District purchases reinsurance to limit exposure to catastrophic claims. Specific stop loss limit insurance is purchase which limits the District's calendar year exposure to $125,000 per member and aggregate stop loss limit insurance is also purchased which limits the District's calendar year exposure to $4,267,752 for all claims. For additional information specific to this program, see Note L to the District's financial statements included in ***Appendix B*** to this Official Statement.

Pension and Employee Retirement Plans

General. The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (1) The Public School Retirement System of Missouri (**"PSRS"**), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (2) The Public Education Employee Retirement System of Missouri (**"PEERS"**), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169, RSMo. The statutes assign responsibility for the administration of both plans to a seven-member Board of Trustees of PSRS (the **"PSRS Board"**). PSRS and PEERS had 533 and 530 contributing employers, respectively, during the fiscal year ended June 30, 2018.

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018 (the **"2018 PSRS/PEERS CAFR"**), the comprehensive financial report for the plans, is available at www.psrs-peers.org/Investments/Annual-Report. The link to the 2018 PSRS/PEERS CAFR is provided for general background information only, and the information in the 2018 PSRS/PEERS CAFR is not incorporated by reference herein. The 2018 PSRS/PEERS CAFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies and certain statistical information about the plans.

PSRS and PEERS Contributions. Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2018, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2018, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee's covered salary. The contribution requirements of members and the

District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

PSRS and PEERS Funded Status. PSRS and PEERS reported funded ratios of 84.0% and 86.1%, respectively, as of June 30, 2018, according to the 2018 PSRS/PEERS CAFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan's actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2016. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2018 PSRS/PEERS CAFR. The funding objective of each plan, as stated in each plan's Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

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

Schedule of Employer Contributions

	PSRS			PEERS		
Year Ended June 30,	**Actuarially Determined Contribution**	**Actual Employer Contributions**	**Contribution Excess/ (Deficiency)(1)**	**Actuarially Determined Contribution**	**Actual Employer Contributions**	**Contribution Excess/ (Deficiency)(1)**
2018	$533,062,186	$696,970,397	$163,908,211	$ 97,653,104	$115,103,143	$17,450,039
2017	642,821,624	684,857,718	42,036,094	108,807,233	111,239,585	2,432,352
2016	643,155,536	669,953,683	26,798,147	104,011,593	106,654,638	2,643,045
2015	666,438,984	656,924,899	(9,514,085)	105,739,092	103,624,310	(2,114,782)
2014	608,459,393	643,989,869	35,530,476	98,497,846	100,699,735	2,201,889

(1) The annual statutory increase in the total contribution rate may not exceed 1.0% of pay for PSRS and 0.5% of pay for PEERS. The limitation on contribution increases resulted in a deficiency for some of the years presented. Contributions were funded to the maximum statutory limit each year.

Source: "Schedules of Employer Contributions" in the Financial Section of the 2018 PSRS/PEERS CAFR.

Schedule of Funding Progress
(Dollar amounts in thousands)

	PSRS			PEERS		
Year Ended June 30,	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**
2018	$39,211,452	$46,702,002	84.0%	$4,774,781	$5,542,478	86.1%
2017	37,373,740	44,501,771	84.0	4,470,270	5,209,369	85.8
2016	35,419,278	41,744,619	84.8	4,157,427	4,809,666	86.4
2015	34,073,415	40,610,540	83.9	3,915,199	4,512,317	86.8
2014	31,846,599	38,483,184	82.8	3,584,719	4,211,489	85.1

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2018 PSRS/PEERS CAFR.

For information specific to the District's participation in PSRS and PEERS, including the District's past contributions and proportionate share of the net pension liability of PSRS and PEERS, see Note G to the District's financial statements included in ***Appendix B*** to this Official Statement. For additional information regarding PSRS and PEERS, see the 2018 PSRS/PEERS CAFR.

Other Postemployment Benefits

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

PROPERTY TAX INFORMATION

Property Valuations

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

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

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

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

[Remainder of Page Intentionally Left Blank.]

Current Assessed Valuation. The following table shows the total assessed valuation[1] and the estimated actual valuation by category, of all taxable tangible property situated in the District according to the assessment as of January 1, 2019 as adjusted and certified through September 15, 2019.

Category	**Assessed Valuation**	**Assessment Rate**	**Estimated Actual Valuation**
Real estate:			
Residential	$ 701,375,980	19%	$3,691,452,526
Commercial	522,711,730	32%	1,633,474,156
Agricultural	0	12%	0
Sub-Total	$1,224,087,710		$5,324,926,683
Personal property[2]	98,094,910	33-1/3%	294,285,024
Total	$1,322,182,620		$5,619,211,707

(1) Includes locally assessed railroad and utility amounts within Commercial Real Estate and Personal Property categories and assessed valuation attributable to TIF Districts located within the District. Excludes state assessed railroad and utility property.

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

Source: St. Louis County Department of Revenue.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District, according to the assessments as of January 1, as adjusted through December 31, in the calendar years shown below, has been as follows:

Calendar Year	**Assessed Valuation**[1]	**% Change**
2018	$1,136,240,380	-1.40%
2017	1,152,388,120	+11.22
2016	1,036,106,710	-0.12
2015	1,037,313,560	+3.48
2014	1,002,431,060	N/A

(1) Excludes assessed valuation attributable to TIF districts located within the District. See explanation below under the caption **"Tax Abatement and Tax Increment Financing."**

Source: District's Annual Secretary of the Board Reports for fiscal years ended June 30, 2014 – 2018.

Property Tax Levies and Collections

Generally. Property taxes are levied and collected for the District by St. Louis County, for which the County receives a collection fee of 1.6% of the gross tax collections made.

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

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

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

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

Tax Abatement and Tax Increment Financing

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

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

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

According to the St. Louis County Assessor's office, the TIF Increment attributable to property within the District is $10,057,820 for the 2019 tax year. See "**PROPERTY TAX INFORMATION – Property Valuations – *Current Assessed Valuation*"** and **"– Property Valuations – *History of Property Valuations*."**

Tax Rates

Debt Service Levy. The District's debt service levy for the 2019-2020 fiscal year is $0.6230 per $100 of assessed valuation. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

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

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

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

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

Under the provisions of an initiative petition adopted by the voters of Missouri on November 2, 1982, commonly known as **"Proposition C,"** revenues generated by a 1% state sales tax are credited to a special trust fund for school districts and are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district within the state on the basis of eligible pupils.

Under Proposition C, after determining its budget and the levy rate needed to produce required revenues to fund the budget, a school district must reduce the operating levy by an amount sufficient to decrease the revenues it would have received therefrom by an amount equal to 50% of the revenues received through Proposition C during the prior year. School districts may submit propositions to voters to forgo all or a part of the reduction in the operating levy that would otherwise be required under terms of Proposition C. The District's voters approved a proposition to forgo all of the reduction in the operating levy which would otherwise be required under the terms of Proposition C which allows the District to levy up to its tax rate ceiling.

For fiscal year 2019-2020, the District's operating levy (all funds except the debt service fund levy) is $3.8762 per $100 of assessed valuation.

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

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

Fiscal Year Ended June 30	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Debt Service Fund	Total Levy
2019	$1.0555	$2.0770	$0.1100	$0.6230	$3.8655
2018	0.9350	2.2278	0.1050	0.6230	3.8908
2017	0.9291	2.3057	0.2065	0.6230	4.0643
2016	1.2242	2.1186	0.1800	0.6230	4.1458
2015	1.2795	2.2233	0.1800	0.6230	4.3058

Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2015 - 2019

The District has set its adjusted tax levy (per $100 of assessed valuation) for fiscal year ending June 30, 2020 as follows: $1.2732 for the General (Incidental) Fund; $2.5030 for the Special Revenue (Teachers') Fund; $0.1000 for the Capital Project (Building) Fund; and $0.6230 for the Debt Service Fund, resulting in a total levy of $4.4992. For a discussion on the timing of setting and collecting the tax levy see the caption **"PROPERTY TAX INFORMATION – Property Tax Levies and Collections"** above.

[Remainder of Page Intentionally Left Blank.]

Tax Collections

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

Fiscal Year Ended June 30	Total Levy (per $100 of Assessed Value)	Assessed Valuation[1]	Total Taxes Levied[2]	Current Taxes Collected		Current and Delinquent[3] Taxes Collected	
				Amount	%	Amount	%
2019	$3.8655	$1,136,240,380	$43,921,372	$43,046,572	98.01%	$42,500,328	96.76%
2018	3.8908	1,152,388,120	44,837,117	43,801,052	97.69	43,078,099	96.08
2017	4.0643	1,036,106,710	42,110,485	41,028,612	97.43	40,202,268	95.47
2016	4.1458	1,037,313,560	43,004,946	42,039,622	97.76	39,737,984	92.40
2015	4.3058	1,002,431,060	43,162,677	42,195,648	97.76	42,465,881	98.39

(1) Excludes assessed valuation attributable to TIF Districts located within the District. See the explanation under the caption **"Tax Abatement and Tax Increment Financing."**

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

(3) Due to State Tax Commission settlements of previous years' protested assessed valuations, the County refunded any overpayment of taxes to the property owners whose assessed valuations were reduced. Subsequently, the District refunded its share to the County. For all fiscal years except 2016, the amounts refunded were greater than the delinquent amounts received.

Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2015 - 2019.

Major Property Taxpayers

The ten largest property taxpayers in the District according to their 2018 assessed valuations (the latest figures available) are listed below:

Taxpayer	Assessed Valuation	% of District's 2018 Total Assessed Valuation
1. St. Louis Galleria LLC	$ 29,156,600	2.53%
2. KBSII Pierre Laclede Center LLC	25,185,160	2.19
3. Clayton Franklin Clayton Plaza LLC	20,177,470	1.75
4. Clayton Corporate Park Management Co.	19,002,980	1.65
5. KBSIII 101 South Hanley LLC	18,493,600	1.60
6. Clayton St. Louis Property LLC	17,536,000	1.52
7. Chapter 100 City of Clayton	16,049,240	1.39
8. Clayton Central Owner LLC	13,677,050	1.19
9. 8182 Maryland Associates	12,678,850	1.10
10. MEPT Shaw Park Plaza LLC PTA – K#145	12,402,180	1.08
Total	$184,359,130	16.00%

Source: St. Louis County Department of Revenue.

* * *

APPENDIX B

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

THIS PAGE INTENTIONALLY

LEFT BLANK

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

SCHOOL DISTRICT OF CLAYTON

June 30, 2018

SCHOOL DISTRICT OF CLAYTON

TABLE OF CONTENTS

SCHOOL DISTRICT OF CLAYTON

TABLE OF CONTENTS

Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102
ph. 314.231.6232
fax 314.880.9307

www.kebcpa.com

Independent Auditors' Report

Board of Education
School District of Clayton

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Clayton, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Clayton, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note M to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other than Pension Plans" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Clayton's basic financial statements. The other annual financial information and operating data and supplemental budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The annual financial information and operating data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Clayton'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 of Clayton's internal control over financial reporting and compliance.

Kerber, Eck & Braeckel LLP.

St. Louis, Missouri
December 7, 2018

The Management's Discussion and Analysis (MD&A) of the School District of Clayton's (District) financial performance provides a narrative overview of the District's financial activities for the fiscal year ended June 30, 2018. The MD&A should not be taken as a replacement for the financial statements and other supplemental information but should be read in conjunction with them to enhance the reader's understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2018 are as follows:

- The total assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the end of the 2018 fiscal year by $16.9 million (net position).

- Net position increased approximately $4.1 million or 31.7% from the prior year.

- General revenues totaled $54.0 million or 86.7% of all revenues. Program revenues in the form of charges for services and operating grants and contributions accounted for $8.3 million or 13.3% of all revenues.

- Total expenses for the year were $62.0 million of which $53.8 million were funded by general revenues.

- The General Fund had $16.5 million in revenues and $18.7 million in expenditures. The General Fund's balance decreased $1.9 million after transfers.

- The Special Revenue Fund had $32.1 million in revenues and $31.6 million in expenditures. The Special Revenue Fund's balance increased $399 thousand after transfers.

- The Debt Service Fund had $8.4 million in revenues, $26.8 million in proceeds from the sale of refunding bonds and $15.0 million in expenditures. The Debt Service Fund's balance increased $20.3 million primarily due to restricted cash held in escrow from cross over refunding activity.

- The Capital Projects Fund had $1.4 million in revenues, $4.1 million in proceeds from the sale of property and $1.6 million in expenditures. The Capital Projects Fund's balance increased $3.9 million after transfers primarily due to proceeds received from the sale of the former Maryland School.

Using this Annual Report

The District's annual report consists of a series of financial statements that show information about the District as a whole, including its significant funds. The Statement of Net Position and the Statement of Activities (pages 21 and 22) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund statements may also provide insight into the District's overall financial health. Fund financial statements report the District's operations in more detail than the government-wide financial statements by providing information about the District's most significant funds. The notes to the basic financial statements provide further explanation of some of the information in the statements and provide additional disclosures and more detailed data. This will allow statement readers to have a more complete description and understanding of the District's financial activities and position.

The District prepares its annual budget on the cash basis of accounting, meaning that revenues are recognized when the District receives the money and the expenditures are recognized when checks are issued. To meet Governmental Accounting Standards Board (GASB) Statement No. 34, the District's annual report uses both the modified accrual and accrual methods of accounting. Because of this difference, budget schedules will differ from the Basic Financial Statements.

The District's auditor has provided assurance in the independent auditors' report, located immediately preceding this MD&A, that the Basic Financial Statements are presented fairly. Varying degrees of assurance are provided by the auditor regarding supplemental information. A user of this report should read the independent auditors' report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The analysis of the District as a whole begins on page 21. This analysis provides answers to whether the District is financially stronger or weaker as a result of the year's activities. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Reporting the District as a Whole – Continued

These two statements report the District's net position – the difference between assets and deferred outflows compared to liabilities and deferred inflows, as reported in the Statement of Net Position. It is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position – as reported in the Statement of Activities – is one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's mission is to provide services to students, not to generate profits as commercial entities strive to do each year. Non-financial factors, such as the quality of the education provided, safety of the schools, facility conditions, the District's property tax base and current state laws restricting revenue growth must also be considered to assess the overall health of the District.

The Statement of Net Position and the Statement of Activities report the following activity for the District's programs and services:

Governmental Activities – Most of the District's services, which includes instruction, support and plant services, are reported here. Property taxes, voluntary student transfer aid, state foundation and categorical grants, and state and federal grants finance most of these activities.

Business-type Activities – The District's business-type activities include services provided to constituents of the District where all or most of the costs involved are recovered through services charged to the users of such services or from transfers from other funds.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 23. Fund financial statements provide detailed information about the District's major funds, not the District as a whole. The District utilizes several funds to account for a wide range of financial transactions. However, the fund financial statements focus on the District's most significant funds, which are the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Fund. The District's funds use the following accounting approach:

Reporting the District's Most Significant Funds - Continued

Governmental Funds - Most of the District's services are reported in governmental funds which focus how money flows into and out of the funds and balances remaining at year-end available for spending for future years. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled on pages 24 and 26.

Proprietary Funds – Proprietary funds account for activities that involve business-like interactions using the accrual basis of accounting. The District has two types of proprietary funds which are the enterprise fund and the internal service fund. The enterprise fund is used to account for any activity for which external users are charged a fee for goods and services. The internal service fund is used to account for activities that benefit government activities. No reconciling items exist between the governmental-wide statements and the proprietary funds statements.

The District as a Whole

The District's net position was $16.9 million at June 30, 2018. Of this amount, $28.4 million was investment in capital assets and $16.8 million was restricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those assets for day-to-day operations. The unrestricted net position shows a negative balance of $28.3 million after the District recognized the proportionate share of the total net pension liability of the Missouri retirement program for public school districts (PSRS/PEERS) in accordance with GASB Statement No. 68, as amended by GASB Statement No.71 and the postemployment benefits other than pensions liability in accordance with GASB Statement No. 75. Note G contains additional information on GASB Statement No. 68 and Note I contains additional information on GASB Statement No. 75. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's activities.

The District as a Whole – Continued

Table 1
Condensed Statements of Net Position
June 30,

	2018			2017 (restated)		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Current and other assets	$ 92,117,800	$ 21,120	$ 92,138,920	$ 67,929,452	$ 31,935	$ 67,961,387
Capital assets	104,969,530	52,166	105,021,696	107,315,927	302,133	107,618,060
Total assets	**197,087,330**	**73,286**	**197,160,616**	**175,245,379**	**334,068**	**175,579,447**
Deferred pension contributions	**15,923,346**	**-**	**15,923,346**	**18,320,098**	**-**	**18,320,098**
Current and other liabilities	50,889,519	21,120	50,910,639	47,148,499	31,935	47,180,434
Noncurrent liabilities	98,264,968	-	98,264,968	86,943,938	-	86,943,938
Total liabilities	**149,154,487**	**21,120**	**149,175,607**	**134,092,437**	**31,935**	**134,124,372**
Deferred property taxes	43,813,877	-	43,813,877	43,053,047	-	43,053,047
Pension and OPEB deferrals	3,226,530	-	3,226,530	3,912,192	-	3,912,192
Total deferred inflows	**47,040,407**	**-**	**47,040,407**	**46,965,239**	**-**	**46,965,239**
Net position						
Net investment in capital assets	28,367,834	52,166	28,420,000	26,035,990	302,133	26,338,123
Restricted	16,767,150	-	16,767,150	6,065,134	-	6,065,134
Unrestricted	(28,319,202)	-	(28,319,202)	(19,593,323)	-	(19,593,323)
Total net position	**$ 16,815,782**	**$ 52,166**	**$ 16,867,948**	**$ 12,507,801**	**$ 302,133**	**$ 12,809,934**

The ($28.3) million in unrestricted net position represents the accumulated results of all past years' operations for unrestricted activities. Total net position increased $4.1 million.

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 22. This information is summarized in Table 2 on the following page.

The District as a Whole – Continued

Table 2
Changes in Net Position from Operating Results
Year Ended June 30,

	2018			2017 (restated)		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Revenues						
Program revenues						
Charges for services	$ 6,296,253	$ 1,016,281	$ 7,312,534	$ 3,861,771	$ 1,058,823	$ 4,920,594
Operating grants and contributions	979,787	-	979,787	1,175,648	-	1,175,648
General revenues						
Property taxes	43,418,624	-	43,418,624	38,878,540	-	38,878,540
Federal and State aid	2,307,828	-	2,307,828	2,310,479	-	2,310,479
Voluntary student transfer aid	1,710,403	-	1,710,403	1,868,892	-	1,868,892
Other	6,517,733	-	6,517,733	6,351,353	-	6,351,353
Total revenues	**61,230,628**	**1,016,281**	**62,246,909**	**54,446,683**	**1,058,823**	**55,505,506**
Expenses						
Instruction	30,802,007	-	30,802,007	30,426,773	-	30,426,773
Student services	2,687,603	-	2,687,603	2,445,543	-	2,445,543
Support services	1,821,975	-	1,821,975	1,809,876	-	1,809,876
Building administration	2,632,606	-	2,632,606	2,646,617	-	2,646,617
Executive administration	1,355,902	-	1,355,902	1,382,338	-	1,382,338
Business services	769,976	-	769,976	742,703	-	742,703
Central office support services	3,789,050	-	3,789,050	1,560,626	-	1,560,626
Operation of plant	11,106,815	-	11,106,815	11,247,037	-	11,247,037
Security services	216,142	-	216,142	232,091	-	232,091
Nonallowable transportation	169,388	-	169,388	179,028	-	179,028
Food services	1,078,230	-	1,078,230	1,045,005	-	1,045,005
Adult/community programs	818,183	-	818,183	827,649	-	827,649
Interest and other charges	3,857,254	-	3,857,254	3,459,789	-	3,459,789
Local district services	-	903,463	903,463	-	914,096	914,096
Total expenses	**61,105,131**	**903,463**	**62,008,594**	**58,005,075**	**914,096**	**58,919,171**
Excess (deficiency) before other income and transfers	**125,497**	**112,818**	**238,315**	**(3,558,392)**	**144,727**	**(3,413,665)**
Other income						
Gain on sale of capital assets	-	3,819,699	3,819,699	-	-	-
Transfers	4,182,484	(4,182,484)	-	135,421	(135,421)	-
Total other income	**4,182,484**	**(362,785)**	**3,819,699**	**135,421**	**(135,421)**	**-**
Change in net position	**4,307,981**	**(249,967)**	**4,058,014**	**(3,422,971)**	**9,306**	**(3,413,665)**
Cumulative effect of change in accounting principle	-	-	-	(4,161,805)	-	(4,161,805)
Beginning net position	12,507,801	302,133	12,809,934	20,092,577	292,827	20,385,404
Ending net position	$ 16,815,782	$ 52,166	$ 16,867,948	$ 12,507,801	$ 302,133	$ 12,809,934

Governmental and Business-Type Activities

As reported in the Statement of Activities, the cost of all governmental and business-type activities totaled $62.0 million in fiscal year 2018. However, the District's local taxpayers ultimately funded $43.4 million or 70.0% of these costs because some of the costs were paid by those who benefited from the programs ($7.3 million), by other governments and organizations who subsidized certain programs ($2.7 million), and by miscellaneous sources ($8.8 million).

Table 3 shows the cost of each of the District's largest functions, as well as each function's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of the functions. Providing this information allows citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Net Cost of Governmental Activities
Year ended June 30,

	2018		2017	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Governmental activities				
Instruction	$ 30,802,007	$ 28,249,032	$ 30,426,773	$ 27,273,349
Student services	2,687,603	2,687,603	2,445,543	2,445,543
Support services	1,821,975	1,707,752	1,809,876	1,713,229
Administration	4,758,484	4,758,484	4,771,658	4,771,658
Operation of plant	11,322,957	11,322,957	11,479,128	11,479,128
Other	5,854,851	1,246,009	3,612,308	1,824,960
Interest and other charges	3,857,254	3,857,254	3,459,789	3,459,789
	61,105,131	53,829,091	58,005,075	52,967,656
Business-type activities				
Local district services	903,463	(112,818)	914,096	(144,727)
Total	**$ 62,008,594**	**$ 53,716,273**	**$ 58,919,171**	**$ 52,822,929**

Governmental and Business-Type Activities – Continued

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Student services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction, and to a lesser degree, community services.

Support services include the activities involved with assisting staff with the content and process of teaching to pupils.

Administration includes expenses associated with administrative and financial supervision of the District.

Operation of plant activities involves maintaining school grounds, buildings and equipment in an effective working condition.

Interest and other charges are transactions associated with the payment on debt of the District.

Business-type activities are services provided to constituents of the District where all or most of the costs involved are recovered through services charged to the users of such services or from transfers from other funds.

The dependence upon tax revenues is apparent. Over 91.7% of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 88.1%.

The District's Funds

The District uses funds to control and manage money for particular purposes. A review of the funds provides some insight as to whether the District is being accountable for the resources taxpayers and others provide to it, and also provides insight into the District's overall financial health. In total, governmental funds had a fund balance of $45.7 million at June 30, 2018. This represents an overall increase of $22.6 million from the prior year due to other financing sources. The increase is primarily a result of $20.3 million in the Debt Service Fund due to a crossover refunding (funds held in escrow), and an increase of $3.9 million in the Capital Fund due to the sale of property. Additionally, the General Fund decreased $1.9 million. The overall position of the District's funds remains financially strong and the District is able to meet all of its ongoing operational expenditures without having to resort to short-term financing activities.

Operating Funds (General and Special Revenue Funds Combined) - Budgeting Highlights

In accordance with Chapter 67, RSMo, the District adopts a budget for each fund. While the District uses its funding judiciously, there are a number of factors that affect the budget over which the District has little or no control. The District uses site-based budgeting which is designed to tightly control site budgets but provide flexibility for site management. During the year the District revises the budget as it attempts to deal with unexpected changes in revenues and expenditures as additional information becomes available. Schedules showing the District's original and final budget amounts compared with actual amounts paid and received for the General and Special Revenue Funds are provided later in this report as required supplementary information.

The District's financial strength is derived primarily from its strong local property values as over 69.3% of the District's operating revenues are generated through local property taxes. Under Missouri Statutes, property tax rates fluctuate with changes in assessed values preventing windfall revenue increases during periods of growing property values. This mechanism also protects taxing entities during periods of falling property values and has minimized the impacts of recent property value declines. The 2017-2018 property tax revenues increased by approximately $2.9 million or 7.15% greater than the 2016-2017 totals; current property taxes increased by approximately $2.8 million primarily due to reassessment and the recoupment rate, and delinquent property taxes increased by approximately $103 thousand. The 2017 tax levy included a recoupment rate of 0.0509 for residential property and 0.1833 for commercial property. Legislation allows the District to assess a recoupment rate when the assessed value of property is lowered through the appeal process after the tax rate has been set. The District revised the original current property tax budget after assessed valuation information was obtained from St. Louis County. Property tax revenues finished the year approximately $1.0 million above the original budget and approximately $35 thousand above the revised budget.

For the year ended June 30, 2018, the General Fund budgetary basis actual expenditures were approximately $520 thousand less than final budgeted amounts. Expenditures were less in the functions of Improvement of Instruction/Professional Development by approximately $200 thousand, Operation of Plant by approximately $155 thousand and Adult/Community Programs by approximately $130 thousand. However, expenditures were greater in the function of Instruction by approximately $301 thousand. All other functions except one were less than the final budget. The Improvement of Instruction/Professional Development functions were below budget due to less curricular review travel, consultants and textbook expenditures as curricular areas revised their needs lower. Operation of Plant expenditures were lower than budget primarily in the area of utilities. Contingency funds were placed in the Adult/Community Programs function but were not needed which caused expenditures to be less than budget. Lastly, the Instruction function includes certain extra-duty positions that may be filled by either certified or non-certified personnel. The funds are budgeted to be filled by certified personnel and therefore are in the Special Revenue fund, but a portion was spent on non-certified personnel in the General Fund causing this function in the General Fund to have expenditures greater than budgeted.

Operating Funds (General and Special Revenue Funds Combined) - Budgeting Highlights - Continued

The Special Revenue Fund budgetary basis actual expenditures reflect an overall positive variance of approximately $778 thousand from the final budget primarily in the function of Instruction. Expenditures were lower than budget in salaries and benefits partially due to the budgeting of certain extra-duty positions to be filled by certified personnel. However, these positions may be filled by either certified or non-certified personnel. A significant portion of these positions were filled by non-certified personnel and therefore the expenditures occurred in the General Fund. This caused the function of Instruction to have expenditures below budget. For the year ended June 30, 2018, the combined General and Special Revenue change in fund balances was approximately $4.4 million lower than the 2017-2018 original budget and $1.6 million lower than the final budget. Missouri law prohibits a district from overspending the expenditure budget per fund.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2018, the District had capital assets with a net book value of $105 million, which includes $44.3 million in accumulated depreciation. Table 4 shows a breakdown of capital assets, net of accumulated depreciation, at year end.

Table 4
Capital Assets - Net
June 30,

	2018			2017		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Land	$ 714,536	$ -	$ 714,536	$ 714,536	$ 70,000	$ 784,536
Buildings and improvements	100,977,864	-	100,977,864	103,156,352	171,438	103,327,790
Furniture and equipment	3,277,130	52,166	3,329,296	3,445,039	60,695	3,505,734
Total	**$104,969,530**	**$ 52,166**	**$ 105,021,696**	**$ 107,315,927**	**$302,133**	**$107,618,060**

The total additions for the year were $1.3 million which consisted of approximately $620 thousand of building and improvements and $726 thousand in furniture and equipment purchases.

In January, 2018, the District closed on the sale of the former Maryland School (7501 Maryland Avenue) for $4.1 million. The Board of Education took formal action to commit the use of the funds for future capital expenditures.

Debt Administration

At June 30, 2018, the District had $92.8 million in general obligation bonds outstanding. Missouri statute allows school districts to incur debt up to an amount equal to 15% of the most current assessed valuation. The District's allowable debt level was approximately $104 million at June 30, 2018, far above the District's current level of debt. The District's Debt Service levy for 2017-2018 was $0.623 on each $100 of assessed valuation. The Debt Service Fund balance at June 30, 2018 was $24.5 million and equal to nearly 87.1% of the fiscal year 2019 annual debt service expense. The District's bond rating is AAA with Standard and Poor's.

Other long-term liabilities of the District include compensated absences and capital leases for various types of equipment.

Additional information about debt, including the advanced crossover refunding that occurred in this fiscal year, is provided in Note E.

Economic Factors and Fiscal Year 2018-2019 Budget

As a community, the students, staff, parents and patrons of the School District of Clayton are united in our commitment to student learning. Our mission, vision and core values embody why we are here, what we want our students to become, and the principles that guide our work. The District's mission to inspire each student to love learning and embrace challenge within a rich and rigorous academic culture and the vision to develop leaders who shape the world through independence, creativity and critical thinking set the standard for the education we provide.

The strategic planning process used the District's mission, vision and core values as a guide to develop strategic themes, objectives and initiatives. The 2018-2019 budget continues to focus on our strategic themes of Academic Excellence, Teacher and Administrator Excellence, Growth and Development of the Whole Child, and Resource Management. An effective learning organization continually takes time to evaluate progress and to be responsive to it. While our District's strategic plan serves as a guide for where we are going, we also are purposeful about being reflective and making adjustments along the way.

The District deficit spent $175,217 in 2009-2010, $820,654 in 2010-2011 and $2.0 million in 2011-2012. During 2012-2013 and 2013-2014, budget reductions of $935,900 and $1.2 million, respectively, were made both to ensure the District's resources were allocated to programs that support its mission, vision and core values as well as to secure the District's ability to continue to provide our students with a rich and rigorous educational experience. The reductions were made with the goal of continuing to align District resources with our priorities, but also protect what matters most: our instructional core. An academically-challenging curriculum, our students' engagement in their learning, and teachers' knowledge and skills are the three interdependent components of this District. While we reduced our expenditures and made permanent changes to staffing and programs, we did it in a way that protected our instructional core and prioritized organizational and operational impacts in order to minimize the direct impact on our students and their learning. As a result of these reductions

Economic Factors and Fiscal Year 2018-2019 Budget - Continued

and the ability to recoup approximately $5.0 million of protested taxes over three years, operating surpluses of $560,973 in 2012-2013, $1.6 million in 2013-2014, and $2.6 million in 2014-2015 were reported. Fiscal year 2015-2016 reported an operating deficit of $1.7 million due to the payback of over $2.0 million in protested taxes and 2016-2017 continued the trend with an operating deficit of $2.4 million. The District is projected to continue to deficit spend in 2017-2018 and 2018-2019 at approximately $3.0 million and $4.0 million respectively. Current projections show the District falling below the 18 percent fund balance goal in fiscal year 2020 due to continued increases in operating expenditures and slow new construction growth.

Beginning in 2015-2016, instructional and departmental operating budgets were prepared through a Zero-Based Budgeting (ZBB) approach. This approach is one of the key initiatives used to implement the Resource Management theme in the District's Strategic Plan. This approach helps ensure that the budget is developed to align with priorities for instructional practices and organizational needs. The ZBB approach is built on needs and priorities rather than on historical spending trends. The ZBB process is about creating accountability for what the District spends and transparency for the decisions for where the District spends. The 2018-2019 budget was prepared using a ZBB approach.

Proposed 2018-2019 expenditures including normal debt service payments and business-type activities total $63.8 million. Projected total revenues, inclusive of business-type and debt service, of $58.0 million will fall short of expenditures resulting in a reduction of the total fund balance by $5.8 million. Because many of the revenues and expenditures included in the total budget are restricted for specific purposes, the operating budget more clearly reflects the District's expected results of operations.

The operating revenue budget is projected to decrease by $812,000 or 1.64 percent to a total of $48.6 million. Projected revenues are based upon the best information available at this time as well as historical trends. As a result, it is important to note that most revenue categories are decreasing from the prior year. For example, property tax revenue decreased primarily due to the ability to recoup over $1.0 million in protested taxes in 2018. However, until additional information is received from the St. Louis County assessor's office, recoupment has not been included in the proposed 2018-2019 budget. In addition, a reduction of assessed value and subsequent payback of taxes is anticipated due to the high volume of protested taxes during 2017-2018 (approximately 40 percent of total collections). Protested assessed values continue to remain a challenge for all of St. Louis County. Numerous protested tax appeals crowd the State Tax Commissions dockets resulting in continuous fluctuations in assessed valuation data and tax payments that cause significant fluctuations in revenue trends. Further, other revenue categories such as non-resident tuition, tuition from other local education agencies (LEA's), and VICC are projected to decrease due to an increase in resident enrollment resulting in less available space.

Economic Factors and Fiscal Year 2018-2019 Budget – Continued

The operating expenditure budget is projected to increase by $783,000 or 1.47 percent to a total of $54.0 million. 2017-2018 was the first year of a two year certified salary agreement. For the 2018-2019 school year, a 1.25 percent increase for certified staff has been budgeted per the salary agreement. Staffing changes based on enrollment projections and student needs have been proposed.

The staffing changes resulted in a decrease in the salary budget primarily due to the reduction of a full time teacher at Glenridge due to shifts in enrollment. In addition, the operating budget will support maintenance of our facilities and grounds, recommended technology improvements, textbook, musical instrument and athletic uniform replacement, and curriculum implementation plans. The District continues to work to control costs and align resources with priorities while also looking at other strategies to achieve financial balance with minimal impact on students and classrooms.

Operating revenues will fall short of operating expenses causing a reduction in the operating fund balance of $5.4 million. The District anticipates approximately $1.0 - $1.5 million of the budget to be unexpended each year. Including these anticipated unexpended budget funds, the operating budget shortfall is revised to approximately $4.0 million.

The 2018-2019 year-end operating fund balances inclusive of business-type activities are projected at $14.7 million or 26.8 percent. However, $4.6 million has been formally committed by the Board for future capital expenditures. This leaves a net operating fund balance of $10.1 million or 18.8 percent of budgeted operating expenditures and which is slightly above the Board of Education's fund balance goal of 18 percent.

As part of the normal budgeting process, long-range projections are developed and continually updated. This process allows the District to determine how much of available resources can be used for ongoing projects, such as new programs or initiatives, versus one-time projects, such as facility repairs. Current long-range projections include new revenue from eight developments where construction plans have been approved.

- Two-Twelve South Meramec, Clayton – 20 percent tax abated property
- The Barton – 8400 Maryland Avenue, Clayton
- Ceylon – 25 North Central, Clayton
- Shaw Park Apartments – 8049 Forsyth Boulevard, Clayton
- Clarendale of Clayton – 7651 Clayton Road, Clayton
- Regions Bank – 8321 Maryland Avenue, Clayton
- Central Park Townhomes – 1107 East Linden Avenue, Richmond Heights
- Allegro – 1155 Bellevue, Richmond Heights
- Centene II – Phase I – 7600, 7606, 7620 Forsyth Boulevard; 14 South Hanley Road, Clayton – 40 percent tax abated property
- Centene University/Early Childhood Development Center – 7501 Maryland Avenue, Clayton

Economic Factors and Fiscal Year 2018-2019 Budget – Continued

Estimated new construction revenue from only these ten developments has been included in projections. There are several other potential new developments that are currently in the conceptual phase and have either not been submitted to the City for review or are waiting on approval.

Estimated revenue from these developments will be included in projections when approved. This conservative and prudent approach to planning by Boards of Education has been a historical trademark of the District. Long-range financial planning will continue to be relied upon, with administration prepared to react to unanticipated changes to planned revenue and expenses.

Preparation of the 2018-2019 budget began in December, 2017. It is our deep commitment to all students' education that drives our thoughtful conversations and guides our budgetary decisions. Input was sought from staff, administrators and instructional leaders throughout the District. Specific information from developing the budget was discussed with the Board of Education as study items on January 24, April 11, and May 23, 2018.

Contacting the School District's Financial Management

This MD&A is intended to provide taxpayers and other constituents with an overview of the financial condition of the School District of Clayton. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mary Jo Gruber, Chief Financial Officer, at School District of Clayton, #2 Mark Twain Circle, Clayton, Missouri 63105.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF NET POSITION
June 30, 2018

	Governmental activities	Business - type activities	Total
ASSETS			
Cash and investments	$ 27,280,165	$ -	$ 27,280,165
Restricted cash and investments	19,830,525	-	19,830,525
Receivables			
Property taxes, net of allowance for uncollectibles of $667,718	43,871,040	-	43,871,040
Sales tax	369,338	-	369,338
Grants	105,060	-	105,060
Other	282,739	21,120	303,859
Inventories	70,097	-	70,097
Prepaid expenses	308,836	-	308,836
Capital assets not being depreciated:			
Land	714,536	-	714,536
Capital assets, net of accumulated depreciation:			
Buildings and improvements	100,977,864	-	100,977,864
Furniture and equipment	3,277,130	52,166	3,329,296
Total assets	**197,087,330**	**73,286**	**197,160,616**
DEFERRED OUTFLOWS			
Deferred pension contributions	15,923,346	-	15,923,346
Total deferred outflows	**15,923,346**	**-**	**15,923,346**
LIABILITIES			
Accounts payable	1,237,879	50,463	1,288,342
Accrued payroll and payroll taxes	155,226	91,957	247,183
Unearned revenue	154,590	133,321	287,911
Interfund loans	254,621	(254,621)	-
Net pension liability	43,654,163	-	43,654,163
Postemployment benefits other than pensions	5,433,040	-	5,433,040
Noncurrent liabilities			
Due within one year	25,223,677	-	25,223,677
Due in more than one year	73,041,291	-	73,041,291
Total liabilities	**149,154,487**	**21,120**	**149,175,607**
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	43,813,877	-	43,813,877
Pension deferrals	3,086,862	-	3,086,862
OPEB deferrals	139,668	-	139,668
Total deferred inflows of resources	**47,040,407**	**-**	**47,040,407**
NET POSITION			
Net investment in capital assets	28,367,834	52,166	28,420,000
Restricted for:			
Debt service	3,174,931	-	3,174,931
Capital projects	5,463,901	-	5,463,901
Teachers' salaries and benefits	7,592,638	-	7,592,638
Medical claims	535,680	-	535,680
Unrestricted	(28,319,202)	-	(28,319,202)
Total net position	**$ 16,815,782**	**$ 52,166**	**$ 16,867,948**

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES
Year ended June 30, 2018

Function/Program	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Net (expense) revenue and changes in net position: Governmental activities	Business-type activities	Total
Governmental activities						
Instruction	$ 30,802,007	$ 1,971,265	$ 581,710	$ (28,249,032)	$ -	$ (28,249,032)
Attendance and guidance	2,286,943	-	-	(2,286,943)	-	(2,286,943)
Health services	400,660	-	-	(400,660)	-	(400,660)
Improvement of instruction and professional development	1,120,251	-	114,223	(1,006,028)	-	(1,006,028)
Media services	701,724	-	-	(701,724)	-	(701,724)
Board of Education services	159,323	-	-	(159,323)	-	(159,323)
Executive administration	1,196,579	-	-	(1,196,579)	-	(1,196,579)
Building level administration	2,632,606	-	-	(2,632,606)	-	(2,632,606)
Operation of plant	11,106,815	-	-	(11,106,815)	-	(11,106,815)
Security services	216,142	-	-	(216,142)	-	(216,142)
Nonallowable transportation	169,388	8,417	-	(160,971)	-	(160,971)
Food services	1,078,230	788,258	283,854	(6,118)	-	(6,118)
Business services	769,976	-	-	(769,976)	-	(769,976)
Central office support services	3,789,050	2,728,878	-	(1,060,172)	-	(1,060,172)
Adult/community programs	818,183	799,435	-	(18,748)	-	(18,748)
Interest and other charges	3,857,254	-	-	(3,857,254)	-	(3,857,254)
Total governmental activities	**61,105,131**	**6,296,253**	**979,787**	**(53,829,091)**	**-**	**(53,829,091)**
Business-type activities						
Other	903,463	1,016,281	-	-	112,818	112,818
Total business-type activities	**903,463**	**1,016,281**	**-**	**-**	**112,818**	**112,818**
Total school district	**$ 62,008,594**	**$ 7,312,534**	**$ 979,787**	**(53,829,091)**	**112,818**	**(53,716,273)**

	Governmental activities	Business-type activities	Total
General revenues			
Taxes			
Property taxes, levied for general purposes	10,430,612	-	10,430,612
Property taxes, levied for debt services	6,950,254	-	6,950,254
Property taxes, levied for capital projects	1,178,618	-	1,178,618
Property taxes, levied for teachers' salaries and benefits	24,859,140	-	24,859,140
Other taxes	5,024,058	-	5,024,058
Voluntary student transfer aid	1,710,403	-	1,710,403
Federal and State aid not restricted to specific purposes			
General	2,307,828	-	2,307,828
Interest and investment earnings	408,099	-	408,099
Miscellaneous	1,085,576	-	1,085,576
Total general revenues	**53,954,588**	**-**	**53,954,588**
Revenues over expenses before other income and transfers	**125,497**	**112,818**	**238,315**
Other income (expense)			
Gain on sale of capital assets	-	3,819,699	3,819,699
Transfers	4,182,484	(4,182,484)	-
Total other income (expense)	**4,182,484**	**(362,785)**	**3,819,699**
Change in net position	**4,307,981**	**(249,967)**	**4,058,014**
Net position at July 1, 2017, restated	12,507,801	302,133	12,809,934
Net position at June 30, 2018	$ 16,815,782	$ 52,166	$ 16,867,948

The accompanying notes are an integral part of this statement.

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments	$ 5,649,566	$ 10,401,569	$ 4,632,334	$ 5,764,464	$ 26,447,933
Restricted cash and investments	-	-	19,830,525	-	19,830,525
Receivables					
Property taxes, net of allowance for uncollectibles of $667,718	11,977,402	23,574,683	7,070,606	1,248,349	43,871,040
Sales taxes	230,836	138,502	-	-	369,338
Grants	2,854	102,206	-	-	105,060
Other	197,552	53,617	-	31,570	282,739
Inventories	70,097	-	-	-	70,097
Prepaid expenditures	308,836	-	-	-	308,836
Total assets	**$ 18,437,143**	**$ 34,270,577**	**$ 31,533,465**	**$ 7,044,383**	**$ 91,285,568**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 607,652	$ -	$ -	$ 333,675	$ 941,327
Due to other funds	283,636	-	-	-	283,636
Accrued payroll and payroll taxes	31,678	123,548	-	-	155,226
Unearned revenue	149,589	5,001	-	-	154,590
Total liabilities	**1,072,555**	**128,549**	**-**	**333,675**	**1,534,779**
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	11,969,534	23,555,935	7,065,364	1,247,466	43,838,299
Deferred grants	2,854	102,206	-	-	105,060
Deferred other	26,970	47,107	-	-	74,077
Total deferred inflows of resources	**11,999,358**	**23,705,248**	**7,065,364**	**1,247,466**	**44,017,436**
FUND BALANCES					
Nonspendable					
Inventories	70,097	-	-	-	70,097
Prepaid expenditures	308,836	-	-	-	308,836
Restricted					
Grants	2,854	102,206	-	-	105,060
Teachers salaries and benefits	-	10,334,574	-	-	10,334,574
Debt service	-	-	24,468,101	-	24,468,101
Committed					
Capital reserve	-	-	-	4,630,214	4,630,214
Assigned					
Other capital projects	-	-	-	833,028	833,028
Student activities	512,166	-	-	-	512,166
Unassigned	4,471,277	-	-	-	4,471,277
Total fund balances	**5,365,230**	**10,436,780**	**24,468,101**	**5,463,242**	**45,733,353**
Total liabilities, deferred inflows of resources and fund balances	**$ 18,437,143**	**$ 34,270,577**	**$ 31,533,465**	**$ 7,044,383**	**$ 91,285,568**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE DISTRICT-WIDE STATEMENT OF NET POSITION
June 30, 2018

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

Total fund balance - governmental funds		**$ 45,733,353**
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	149,212,153	
Accumulated depreciation is	(44,242,623)	104,969,530
Certain property taxes, grants and other receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.		232,574
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statements of net position.		535,680
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds		
Deferred pension contributions		15,923,346
Deferred inflows of resources related to pension deferrals are not reported in governmental funds		(3,086,862)
Deferred inflows of resources related to OPEB deferrals are not reported in governmental funds		(139,668)
Long-term liabilities, including bonds payable, are not due and not payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable	96,454,114	
Capital leases	7,122	
Accrued interest on the bonds	1,466,555	
Compensated absences	337,177	
Net pension liability	43,654,163	
Postemployment benefits other than pensions	5,433,040	(147,352,171)
Net position of governmental activities		**$ 16,815,782**

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended June 30, 2018

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local	$ 15,924,532	$ 30,137,580	$ 7,054,001	$ 1,339,495	$ 54,455,608
County	101,656	264,506	166,230	26,910	559,302
State	161,804	1,567,635	-	-	1,729,439
Federal	346,632	179,056	1,147,559	-	1,673,247
Other	8,417	-	-	-	8,417
Total revenues	**16,543,041**	**32,148,777**	**8,367,790**	**1,366,405**	**58,426,013**
Expenditures					
Instruction	3,406,703	26,702,391	-	518,224	30,627,318
Attendance and guidance	739,305	1,500,070	-	2,996	2,242,371
Health services	400,660	-	-	-	400,660
Improvement of instruction and professional development	573,358	546,859	-	-	1,120,217
Media services	124,149	577,575	-	54,500	756,224
Board of Education services	159,717	-	-	-	159,717
Executive administration	479,834	629,400	-	1,661	1,110,895
Building level administration	1,082,719	1,488,340	-	32,461	2,603,520
Operation of plant	7,338,786	-	-	774,921	8,113,707
Security services	157,754	-	-	58,389	216,143
Nonallowable transportation	169,225	-	-	-	169,225
Food services	1,078,230	-	-	2,500	1,080,730
Business services	758,837	-	-	13,315	772,152
Central office support services	1,432,417	159,448	-	41,861	1,633,726
Adult/community programs	815,868	-	-	7,022	822,890
Debt service:					
Principal retirements	-	-	4,530,000	113,601	4,643,601
Interest and other charges	-	-	3,375,582	1,032	3,376,614
Total expenditures	**18,717,562**	**31,604,083**	**7,905,582**	**1,622,483**	**59,849,710**
Revenues over (under) expenditures	**(2,174,521)**	**544,694**	**462,208**	**(256,078)**	**(1,423,697)**
Other financing sources (uses)					
Proceeds from refunded debt	-	-	23,465,000	-	23,465,000
Payments to refunded bond escrow agent	-	-	(7,216,465)	-	(7,216,465)
Premium on refunded bonds	-	-	3,538,393	-	3,538,393
Proceeds from sale of property	-	-	-	69,771	69,771
Transfers	268,863	(145,321)	-	4,058,942	4,182,484
	268,863	(145,321)	19,786,928	4,128,713	24,039,183
NET CHANGE IN FUND BALANCES	**(1,905,658)**	**399,373**	**20,249,136**	**3,872,635**	**22,615,486**
Fund balances at July 1, 2017	7,270,888	10,037,407	4,218,965	1,590,607	23,117,867
Fund balances at June 30, 2018	$ 5,365,230	$ 10,436,780	$ 24,468,101	$ 5,463,242	$ 45,733,353

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES

Year ended June 30, 2018

Total net change in fund balances - governmental funds		**$ 22,615,486**
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation expense for the period.		
Depreciation expense	3,678,519	
Capital outlay	(1,346,398)	(2,332,121)
Because some property taxes, grants and other inflows of resources will not be collected for several months after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds, and are instead reported as deferred inflows of resources. They are, however, reported as revenues in the Statement of Activities.		(127,285)
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the assets.		
Loss on disposal of capital assets		(14,276)
In the Statement of Activities, certain operating expenses such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(6,376)
The governmental funds report debt (e.g. bond) proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items are as follows:		
Proceeds of refunded debt	(23,465,000)	
Bond issuance premium	(3,538,393)	
Repayment of bond principal	11,590,000	
Amortization of bond premium	147,508	
Capital lease principal	113,601	
		(15,152,284)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(324,173)
The internal service fund used by management to charge the costs of the insurance to individual funds is not reported in the Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is included in the governmental activities.		535,680
The fund financial statements do not recognize the liability related to postemployment benefits other than pensions. The increase in this liability is recognized in the Statement of Activities.		(106,403)
The fund financial statements do not recognize the pension liability. The increase is recognized in the Statement of Activities.		(780,267)
Change in net position of governmental activities		**$ 4,307,981**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2018

	Business-type activities - Enterprise fund	Governmental activities - Internal service fund	Total
ASSETS			
Current assets			
Cash	$ -	$ 832,232	$ 832,232
Other receivables	21,120	-	21,120
Noncurrent assets			
Due from other funds	254,621	-	254,621
Furniture and equipment, net	52,166	-	52,166
Total assets	327,907	832,232	1,160,139
LIABILITIES			
Current liabilities			
Accounts payable	50,463	296,552	347,015
Accrued payroll and payroll taxes	91,957	-	91,957
Unearned revenue	133,321	-	133,321
Total current liabilities	275,741	296,552	572,293
NET POSITION			
Unrestricted	-	535,680	535,680
Net investment in capital assets	52,166	-	52,166
Total net position	$ 52,166	$ 535,680	$ 587,846

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
Year ended June 30, 2018

	Business-type activities - Enterprise fund	Governmental activities - Internal service fund	Total
Operating revenues			
Contributions	$ -	$ 2,726,010	$ 2,726,010
Rents	88,694	-	88,694
Tuition and fees	927,589	-	927,589
Other	-	2,868	2,868
Total operating revenues	**1,016,283**	**2,728,878**	**3,745,161**
Operating expenses			
Salaries	601,207	-	601,207
Benefits	106,676	-	106,676
Purchased services	148,734	2,193,198	2,341,932
Supplies	36,124	-	36,124
Depreciation	10,724	-	10,724
Total operating expenses	**903,465**	**2,193,198**	**3,096,663**
Operating income	**112,818**	**535,680**	**648,498**
Other			
Gain on sale of capital assets	3,819,699	-	3,819,699
Transfers to governmental activities	(4,182,484)	-	(4,182,484)
	(362,785)	-	(362,785)
CHANGES IN NET POSITION	**(249,967)**	**535,680**	**285,713**
Net position at July 1, 2017	302,133	-	302,133
Net position at June 30, 2018	$ 52,166	$ 535,680	$ 587,846

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year ended June 30, 2018

	Business-type activities - Enterprise fund	Governmental activities - Internal service fund	Total
Cash flows from operating activities			
Cash received from employee/employer contributions	$ -	$ 2,728,878	$ 2,728,878
Cash received from user charges	1,074,466	-	1,074,466
Cash payments to employees for services	(723,528)	-	(723,528)
Cash payments for supplies and services	(186,479)	(1,896,646)	(2,083,125)
Net cash provided by operating activities	**164,459**	**832,232**	**996,691**
Cash flows from noncapital financing activities			
Operating subsidies and transfers to other funds	(3,984,158)	-	(3,984,158)
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	3,819,699	-	3,819,699
NET INCREASE IN CASH	-	**832,232**	**832,232**
Cash at July 1, 2017	-	-	-
Cash at June 30, 2018	**$ -**	**$ 832,232**	**$ 832,232**
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 112,818	$ 535,680	$ 648,498
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation	10,724	-	10,724
Decrease in accounts receivable	9,171	-	9,171
Increase (decrease) in accounts payable	(1,621)	296,552	294,931
Decrease in accrued payroll and payroll taxes	(15,645)	-	(15,645)
Increase in deferred revenues	49,012	-	49,012
Net cash provided by operating activities	**$ 164,459**	**$ 832,232**	**$ 996,691**

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Clayton (the District), established under the Statutes of the State of Missouri, is governed by an elected seven-member board as described in RSMo Chapter 162. The Board of Education is the basic level of government that has financial accountability and control over all activities related to public school education in the District.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the District are as follows.

1. Principles Determining the Scope of Reporting Entity

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

2. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. The District does not allocate indirect costs. Program revenues include charges paid by the recipients of goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation – Continued

Fund Financial Statements

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

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

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund

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

Debt Service Fund

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

Capital Projects Fund

The Capital Projects Fund is used to account for resources that are restricted, committed or assigned for the acquisition or construction of major capital assets.

Proprietary Funds

Enterprise Fund

Enterprise funds are used to account for business-like activities financed primarily by user charges. The measurement of financial activity focuses on net income similar to the private sector.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

2. Basis of Presentation – Continued

Internal Service Fund

The internal service fund accounts for the activities of the District's medical self-insurance fund. This includes the collection of premiums from employees and the payment of claims, direct insurance payments and administrative fees. A liability for estimated claims incurred is recorded in this fund.

3. Measurement Focus and Basis of Accounting

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

Measurement Focus

The district-wide financial statements are prepared using the economic resources measurement focus, as are the proprietary fund financial statements. The accounting objectives of this measurement focus are the determination of changes in net position, net position, and cash flows. All assets and liabilities, whether current or noncurrent, are reported.

The governmental fund financial statements are prepared using the current financial resources measurement focus. Only current financial assets and liabilities are generally included in the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The district-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

3. Measurement Focus and Basis of Accounting – Continued

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Property and sales taxes, interest, and certain grants are susceptible to accrual. Miscellaneous revenue items, which are not susceptible to accrual, are recognized as revenues only as they are received in cash. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for principal and interest on general obligation long-term debt which are reported when due.

4. Cash and Investments

Cash resources from all funds, except the Debt Service Fund, are combined to form a pool of cash and temporary investments. Earnings from investments are allocated to each fund on the basis of the applicable cash balance participation by each fund. A separate account is maintained for the Debt Service Fund. Interest is deposited directly into this account.

5. Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist of amounts escrowed for future general obligation bond principal and interest payments.

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

7. Receivables

Major receivables for the governmental activities include property and sales taxes, and state and federal grants. Business-type activities and proprietary funds report user charges as their major receivables. Allowances for uncollectible property taxes are based upon historical trends.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

8. Inventories

Inventory of supplies is stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures when issued to requisitioning departments. Reported inventories at year end are offset by a nonspendable fund balance account since they do not represent expendable financial resources.

9. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items using the consumption method. Reported prepaid items at year end are offset by a nonspendable fund balance account since they do not represent expendable financial resources.

10. Capital Assets and Depreciation

In the district-wide financial statements, capital assets purchased or acquired with an original cost of $1,000 or more are reported at historical cost or estimated historical cost if actual cost is unavailable. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	50 years
Furniture and equipment	5 – 20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the district-wide financial statements.

11. Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The only deferred outflows of resources reported in this year's financial statements is a deferred outflow of resources related to the District's defined benefit pension plans as further disclosed in Note G. No deferred outflows of resources affect the governmental funds financial statements in the current year.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

12. Compensated Absences

The District's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded in the district-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

13. Long-Term Liabilities

All long-term liabilities to be repaid from governmental and business-type activities are reported as liabilities in the district-wide financial statements. Long-term liabilities primarily consist of bonds, pension liabilities, accrued compensated absences, and other post-employment benefit obligations.

Long-term liabilities are not due and are not payable in the current period and therefore are not reported as liabilities in the governmental fund financial statements.

14. Deferred Inflows of Resources

The District's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). Deferred inflows of resources are reported in the District's Statement of Net Position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over multiple years, including the current year. The District also reports deferred inflows in the statement of net position for property taxes that there is an enforceable legal claim attached to that there has not been a tax levy set yet. Lastly, the District reports a deferred inflow related to OPEB for changes in assumptions to the Plan. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes, grants and other are reported in the governmental funds balance sheet.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

15. Equity Classifications

In the district-wide financial statements, equity is classified as net position and displayed in three components. Net investment in capital assets consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those net assets. Net position is reported as restricted when there are constraints imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. The remaining net position that does not meet the definition of restricted or net investment in capital assets is reported as unrestricted. The District first utilizes restricted resources to finance qualifying activities.

In the fund financial statements, governmental fund equity is classified as fund balance. Governmental funds report the following classifications of fund balance:

Nonspendable – consists of funds that cannot be spent due to their form (e.g., inventories and prepaid expenditures) or funds that legally or contractually must be maintained intact.

Restricted – consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – consists of funds that are set aside for a specific purpose by the District's highest level of decision making authority, the Board of Education. The fund balance policy requires formal resolution to be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned – consists of funds that are set aside with the intent to be used for a specific purpose. Under the District's adopted policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, a negative unassigned fund balance may be reported.

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

The details of the fund balances are included in the Governmental Funds balance sheet.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

15. Equity Classifications - Continued

Proprietary funds equity is classified the same as in the district-wide financial statements.

16. Revenue

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually by November 1 and are due by December 31. In the district-wide financial statements, property tax revenues are recognized in the fiscal year levied. In the fund financial statements, property taxes are recognized in the fiscal year levied when they become measurable and available. Available includes those property tax receivables expected to be collected within 60 days of year end. Revenues not collected within 60 days of year end are reported as deferred inflows of resources.

Sales tax is collected by the State of Missouri and remitted to districts within the state based on eligible pupils. The State receives the sales tax approximately one month after collection by vendors. Sales taxes collected by the State in June and July, which represent sales for May and June, and received by the District in July and August have been accrued and reported as sales tax receivable.

Entitlements and grants are recognized as revenue in the fiscal year in which all eligibility requirements have been satisfied. Grant and entitlements received before eligibility requirements are met are reported as unearned revenue. In the fund financial statements, entitlement and grant revenues not collected within 60 days of year end are reported as deferred inflows of resources.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, and investing activities.

17. Post-Employment Benefits

COBRA Benefits – Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents that elect to participate. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the fifteenth (15^{th}) day of the month for the actual month covered. This program is offered for a duration of eighteen months after the termination date. The District prepares the initial COBRA enrollment forms and the former employee makes the premium payments directly to the District. There is no associated cost to the District under this program.

In accordance with Chapter 169, RSMo, the District offers continued healthcare benefits to employees who are eligible for normal or early retirement under PSRS or PEERS. The retiree or eligible dependent pays the premium directly to the District. The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

18. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – CASH AND INVESTMENTS

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

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2018, the carrying amount of the deposits under District control was $8,375,305 and the bank balance was $8,737,990. Of the bank balance, $500,000 was covered by federal depository insurance and the remaining amount was collateralized by securities held by the District's safekeeping agent, pledged in the name of the District.

NOTE B – CASH AND INVESTMENTS – Continued

Investments

The District may purchase any investments allowed by the State Treasurer. These include but are not limited to (1) obligations of the United States Government, or any agency or instrumentality thereof, maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. Government agencies or instrumentalities of any maturity, as provided by law, or (3) other short-term obligations of the United States and deposit accounts with insured financial institutions, provided the accounts are entirely insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with government securities that have a fair value exceeding the deposit amount. As of June 30, 2018, the District had the following investments and maturities:

Type	Value	Investment Maturity 0 to 1 year
External investment pools	$ 18,904,400	$ 18,904,400
U.S. Treasury Notes	19,830,525	19,830,525
	$ 38,734,925	$ 38,734,925

The District has investments managed by the Missouri Securities Investment Program. All funds in this program are invested in accordance with Section 165.061 RSMo. Each school district owns a pro rata share of each investment, which is held in the name of the Fund. The investments are stated at amortized cost, which approximates fair value, except for the term investments, which are stated at net asset value. The net asset value of the term investments was $9,320,000 at June 30, 2018.

Additionally, the District refunded bonds through a cross-over refunding. Funds received from the refunding are held in escrow and invested with BOK Financial, which consists of U.S. Treasury Notes. The investments are stated at amortized cost, which approximates fair value.

NOTE B – CASH AND INVESTMENTS – Continued

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. State law limits investments that can be held by government agencies to safe, high quality securities. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The District's investments in Missouri Securities Investment Program are rated AAAm and AAAf by Standard and Poor's. The District's investments held in escrow by BOK Financial are rated AAA by Standard and Poor's.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. The District did not have any investments (excluding investments issued or explicitly guaranteed by the U.S. Government, external investment pools or investments in mutual funds) in any one issuer representing 5% or more of total investments.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover its deposits, the value of its investments, or be able to recover collateral securities that are in the possession of an outside party. The District does not have a formal policy regarding the custody of its investments. All investment activities are conducted through the depository bank and the District's financial advisor. As of June 30, 2018, the District's investments were held by the investment's counterparty.

NOTE B – CASH AND INVESTMENTS – Continued

Summary

The cash deposits and investments are summarized and presented in the financial statements as follows as of June 30, 2018:

Cash on hand	$ 460
Carrying amount of deposits	8,375,305
Investments	38,734,925
	$ 47,110,690

NOTE C – TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by November 1 and payable by December 31. All unpaid taxes become delinquent January 1 of the following year. The county collects the property taxes and remits them to the District.

The District also receives sales tax collected by the state and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year.

The assessed valuation of the tangible taxable property for the calendar year 2017 for purposes of local taxation was:

Real estate:	
Residential	$ 583,490,270
Commercial	479,480,990
Personal property	99,563,290
	1,162,534,550
Less tax increment financing	10,146,430
	$ 1,152,388,120

NOTE C – TAXES – Continued

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2017 for purposes of local taxation was as follows:

	Unadjusted		Adjusted	
General Fund	$	1.0208	$	0.9350
Special Revenue Fund		2.2278		2.2278
Debt Service Fund		0.6230		0.6230
Capital Projects Fund		0.1050		0.1050
	$	3.9766	$	3.8908

The receipts of current property taxes during the fiscal year ended June 30, 2018 aggregated approximately 96.1% of the 2017 assessment computed on the basis of the levy as shown above.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance at July 1, 2017	Additions	Disposals	Balance at June 30, 2018
Governmental activities				
Capital assets not being depreciated				
Land	$ 714,536	$ -	$ -	$ 714,536
Capital assets that are depreciated				
Buildings and improvements	128,804,814	620,425	-	129,425,239
Furniture and equipment	19,410,435	725,973	(1,064,030)	19,072,378
Totals at historical cost	148,929,785	1,346,398	(1,064,030)	149,212,153
Less accumulated depreciation				
Buildings and improvements	(25,648,462)	(2,798,913)	-	(28,447,375)
Furniture and equipment	(15,965,396)	(879,606)	1,049,754	(15,795,248)
Total accumulated depreciation	(41,613,858)	(3,678,519)	1,049,754	(44,242,623)
	$ 107,315,927	$ (2,332,121)	$ (14,276)	$ 104,969,530
Business-type activities				
Capital assets not being depreciated				
Land	$ 70,000	$ -	$ (70,000)	$ -
Capital assets that are depreciated				
Buildings and improvements	613,931	-	(613,931)	-
Furniture and equipment	123,534		(9,956)	113,578
Totals at historical cost	807,465	-	(693,887)	113,578
Less accumulated depreciation				
Buildings and improvements	(442,493)	(2,417)	444,910	-
Furniture and equipment	(62,839)	(8,307)	9,734	(61,412)
Total accumulated depreciation	(505,332)	(10,724)	454,644	(61,412)
	$ 302,133	$ (10,724)	$ (239,243)	$ 52,166

Depreciation expense for governmental activities is reported in the Statement of Activities and was allocated to Operation of Plant.

NOTE E – LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2018:

	Balance as of July 1, 2017	Additions	Reductions	Balance as of June 30, 2018	Amount due within one year
General obligation bonds	$ 80,927,000	$ 23,465,000	$ 11,590,000	$ 92,802,000	$ 23,750,000
Deferred amounts for issuance premium	261,229	3,538,393	147,508	3,652,114	-
Total bonds payable, net	81,188,229	27,003,393	11,737,508	96,454,114	23,750,000
Interest	1,142,380	1,466,555	1,142,380	1,466,555	1,466,555
Capital lease	120,723	-	113,601	7,122	7,122
Compensated absences	330,801	6,376	-	337,177	-
	$ 82,782,133	$ 28,476,324	$ 12,993,489	$ 98,264,968	$ 25,223,677

Principal and interest on general obligation bonds are paid through the Debt Service Fund. Principal and interest on capital leases are paid through the Capital Projects Fund. Compensated absences are liquidated by the General Fund and Special Revenue Fund.

Early Extinguishment and Advanced Refunding

On December 27, 2017, the District defeased $7,060,000 of outstanding Series 2010D general obligation bonds. $7,216,465 was placed in an irrevocable trust fund to purchase government obligations. The principal and interest earned on the government obligations was used for the payment of the principal and interest on the call date of March 1, 2018.

Cross Over Refunding

On December 27, 2017, the District issued general obligation refunding bonds in the amount of $23,465,000. The proceeds of the bond issue will be used to refund the outstanding principal and interest of the District's Series 2009B Build America Bonds. The District will refund $19,280,000 on March 1, 2019. The refunding resulted in an economic gain of $1,860,557. The bond issuance premium of $3,538,393 will be amortized over the life of the refunding bonds in the government-wide financial statements.

NOTE E – LONG-TERM LIABILITIES - Continued

Bonds payable

General obligation bonds outstanding at June 30, 2018 were as follows:

Date issued	Maturity date	Rate of interest	Original issue amount	Balance at June 30, 2018
10/14/09	03/01/24	1.37%	$ 9,185,000	$ 9,185,000
11/03/09	03/01/21	0.80%-4.75%	10,720,000	4,410,000
11/03/09	03/01/19	4.80%-5.60%	19,280,000	19,280,000
09/08/10	03/01/27	4.70%	3,987,000	3,987,000
09/28/10	03/01/30	4.70%-5.00%	16,205,000	16,205,000
09/28/10	03/01/28	3.90%-4.70%	16,270,000	16,270,000
12/27/17	03/01/29	4.00% - 5.00%	23,465,000	23,465,000
				$92,802,000

The annual requirements to amortize the general obligation bonds as of June 30, 2018, including interest payments, are as follows:

Year ending June 30,	Principal	Interest	Total
2019	$ 23,750,000	$ 4,327,538	$ 28,077,538
2020	4,935,000	2,887,648	7,822,648
2021	5,250,000	2,646,979	7,896,979
2022	4,850,000	2,427,991	7,277,991
2023	2,845,000	2,221,791	5,066,791
2024-28	35,512,000	8,175,388	43,687,388
2029-30	15,660,000	1,154,403	16,814,403
	$ 92,802,000	$ 23,841,738	$ 116,643,738

NOTE E – LONG-TERM LIABILITIES - Continued

Legal Debt Margin

Article VI, Section 26 (b), Constitution of Missouri, limits the outstanding amount of authorized General Obligation Bonds of a district to 15% of the assessed valuation of a District. The legal debt margin of the District at June 30, 2018 was:

Constitutional debt limit	$ 172,858,218
General obligation bonds payable	(92,802,000)
Amount available in Debt Service Fund	24,468,101
Legal debt margin	$ 104,524,319

Capital Lease Payable

The District leases certain equipment under agreements classified as capital leases. The cost for such equipment, which are included in furniture and equipment as of June 30, 2018 was $493,544 and accumulated depreciation was $290,190.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2018.

Year ended June 30, 2019	$ 7,132
Less amount representing interest	(10)
Present value of future minimum lease payments	$ 7,122

NOTE F – TAX ABATEMENTS

The District is subject to tax abatement agreements granted by either St. Louis County, the City of Clayton or the City of Richmond Heights. Abatements under Chapter 100 and Chapter 353 of the Revised Statutes of Missouri exist within the District. During the term of the agreements, a certain percentage of the property tax amount for the assessed value of the eligible property is abated. For fiscal year 2018, the total amount of tax abated was approximately $814,867 in real estate tax.

NOTE G – RETIREMENT PLANS

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

Plan Description

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

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

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

NOTE G – RETIREMENT PLANS – Continued

Benefits Provided

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July l, 2001, and ending July l, 2014, a 2.55% benefit factor was used to calculate benefits for members who had 3l or more years of service at retirement. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

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

Cost-of-Living Adjustments ("COLA")

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

If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.

NOTE G – RETIREMENT PLANS - Continued

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

If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.

If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.

If the CPI decreases, no COLA is provided.

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

Contributions

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2016, 2017 and 2018. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2016, 2017 and 2018. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were $3,854,225 and $561,484, respectively, for the year ended June 30, 2018.

NOTE G – RETIREMENT PLANS - Continued

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

At June 30, 2018, the District recorded a liability of $39,790,580 for its proportionate share of PSRS net pension liability and $3,863,583 for its proportionate share of PEERS net pension liability. In total the district recorded net pension liabilities of $43,654,163. The net pension liability for the plans in total was measured as of June 30, 2017, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $3,768,984 and $558,224, respectively, for the year ended June 30, 2017 relative to the total contributions of $684,085,861 for PSRS and $110,244,418 for PEERS from all participating employers. At June 30, 2017, the District's proportionate share was 0.5510% for PSRS and 0.5064% for PEERS.

For the year ended June 30, 2018, the District recognized a pension expense of $4,543,052 for PSRS and $677,296 for PEERS, its proportionate share of the total pension expense.

At June 30, 2018, the District reported deferred outflows of resources from the following sources related to PSRS and PEERS pension benefits:

	Deferred outflows of resources		
	PSRS	PEERS	District Total
Balance of deferred outflows due to:			
Differences between expected and actual experience	$ 2,363,496	$ 61,604	$ 2,425,100
Change in assumptions	6,278,280	665,160	6,943,440
Net difference between projected and actual earnings on pension plan investments	823,128	83,130	906,258
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,213,060	19,779	1,232,839
Employer contributions subsequent to the measurement date	3,854,225	561,484	4,415,709
Total	$ 14,532,189	$ 1,391,157	$ 15,923,346

NOTE G – RETIREMENT PLANS - Continued

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

At June 30, 2018, the District reported deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	Deferred inflows of resources		
	PSRS	PEERS	District Total
Balance of deferred inflows due to:			
Differences between expected and actual experience	$ 2,533,551	$ 156,513	$ 2,690,064
Changes in proportion and differences between Employer contributions and proportionate share of contributions	334,220	62,578	396,798
Total	$ 2,867,771	$ 219,091	$ 3,086,862

Amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of June 30, 2017, will be recognized as a reduction to the net pension liability in the year ended June 30, 2019.

Other amounts reported as collective deferred (inflows) / outflows of resources are to be recognized in pension expense as follows:

Year ending June 30,	PSRS	PEERS	District Total
2019	$ 968,563	$ 173,394	$ 1,141,957
2020	3,686,434	427,233	4,113,667
2021	2,259,531	188,192	2,447,723
2022	(451,845)	(178,236)	(630,081)
2023	1,171,786	-	1,171,786
Thereafter	175,724	-	175,724
	$ 7,810,193	$ 610,583	$ 8,420,776

NOTE G – RETIREMENT PLANS - Continued

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning COLAs. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.60% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. Significant actuarial assumption and methods, including changes from the prior year resulting in changes in Board policy, are detailed below. For additional information please refer to the Systems' Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2021.

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

Measurement Date: June 30, 2017

Valuation Date: June 30, 2017

Expected Return on Investments: 7.60%, net of investment expenses and including 2.25% inflation

Inflation: 2.25%

Total Payroll Growth PSRS: 2.75% per annum, consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.

Total Payroll Growth PEERS: 3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.

Future Salary Increases PSRS: 3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.

NOTE G – RETIREMENT PLANS - Continued

Actuarial Assumptions - Continued

Future Salary Increases PEERS: 4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.

Cost of Living Increases PSRS & PEERS: The annual COLA assumed in the valuation increases from 1.20% to 1.65% over nine years, beginning January 1, 2019. The COLA reflected for January 1, 2018 is 1.63%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.80% to a normative inflation assumption of 2.25% over nine years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

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

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

Mortality Assumptions –

- Actives PSRS: RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.

NOTE G – RETIREMENT PLANS - Continued

Actuarial Assumptions - Continued

- Actives PEERS: RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
- Non-Disabled Retirees, Beneficiaries, and Survivors PSRS: RP 2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
- Non-Disabled Retirees, Beneficiaries, and Survivors PEERS: RP 2006 Total Dataset Mortality Table with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
- Disabled Retirees PSRS & PEERS: RP 2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods –

The investment return and COLA assumptions were updated by the Board as follows based on changes to the Board's funding policy adopted at the November 3, 2017 meeting:

- PSRS & PEERS: The investment return assumption was lowered from 7.75% to 7.60% per year.
- The Board adopted a new COLA policy on November 3, 2017 resulting in a change to the future COLA assumption from an increasing assumption of 1.05%-1.50% over nine years to an increasing assumption of 1.20%-1.65% over nine years, beginning January 1, 2109.

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

NOTE G – RETIREMENT PLANS - Continued

Actuarial Assumptions - Continued

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations.* ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2017 are summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

Asset class	Target asset allocation	Long-term expected real return arithmetic basis	Weighted long-term expected real return arithmetic basis
U.S. Public Equity	27.00 %	5.16 %	1.39 %
Public Credit	7.00	2.17	0.15
Hedged Assets	6.00	4.42	0.27
Non-U.S. Public Equity	15.00	6.01	0.90
U.S. Treasuries	16.00	0.96	0.15
U.S. TIPS	4.00	0.80	0.03
Private Credit	4.00	5.60	0.22
Private Equity	12.00	9.86	1.18
Private Real Estate	9.00	3.56	0.32
Total	100.00 %		4.61
		Inflation	2.25
		Long-term arithmetical nominal return	6.86
		Effect of covariance matrix	0.74
		Long-term expected geometric return	7.60 %

NOTE G – RETIREMENT PLANS - Continued

Actuarial Assumptions - Continued

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.60% as of June 30, 2017, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.00% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial rate of return of 7.75% effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.60% effective with the June 30, 2017 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarial calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The sensitivity of the District's net pension liabilities to changes in the discount rate is presented below. The district's net pension liabilities calculated using the discount rate of 7.60% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.60%) or 1.0% higher (8.60%) than the current rate.

		1% decrease (6.60%)	Current rate (7.60%)	1% increase (8.60%)
PSRS	Proportionate share of the net pension liability / (asset)	$ 70,670,319	$ 39,790,604	$ 14,118,350
PEERS	Proportionate share of the net pension liability / (asset)	7,117,201	3,863,583	1,134,478

NOTE H – DEFERRED COMPENSATION PLANS

The District offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) or 457. These plans, available to all District employees, permit them to defer a portion of their salary until future years. The District makes these Plans available to its employees as an accommodation only. The District's role in connection with the Plans is generally limited to processing the paperwork necessary to remit the participant's salary withholdings (deferrals) to the unrelated financial institutions.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

In addition to providing the pension benefits described above, the District provides continuation of medical, dental and vision insurance coverage, including prescription drugs to employees who are eligible for normal or early retirement under PSRS or PEERS. Retirees and their dependents that elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since retirees pay the premium for each year, the District share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The plan is not accounted for as a trust fund since an irrevocable trust has not been established. A stand-alone financial report is not available for the plan. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Employees covered by benefit terms at June 30, 2017:

	Number	Average Age
Actives	448	46.4
Retired and beneficiaries	224	69.2
Total	672	

Contributions

The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis. The District determines contribution requirements and they may be amended by the District.

Total OPEB Liability

The District's total OPEB liability of $5,433,040 was measured as of June 30, 2018, and the total liability used to calculate the total OPEB was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions

Actuarial Cost Method: Entry age normal

Inflation: 2.30%

Salary Increases: 3.00%

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

Actuarial Assumptions - Continued

Discount Rate: 3.87%

Healthcare Cost Trend Rates: 6.70% for 2017, gradually decreasing to an ultimate rate of 4.10% for 2086 and beyond.

Participation: It is assumed that 40% of employees who retire prior to age 65 will elect medical and vision coverage upon retirement.

Mortality: RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2016.

Changes in Total OPEB Liability

The components of the total OPEB liability of the District at June 30, 2018 are as follows:

	Total OPEB Liability
Balances as of June 30, 2017	$ 5,466,305
Service Cost	270,318
Interest on total OPEB liability	199,304
Changes in assumptions	(160,959)
Benefit payments	(341,928)
Balances as of June 30, 2018	$ 5,433,040

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

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

	1% decrease (2.87%)	Discount rate (3.87%)	1% increase (4.87%)
Total OPEB liability	$ 6,019,836	$ 5,433,040	$ 4,928,622

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - Continued

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

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% decrease	Current Trend Rate	1% increase
Total OPEB liability	$ 4,787,971	$ 5,433,040	$ 6,213,115

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of $106,403 and deferred inflows of $139,668 related to the changes in assumptions.

Amounts currently reported as deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ending June 30	Net Inflows of Resources
2019	$ 21,291
2020	21,291
2021	21,291
2022	21,291
2023	21,291
Thereafter *	33,213
Total	$ 139,668

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

NOTE J – COMMITMENTS AND CONTINGENCIES

Grant Audits

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

Protested Taxes

Each year the County remits certain unresolved protested tax payments to the District. When the County refunds tax payments to those who are successful in their protests, it withholds the refunded amount from future distributions to taxing districts. Normal withholdings by the County are not material in relation to the District's financial position and results of operations.

Litigation

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

NOTE K – JOINT VENTURE

The Clayton Recreation, Sports and Wellness Commission, Inc. (the Commission) is a not-for-profit organization, which provides a shared use facility to address the athletic and educational needs of the community. The Commission is comprised of two trustees appointed by the District, two trustees appointed by the City of Clayton and two at-large representatives.

The District, along with the City of Clayton, is responsible for funding one-half of any operational short-fall of the Commission. The Board of Education must approve the Commission's budget.

The construction of the project was funded by $5,500,000 of general obligation bonds issued by the District and from $11,500,000 of bonds issued by the City of Clayton.

As of June 30, 2018 the Commission owed the District $161,285 for miscellaneous purchases, shared utilities and maintenance salaries. Complete financial statements for the Commission can be obtained from the Commission's administrative office.

NOTE L – RISK MANAGEMENT

District's Health Insurance Plan

Starting on January 1, 2018, the District began utilizing an internal service fund to account for the risks associated with the employees' health insurance plan. A premium is charged to each fund that accounts for employees' salaries based upon past trends in claims experience. Provisions are also made for unexpected and unusual claims.

Liabilities of the fund are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR).

The District incurred claims of $1,721,368 of which $1,424,816 was paid and $296,552 was unpaid.

The District purchases reinsurance to limit exposure to catastrophic claims. Specific stop loss limit insurance is purchased which limits the district's calendar year exposure to $125,000 per member and aggregate stop loss limit insurance is also purchased which limits the district's calendar year exposure to $4,267,752 for all claims.

District's Other Risk

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. To mitigate these risks, the District is a participant in the Missouri United School Insurance Council (MUSIC) which is a Protected Self-Insurance Program of Missouri Public School Districts with approximately 400 members. The District pays an assessment to MUSIC to cover estimated claims payable and reserves for claims for each entity. Part of the assessment then goes to purchase excess insurance contracts for the group as a whole. Should the contributions received by MUSIC not be sufficient, special assessments can be made to the member districts. There have been no significant changes in insurance coverage from the prior year.

NOTE M – CHANGE IN ACCOUNTING PRINCIPLE

Net position as of July 1, 2017, has been restated as follows based on the measurement date at June 30, 2017, for the implementation of GASB Statement No. 74, *"Financial Reporting for Postemployment Benefit Plans Other than Pension Plans"* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions."*

Net Position as previously reported at June 30, 2017	$ 16,971,739
To eliminate the other postemployment benefit obligation prior to GASB Statement No. 75	1,304,500
To record the net liability for the other postemployment benefits at the beginning of the year according to GASB Statement No. 75	(5,466,305)
Net position as restated at June 30, 2017	$ 12,809,934

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF CLAYTON

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

Year Ended June 30, 2018

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final	(budgetary basis)	Original to final	Final to actual
Revenues					
Local	$ 14,846,880	$ 15,883,670	$ 15,918,880	$ 1,036,790	$ 35,210
County	116,000	92,100	101,656	(23,900)	9,556
State	216,480	252,960	234,832	36,480	(18,128)
Federal	321,890	314,110	295,931	(7,780)	(18,179)
Other	1,000	3,000	8,417	2,000	5,417
Total revenues	**15,502,250**	**16,545,840**	**16,559,716**	**1,043,590**	**13,876**
Expenditures					
Instruction	3,106,970	3,136,970	3,438,346	(30,000)	(301,376)
Attendance and guidance	643,410	779,880	730,701	(136,470)	49,179
Health services	393,750	394,020	400,695	(270)	(6,675)
Improvement of instruction and professional development	784,770	690,870	490,647	93,900	200,223
Media services	125,390	124,890	123,951	500	939
Board of Education services	193,480	195,510	160,255	(2,030)	35,255
Executive administration	496,960	495,310	472,498	1,650	22,812
Building level administration	1,090,540	1,100,690	1,082,450	(10,150)	18,240
Operation of plant	7,390,780	7,391,260	7,235,914	(480)	155,346
Security services	158,420	158,420	157,618	-	802
Nonallowable transportation	201,770	209,350	171,386	(7,580)	37,964
Food services	1,072,560	1,072,560	1,037,527	-	35,033
Business services	799,690	799,690	759,454	-	40,236
Central office support services	1,481,610	1,492,380	1,391,184	(10,770)	101,196
Adult/community programs	1,067,580	1,033,300	902,457	34,280	130,843
Total expenditures	**19,007,680**	**19,075,100**	**18,555,083**	**(67,420)**	**520,017**
Revenues over (under) expenditures	**$ (3,505,430)**	**$ (2,529,260)**	**$ (1,995,367)**	**$ 976,170**	**$ 533,893**

The accompanying notes are an integral part of this schedule.

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS - SPECIAL REVENUE FUND - UNAUDITED
Year Ended June 30, 2018

	Budgeted amounts		Actual (budgetary basis)	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local	$ 27,469,730	$ 29,182,220	$ 29,354,909	$ 1,712,490	$ 172,689
County	308,930	241,700	264,506	(67,230)	22,806
State	1,438,030	1,400,850	1,494,606	(37,180)	93,756
Federal	227,020	225,780	179,056	(1,240)	(46,724)
Other	382,200	495,040	540,472	112,840	45,432
Total revenues	**29,825,910**	**31,545,590**	**31,833,549**	**1,719,680**	**287,959**
Expenditures					
Instruction	27,277,670	27,303,060	26,709,385	(25,390)	593,675
Attendance and guidance	1,603,740	1,496,950	1,500,070	106,790	(3,120)
Improvement of instruction and professional development	615,810	623,190	548,428	(7,380)	74,762
Media services	583,730	583,730	577,575	-	6,155
Executive administration	628,700	628,700	629,400	-	(700)
Building level administration	1,499,550	1,499,550	1,488,340	-	11,210
Central office support services	161,590	161,590	159,448	-	2,142
Adult/community programs	101,060	93,750	371	7,310	93,379
Total expenditures	**32,471,850**	**32,390,520**	**31,613,017**	**81,330**	**777,503**
Revenues over (under) expenditures	**$ (2,645,940)**	**$ (844,930)**	**$ 220,532**	**$ 1,801,010**	**$ 1,065,462**

The accompanying notes are an integral part of this schedule.

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING

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

- In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.

- Prior to July, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

- A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.

- Prior to July 1, the budget is legally enacted by a vote of the Board of Education.

- Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. For each fund, total fund expenditures may not legally exceed final amended budgeted expenditures. Expenditure appropriations lapse at the end of the fiscal year.

- Budgeted amounts are as originally adopted on June 7, 2017, or as amended by the Board of Education at various times during the year.

- Budgets are adopted on the cash basis of accounting for all governmental funds. The cash basis is used to enable the District to more accurately budget revenue and expenses as the resources are expended or received.

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING - Continued

The following schedule reconciles the revenue and expenditures on the budgetary basis of accounting (cash basis) with the amounts presented under the modified accrual basis of accounting:

	General Fund	Special Revenue Fund
Revenues		
Revenues - cash basis	$ 16,559,716	$ 31,833,549
Current year revenue accruals	(957,487)	158,757
Prior year revenue accruals	940,812	156,471
Revenues - modified accrual basis	$ 16,543,041	$ 32,148,777
Expenditures		
Expenditures - cash basis	$ 18,555,083	$ 31,613,017
Current year expenditure accruals	1,629,960	139,581
Prior year expenditure accruals	(1,467,481)	(148,515)
Expenditures - modified accrual basis	$ 18,717,562	$ 31,604,083

SCHOOL DISTRICT OF CLAYTON

NET PENSION OBLIGATION - UNAUDITED
Year Ended June 30, 2018

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

Year ended*	Proportion of the Net Pension Liability (Asset)	Proportionate share of the Net Pension Liability (Asset)	Actual member payroll	Net Pension Liability (Asset) as a percentage of covered payroll	Fiduciary Net Position as a percentage of total pension liability
6/30/2014	0.5208%	$ 21,366,213	$ 23,616,628	90.47%	89.34%
6/30/2015	0.5256%	30,342,153	24,305,850	124.83%	85.78%
6/30/2016	0.5421%	40,335,757	25,587,013	157.64%	82.18%
6/30/2017	0.5510%	39,790,604	26,583,036	149.68%	83.77%

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

Year ended*	Proportion of the Net Pension Liability (Asset)	Proportionate share of the Net Pension Liability (Asset)	Actual member payroll	Net Pension Liability (Asset) as a percentage of covered payroll	Fiduciary Net Position as a percentage of total pension liability
6/30/2014	0.5233%	$ 1,910,913	$ 7,630,413	25.04%	91.33%
6/30/2015	0.5044%	2,667,803	7,563,393	35.27%	88.28%
6/30/2016	0.5122%	4,109,561	7,908,987	51.96%	83.32%
6/30/2017	0.5064%	3,863,583	8,137,380	47.48%	85.35%

Schedule of Employer Contributions – PSRS

Year ended	Contractually required contribution	Actual employer contributions	Contributions excess / (deficiency)	Covered payroll	Contributions as a percentage of of covered payroll
6/30/2013	$ 3,360,070	$ 3,360,070	$ -	$ 23,695,943	14.18%
6/30/2014	3,353,834	3,353,834	-	23,616,628	14.20%
6/30/2015	3,450,675	3,453,947	-	24,305,850	14.20%
6/30/2016	3,631,138	3,631,138	-	25,587,013	14.19%
6/30/2017	3,768,984	3,768,984	-	26,583,036	14.18%
6/30/2018	3,854,225	3,854,225	-	27,238,339	14.15%

Schedule of Employer Contributions – PEERS

Year ended	Contractually required contribution	Actual employer contributions	Contributions excess / (deficiency)	Covered payroll	Contributions as a percentage of of covered payroll
6/30/2013	$ 535,396	$ 535,396	$ -	$ 7,805,015	6.86%
6/30/2014	523,447	523,447	-	7,630,413	6.86%
6/30/2015	518,849	518,849	-	7,563,393	6.86%
6/30/2016	542,557	542,557	-	7,908,987	6.86%
6/30/2017	558,224	558,224	-	8,137,380	6.86%
6/30/2018	561,484	561,484	-	8,184,898	6.86%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

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

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - UNAUDITED
Year Ended June 30, 2018

Schedule of Changes in Total OPEB Liability

	2018
Total OPEB liability	
Service Cost	$ 270,318
Interest on total OPEB liability	199,304
Changes in assumptions	(160,959)
Benefit payments	(341,928)
Net change in total OPEB liability	(33,265)
Total OPEB liability at beginning of year	5,466,305
Total OPEB liability at end of year	$ 5,433,040
Covered Payroll	$ 31,688,037
Total OPEB liability as a percentage of covered payroll	17.15%

Note: This schedule is to present information for 10 years. Additional years will be presented as they become available.

Plan Assets

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

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the plan administrator, and plan members.

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS - DEBT SERVICE FUND
Year Ended June 30, 2018

	Budgeted amounts		Actual (budgetary basis)	Variances - positive (negative)	
	Original	Final		Original to final	Final to actual
Revenues					
Local	$ 7,009,420	$ 6,926,700	$ 6,992,654	$ 82,720	$ 65,954
County	85,870	150,600	166,230	(64,730)	15,630
Federal	1,156,780	1,147,560	1,147,559	9,220	(1)
Total revenues	**8,252,070**	**8,224,860**	**8,306,443**	**27,210**	**81,583**
Expenditures					
Debt service					
Principal retirements	4,530,000	4,530,000	4,530,000	-	-
Interest and other charges	3,377,960	3,377,960	3,375,584	-	2,376
Total expenditures	**7,907,960**	**7,907,960**	**7,905,584**	**-**	**2,376**
Revenues over (under) expenditures	**$ 344,110**	**$ 316,900**	**$ 400,859**	**$ 27,210**	**$ 83,959**
Other financing sources (uses)					
Proceeds of refunded debt	-	23,465,000	$ 23,465,000	(23,465,000)	-
Payments to refunded bond escrow agent	-	(7,217,540)	(7,216,464)	7,217,540	1,076
Premium on refunded bonds	-	3,538,390	$ 3,538,393	(3,538,390)	3
	$ -	**$ 19,785,850**	**$ 19,786,929**	**$ (19,785,850)**	**$ 1,079**
Revenues over (under) expenditures	**$ 344,110**	**$ 20,102,750**	**$ 20,187,788**	**$ (19,758,640)**	**$ 85,038**

Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting

Revenues per above - cash basis	$ 35,309,836
Current year revenue accruals	5,241
Prior year revenue accruals	56,106
Revenues - modified accrual basis	**$ 35,371,183**
Expenditures per above - cash basis	$ 15,122,048
Current year expenditure accruals	-
Prior year expenditure accruals	-
Expenditures - modified accrual basis	**$ 15,122,048**

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS - CAPITAL PROJECTS FUND
Year Ended June 30, 2018

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final	(budgetary basis)	Original to final	Final to actual
Revenues					
Local	$ 2,268,870	$ 1,246,690	$ 1,288,779	$ 1,022,180	$ 42,089
County	26,400	24,400	26,910	2,000	2,510
Other	5,000	35,060	69,436	(30,060)	34,376
Total revenues	**2,300,270**	**1,306,150**	**1,385,125**	**994,120**	**78,975**
Expenditures					
Instruction	578,010	642,470	711,179	64,460	(68,709)
Attendance and guidance	2,230	2,230	3,565	-	(1,335)
Media services	12,570	13,070	60,522	500	(47,452)
Board of Education services	700	700	-	-	700
Executive Administration	-	1,650	1,661	1,650	(11)
Building level administration	8,960	14,850	31,807	5,890	(16,957)
Operation of plant	740,660	1,092,340	719,389	351,680	372,951
Security services	58,800	143,440	65,299	84,640	78,141
Nonallowable transportation	51,080	51,080	51,073	-	7
Food services	2,000	2,000	2,500	-	(500)
Business services	9,900	9,900	19,084	-	(9,184)
Central office support services	215,530	424,180	23,919	208,650	400,261
Adult/community programs	-	-	25,879	-	(25,879)
Debt service:				-	
Interest and other charges	30,890	30,890	1,032	-	29,858
Total expenditures	**1,711,330**	**2,428,800**	**1,716,909**	**717,470**	**711,891**
Revenues over (under) expenditures	**$ 588,940**	**$ (1,122,650)**	**$ (331,784)**	**$ 1,711,590**	**$ (790,866)**
Other financing sources (uses)					
Proceeds from sale of property	$ -	4,058,940	$ 4,058,942	(4,058,940)	(2)
Revenues over (under) expenditures	**$ 588,940**	**$ 2,936,290**	**$ 3,727,158**	**$ (2,347,350)**	**$ (790,868)**

Reconciliation of budgetary basis (cash basis) of accounting to modified accrual basis of accounting

Revenues per above - cash basis	$ 5,444,067
Current year revenue accruals	32,454
Prior year revenue accruals	18,598
Revenues - modified accrual basis	**$ 5,495,119**
Expenditures per above - cash basis	$ 1,716,909
Current year expenditure accruals	333,677
Prior year expenditure accruals	(428,103)
Expenditures - modified accrual basis	**$ 1,622,483**

OTHER INFORMATION

The following information is included to meet certain disclosure compliance requirements related to bonds issued by the District.

Bond Issuance Information

Name of Issuer: School District of Clayton, St. Louis County, Missouri
Dates of Issuance: Oct. 14, 2009; Nov. 3, 2009; Sept. 08, 2010; Sept. 28, 2010; Dec 27, 2017
Relating to CUSIP Nos.:

Name of Issuer: School District of Clayton, St. Louis County, Missouri
Date of Issuance: Oct. 14,2009; Nov. 3,2009; Sept. 8, 2010; Sept. 28, 2010; Dec. 27,2017
Relating to CUSIP Nos.:

Series 2009A			Series 2009B	Series 2009C	Series 2010A	Series 2010B	Series 2010C	Series 2017
FG6	GC4	GY6	184270 HY5	184270 HZ2	184270 JM9	184270 JN7	184270 JV9	184270 KP0
FH4	GD2	GZ3	184270 HU3	184270 JB3		184270 JP2	184270 JR8	184270 KQ8
FJ0	GE0	HA7	184270 HV1	184270 JC1		184270 JQ0	184270 JS6	184270 KR6
FK7	GF7	HB5	184270 HW9	184270 JD9			184270 JT4	184270 KS4
FL5	GG5	HC3	184270 HX7	184270 JE7			184270 JU1	184270 KT2
FM3	GH3	HD1		184270 JF4			184270 JW7	184270 KU9
FN1	GJ9	HE9		184270 JG2				184270 KV7
FP6	GK6	HF6		184270 JH0				184270 KW5
FQ4	GL4	HG4		184270 JJ6				184270 KX3
FR2	GM2	HH2		184270 JK3				
FS0	GN0	HJ8		184270 JL1				
FT8	GP5	HK5						
FU5	GQ3	HL3						
FV3	GR1	HM1						
FW1	GS9	HN9						
FX9	GT7	HP4						
FY7	GU4	HQ2						
FZ4	GV2	HR0						
GA8	GW0	HS8						
GB6	GX8	HT6						

History of Enrollment

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

Grade	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
K	157	151	162	178	168
1st	173	173	169	169	198
2nd	178	174	177	183	187
3rd	182	185	180	180	196
4th	201	176	193	198	188
5th	202	203	191	206	210
6th	202	205	216	205	221
7th	197	209	221	229	201
8th	224	197	211	219	235
9th	220	217	211	222	232
10th	225	218	221	210	222
11th	220	226	216	224	206
12th	206	214	222	214	217
Total	2,587	2,548	2,590	2,637	2,681

Sources of Revenue

The following table shows the allocation of the District's revenue from the various sources for the fiscal year ended June 30, 2018.

Revenue Source	% of Total
Local Revenue	93.09 %
County Revenue	0.96
State Revenue	2.96
Federal Revenue	2.86
Other Revenue	0.13
Total	100.00 %

Note: excludes sale of refunding bonds and sale of land

Sources of Revenue by Fiscal Year

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

Fiscal Year Ended June 30	Local Revenue		County Revenue	State Revenue	Federal Revenue		Other Revenue		Total Revenue
2014	$ 52,797,992		$ 534,279	$ 1,503,545	$ 466,656		$ 47,674		$ 55,350,146
2015	52,263,173	*	541,935	1,621,831	1,798,118	*	15,663		56,240,720
2016	51,592,838		549,601	1,689,504	1,699,830		6,394		55,538,167
2017	51,425,428		536,786	1,741,020	1,738,923		30,729		55,472,886
2018	54,455,608		559,302	1,729,439	1,673,247		31,264,065	**	89,681,661

* Change of ARRA debt interest funding from Local Revenue to Federal Revenue.

** Includes proceeds from the sale of refunded bonds and from sale of land.

Property Tax Information

The following table provides the history of total assessed valuation of all taxable tangible property situated in the District, according to the assessments as of January 1, in the calendar years shown below:

Calendar Year	Assessed Valuation	% Change
2013	$ 1,000,980,880	N/A
2014	1,002,431,060	0.14%
2015	1,037,313,560	3.48%
2016	1,036,106,710	-0.12%
2017	1,152,388,120	11.22%

Tax Rates

The following table shows the adjusted tax rates (per $100 of assessed valuation) levied against each subclass of property for the current fiscal year and the last three fiscal years for the District:

Fiscal Year Ended June 30	Real Estate Residential	Real Estate Commercial	Real Estate Agricultural	Personal Property
2015	$ 4.1027	$ 4.6085	$ -	$ 3.9974
2016	3.8492	4.5393	-	3.9985
2017	3.8423	4.3583	-	3.9946
2018	3.6494	4.1682	-	3.9845

Tax Rates – Allocation by Fund

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

Fiscal Year Ended June 30	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Debt Service Fund	Total Levy - Blended Rate
2014	$ 1.2165	$ 2.2152	$ 0.1800	$ 0.6230	$ 4.2347
2015	1.2795	2.2233	0.1800	0.6230	4.3058
2016	1.2242	2.1186	0.1800	0.6230	4.1458
2017	0.9291	2.3057	0.2065	0.6230	4.0643
2018	0.9350	2.2278	0.1050	0.6230	3.8908

Tax Collection Record

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

Fiscal Year	Total Levy (per $100 of Assessed Value)	Assessed Valuation	Total Taxes Levied	Current Taxes Collected		Current and Delinquent Taxes Collected	
				Amount	%	Amount	%
2013-14	$ 4.2347	$1,000,980,880	$42,388,537	$41,013,567	96.76%	$40,499,501	95.54%
2014-15	4.3058	1,002,431,060	43,162,677	42,195,648	97.76%	42,465,881	98.39%
2015-16	4.1458	1,037,313,560	43,004,946	42,039,622	97.76%	39,737,985	92.40%
2016-17	4.0643	1,036,106,710	42,110,485	41,028,612	97.43%	40,202,268	95.47%
2017-18	3.8908	1,152,388,120	44,837,117	43,801,052	97.69%	43,078,099	96.08%

Major Property Taxpayers

The ten largest real property taxpayers in the District according to their 2017 assessed valuations are listed below:

	Taxpayer	Assessed Valuation	% of District's 2017 Total Assessed Valuation
1.	St. Louis Galleria LLC	$ 29,156,600	2.53 %
2.	KBSII Pierre Laclede Center LLC	25,185,160	2.19 %
3.	Clayton St. Louis Property LLC	20,325,320	1.76 %
4.	Clayton Franklin Clayton Plaza LLC	20,177,470	1.75 %
5.	Clayton Corp. Park Management Co	19,002,980	1.65 %
6.	KBSIII 101 South Hanley LLC	18,493,600	1.60 %
7.	Centene Management Company	16,049,240	1.39 %
8.	Clayton Central Owner LLC	13,677,050	1.19 %
9.	8182 Maryland Associates LTD PTNSP	12,678,850	1.10 %
10.	Mept Shaw Park Plaza LLC	12,402,180	1.08 %
		$187,148,450	16.24 %