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

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

$2,850,000
SCHOOL DISTRICT OF THE CITY OF LADUE
ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2018

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

The General Obligation Bonds, Series 2018 (the **"Bonds"**) will be issued by the School District of the City of Ladue, St. Louis County, Missouri (the **"District"**) for the purpose of providing funds to pay the (1) costs of a portion of the Project, as defined and described herein under the section captioned **"PLAN OF FINANCE – The Project,"** and (2) costs of issuance related to the Bonds.

Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing on March 1, 2019, by check or draft mailed (or by wire transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the 15th day of the month preceding the applicable interest payment date.

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

THE BONDS AND THE 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 THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE DISTRICT.

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

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

The Bonds are offered when, as and if issued by the District, subject to the approval of validity by Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel, and subject to certain other conditions. Certain legal matters related to this Official Statement will be passed upon by Thompson Coburn LLP, St. Louis, Missouri. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about October 16, 2018.

Commerce Bank
Member FDIC

The date of this Official Statement is October 2, 2018.

$2,850,000
SCHOOL DISTRICT OF THE CITY OF LADUE
ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2018

MATURITY SCHEDULE
Base CUSIP: 505786[(1)]

SERIAL BONDS

Due (March 1)	Principal Amount	Interest Rate	Price	CUSIP[(1)]
2019	$200,000	4.000%	100.797%	JS3
2020	115,000	4.000	102.697	JT1
2021	120,000	4.000	104.495	JU8
2022	120,000	4.000	106.157	JV6
2023	125,000	4.000	107.466	JW4
2024	130,000	3.500	105.178	JX2
2025	135,000	3.500	104.752	JY0
2026	145,000	3.500	104.329	JZ7
2027	150,000	3.500	103.697	KA0
2028	155,000	3.500	103.278	KB8
2029	160,000	3.375	102.350	KC6
2030	165,000	3.250	101.426	KD4

TERM BONDS

$355,000 3.250% Term Bond due March 1, 2032 – Price: 101.015%; CUSIP: KE2

$385,000 3.375% Term Bond due March 1, 2034 – Price: 101.524%; CUSIP: KF9

$390,000 3.500% Term Bond due March 1, 2036 – Price: 102.033%; CUSIP: KG7

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(1) CUSIP numbers shown above have been assigned by an organization not affiliated with the District or the Underwriter. The District nor the Underwriter was responsible for the selection of CUSIP numbers nor does the District or the Underwriter make any representation as to the correctness of such numbers on the Bonds or as indicated herein.

SCHOOL DISTRICT OF THE CITY OF LADUE
ST. LOUIS COUNTY, MISSOURI

BOARD OF EDUCATION

Andy Bresler, *President and Director*
Carolyn Jaeger, *Vice President and Director*
Jeff Kopolow, *Secretary and Director*
Sheldon Johnson, *Treasurer and Director*
Sheri Glantz, *Director*
Nancy Goldstein, *Director*
Kisha Lee, *Director*

DISTRICT ADMINISTRATION

Dr. Donna Jahnke, *Superintendent*
Dr. Jason Buckner, *Assistant Superintendent for Business and Finance*

FINANCIAL ADVISOR

Sentry Financial Services, LLC
Sullivan, Missouri

BOND COUNSEL AND DISCLOSURE COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

UNDERWRITER

Commerce Bank
Kansas City, Missouri

PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

No dealer, broker, salesperson or any other person has been authorized by the District 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.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

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OFFICIAL STATEMENT

$2,850,000
SCHOOL DISTRICT OF THE CITY OF LADUE
ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2018

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 $2,850,000 aggregate principal amount of General Obligation Bonds, Series 2018 (the **"Bonds"**) by the School District of the City of Ladue, 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 June 12, 2018 (the **"Resolution"**). *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.*

Purpose of the Bonds

The Bonds are being issued for the purpose of providing funds to pay the (1) costs of a portion of the Project, as defined and described herein under the section captioned **"PLAN OF FINANCE – The Project,"** and (2) costs of issuance related to the Bonds.

Security for the Bonds

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

Continuing Disclosure

The District will agree in an Adoption Agreement dated as of October 1, 2018 (the **"Adoption Agreement"**), relating to the District's Omnibus Continuing Disclosure Undertaking, dated as of October 1, 2014 (the **"Omnibus Continuing Disclosure Undertaking"**), to provide certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated material events relating to the Bonds. The financial information, operating data and notice of events will be filed by the District in compliance with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the **"Rule"**). See the section herein captioned **"CONTINUING DISCLOSURE**

UNDERTAKING" for a discussion on the District's prior compliance with the Rule and summary of the Omnibus Continuing Disclosure Undertaking and the Adoption Agreement.

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 $2,850,000. 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 of this Official Statement, subject to redemption and payment prior to maturity upon the terms and conditions described under the section below captioned **"Redemption Provisions."** Interest on the Bonds is calculated at the rate 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, 2019.

Payment of the interest on the Bonds will be made to the person in whose name such Bond is registered 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 to the Registered Owners thereof by (1) check or draft mailed by The Bank of New York Mellon Trust Company, N.A., as paying agent for the Bonds (the **"Paying Agent"**), to each 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 (2) in the case of an interest payment to any Registered Owner of $500,000 or more in aggregate principal amount of Bonds, by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner, and given to the Paying Agent not less than 15 days prior to the Record Date for such interest payment, containing the electronic transfer instructions including the name and address of the bank (which shall be in the continental United States), the ABA routing number and the account number to which such Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may apply.

The principal or Redemption Price (as defined herein) of each Bond shall be paid at Maturity by check or draft to the Person in whose name such Bond is registered on the Bond Register at the Maturity thereof, upon presentation and surrender of such Bond at the corporate trust office of the Paying Agent located in St. Louis, Missouri, or any other payment office 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 tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

Registration, Transfer and Exchange of Bonds

The District will cause the Bond Register to be kept at the principal payment office of the Paying Agent or such other office designated by the Paying Agent for the registration, transfer and exchange of the Bonds 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 (i) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent in accordance with the Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption, or (ii) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Resolution.

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds or portions thereof maturing on March 1, 2024 and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2023 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).

Mandatory Sinking Fund Redemption. The Bonds maturing March 1, 2032, March 1, 2034 and March 1, 2036 (together, the "**Term Bonds**") are subject to mandatory redemption and payment prior to maturity on March 1 in each of the years set forth below, at the principal amount thereof plus accrued interest to the redemption date, without premium:

Bonds Maturing March 1, 2032		**Bonds Maturing March 1, 2034**		**Bonds Maturing March 1, 2036**	
Year	**Principal Amount**	**Year**	**Principal Amount**	**Year**	**Principal Amount**
2031	$175,000	2033	$190,000	2035	$195,000
2032	180,000*	2034	195,000*	2036	195,000*

*Final Maturity.

The Paying Agent shall, in each year in which Term Bonds are to be redeemed pursuant to the mandatory sinking fund provisions of the Resolution make timely selection of the Term Bonds or portions thereof to be so redeemed in $5,000 units of principal amount from the maturity or maturities selected by the District and shall give notice thereof without further instructions from the District. The Paying Agent may, upon instructions from the District, use moneys on hand in the Debt Service Fund, to purchase Term Bonds in the open market at a price not in excess of their principal amount, and each Term Bond so purchased shall be credited at 100% of the principal amount thereof on the obligation of the District to redeem Term Bonds of the same maturity on the next mandatory redemption date applicable to the Term Bonds of the same maturity that is at least 45 days after receipt by the Paying Agent of such instructions from the District, and the principal amount of Term Bonds of such maturity to be redeemed by operation of the mandatory sinking fund redemption provisions in the Resolution shall be reduced accordingly.

At the option of the District to be exercised on or before the 45th day next preceding each mandatory redemption date, the District may: (1) deliver to the Paying Agent for cancellation Term Bonds in the aggregate principal amount desired; or (2) furnish to the Paying Agent funds, together with appropriate instructions, for the purpose of purchasing any Term Bonds from any Owner thereof in the open market, whereupon the Paying Agent shall expend such funds for such purposes to such extent as may be practical; or (3) receive a credit in respect to the mandatory redemption obligation for any Term Bonds of the same maturity which have been redeemed prior to such date (other than through the operation of the mandatory redemption requirements described herein) and cancelled by the Paying Agent and not theretofore applied as a credit against any redemption obligation under the mandatory sinking fund redemption provisions of the Bond Indenture. Each Term Bond so delivered or previously purchased or redeemed shall be credited at 100% of the principal amount thereof on the obligation of the Authority to redeem Term Bonds of the same maturity on such redemption date, and any excess of such amount shall be credited on future mandatory redemption obligations for Term Bonds of the same maturity in chronological order or such other order as the District may designate, and the principal amount of Term Bonds of the same maturity to be redeemed on such future mandatory redemption dates by operation of the mandatory redemption requirements described herein shall be reduced accordingly.

Selection of Bonds to be Redeemed

Bonds shall be redeemed only in the principal amount of $5,000 or any integral multiple thereof. When less than all of the Outstanding Bonds are to be redeemed, such Bonds shall be redeemed in such order of their Stated Maturities as determined by the District, and Bonds of less than a full Stated Maturity and bearing interest at the same interest rate shall be selected by the Paying Agent in $5,000 units of principal amount in such 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 the State Auditor of Missouri, the Underwriter and 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.

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

General

Pledge of Full Faith and Credit. The Bonds will constitute general obligations of the District and will be payable as to both principal or Redemption Price of and interest 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 and the fees and expenses of the Paying Agent.

PLAN OF FINANCING

General

The Bonds are being issued for the purpose of providing funds to pay the (1) costs of a portion of the Project, as defined and further discussed below, and (2) costs of issuance related to the Bonds.

The Project

On April 5, 2016, the voters of the District approved the issuance of $85,100,000 of the District's general obligation bonds for the purpose of constructing, renovating, repairing, improving, furnishing and equipping school sites, buildings and facilities, including, but not limited to (1) new construction and/or renovation of science labs, classrooms, fine and performing arts spaces, a library media center and building operational components at the high school and (2) updating safety, security and technology infrastructure at other District schools (collectively, the **"Project"**). In June 2016, the District issued $82,250,000 aggregate principal amount of general obligation bonds pursuant to such voter authorization for the purpose of paying a portion of the costs of the Project. The Bonds are being issued for the purpose of paying remaining Project costs. The Project is expected to be completed in March 2019.

Sources and Uses of Funds

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

Sources of Funds:	
Par Amount of Bonds	$2,850,000.00
Plus Original Issue Premium	80,372.75
Total	$2,930,372.75
Uses of Funds:	
Deposit to the Capital Projects Fund	$2,852,187.75
Costs of issuance (including Underwriter's Discount)	(78,185.00)
Total	$2,930,372.75

THE DISTRICT

The District is located in the City of Ladue, Missouri. The District covers an area of approximately 18 square miles. Communities served by the District include Ladue, Creve Coeur, Crystal Lake Park, Frontenac, Huntleigh Village, Ladue, Olivette, Richmond Heights, Town and Country, unincorporated St. Louis County and Westwood. See **APPENDIX A – INFORMATION REGARDING THE DISTRICT** for further information regarding the District.

APPROVAL OF LEGALITY

Legal matters with respect to the authorization, execution and delivery of the Bonds are subject to the approval of Thompson Coburn LLP, St. Louis, Missouri (the **"Bond Counsel"**), whose approving opinion will be available at the time of delivery of the Bonds. Bond Counsel has participated only in the preparation of those portions of this Official Statement captioned **"THE BONDS"** (other than the information under the caption **"Book-Entry Only System"**), **"SECURITY FOR THE BONDS," "APPROVAL OF LEGALITY," "TAX MATTERS,"** and **APPENDIX C: "FORM OF OPINION OF BOND COUNSEL."** Bond Counsel accordingly expresses no opinion as to the accuracy or sufficiency of other portions of this Official Statement. Certain legal matters related to this Official Statement will be passed upon by Thompson Coburn LLP, St. Louis, Missouri.

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

BOND RATING

S&P Global Ratings, a division of S&P Global Inc. (**"Standard & Poor's"**), has assigned a municipal bond rating of "AAA" to the Bonds based upon the underlying credit of the District.

Such rating reflects only the view of Standard & Poor's at the time the rating is given, and neither the District nor the Underwriter make any representation as to the appropriateness of the rating, or that the rating will not be changed, suspended or withdrawn. The District has furnished Standard & Poor's 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. The rating is not a recommendation to buy, sell or hold the Bonds. 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 Standard & Poor's if, in their judgment, circumstances warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Undertaking, the District is required to bring to the attention of the holders of the Bonds any revision or withdrawal of the rating of the Bonds but has not undertaken any responsibility to oppose any such revision or withdrawal. See the section herein captioned **"CONTINUING DISCLOSURE UNDERTAKING."** Any such revision or withdrawal of the rating could have an adverse effect on the market price and marketability of the Bonds.

TAX MATTERS

Tax Exemption

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

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

In addition, the opinion of Bond Counsel will state that, under existing law, interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax. However, interest on the Bonds is included in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability for tax years which began before January 1, 2018. Furthermore, the opinion of Bond Counsel will state that, under existing law, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

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

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

The Service has an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. No assurance can be given that the Service will not commence an audit of the Bonds resulting in a negative determination with respect to the Bonds causing the loss to the owners thereof of the tax exemption of the interest on the Bonds for federal and State of Missouri income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, in accordance with its current published procedures, the Service 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.

Premium

An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes amortizable bond premium on such Bond. A purchaser of a Bond generally must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield on the Bond to maturity; provided that the premium must be amortized over the period to a call date with respect to the Bond, based on the purchaser's yield on the Bond to such call date, if the call by the District on such date would minimize the purchaser's yield on the Bond. As premium is amortized, the purchaser's basis in such Bond (and the amount of tax-exempt stated interest received) will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal and State of Missouri income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal or State of Missouri income tax deduction is allowed.

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

Market Discount

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

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

Bank Qualified Bonds

The Code prohibits the deduction by a bank or other financial institution of interest expenses allocable to tax exempt interest, such as interest on the Bonds. A limited exception to this provision generally permits an 80% deduction to a financial institution for interest expenses allocable to "qualified tax exempt obligations" under Section 265(b)(3) of the Code. The opinion of Bond Counsel to be delivered upon the issuance of the Bonds will state that, under existing law and based on the representations and certifications of the District with respect to the qualification of the Bonds as "qualified tax exempt obligations," the Bonds are "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code.

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of the Bonds may result in other federal and State of Missouri income tax consequences to certain taxpayers, including, without limitation, financial institutions, insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers who have incurred or continued indebtedness to purchase or carry, or have paid or incurred certain expenses allocated to, the Bonds, individuals who may be eligible for the earned income credit, owners who dispose of any Bond prior to its stated maturity (whether by sale or otherwise) and owners who purchase any Bond at a price different from its initial offering price. All prospective purchasers of the Bonds should consult their own tax advisors as to the applicability and the impact of any other tax consequences (which may depend upon their particular tax status or other tax items), as well as to the treatment of interest on the Bonds under state or local laws other than those of the State of Missouri.

Under the Code, all taxpayers are required to report on their federal income tax returns the amount of interest received or accrued during the year that is excluded from gross income for federal income tax purposes. This requirement applies to interest on all tax-exempt obligations, including, but not limited to, the Bonds. Also, the Code requires the reporting by payors of tax-exempt interest in a manner similar to that for interest on taxable obligations. Generally, payors (including paying agents and other middlemen and nominees) of tax-exempt interest (such as interest on the Bonds) to non-corporate payees are subject to federal income tax annual information return and payee statement reporting and recordkeeping requirements. Also, as to payor reportable payments of tax-exempt interest, principal and premium on the Bonds and of proceeds paid on the sale of the Bonds (such as payments to non-corporate payees), the general rules of federal income tax backup withholding will apply to such payments, if the payee fails to provide the correct taxpayer identification number or certification of foreign or other exempt status or fails to report in full taxable dividend and interest income. However, no backup withholding for tax-exempt original issue discount will be required until such time as the Service provides future guidance.

Future Legislation

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

CONTINUING DISCLOSURE UNDERTAKING

General

The District has entered into the Omnibus Continuing Disclosure Undertaking for the benefit of the owners of the Bonds and general obligation bonds previously issued by the District (the **"Existing Obligations"**). The District will enter into the Adoption Agreement to make the Omnibus Continuing Disclosure Undertaking applicable to the Bonds and to assist the Underwriter in complying with the Rule. The District is the only "obligated person" with responsibility for continuing disclosure.

Annual Reports

Pursuant to the Omnibus Continuing Disclosure Undertaking, the District will, not later than 180 days after the end of the District's fiscal year, commencing with the fiscal year ending June 30, 2018, provide to the Municipal Securities Rulemaking Board (**"MSRB"**), through its EMMA website (described below), the following financial information and operating data (the **"Annual Report"**):

(a) 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 audited financial statements contained in **APPENDIX B** of this Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(b) Updates as of the end of the prior fiscal year of certain financial information and operating data relating to the District set forth in the tables under the following sections in **APPENDIX A** of this Official Statement: **"THE DISTRICT – History of Enrollment"** and **"PROPERTY TAX INFORMATION – Property Valuations –** ***History of Property Valuations,"*** **"– Tax Rates -** ***Tax Rates – Allocation by Fund*****"** and **"– Tax Collections."**

Notices of Material Events

Not later than 10 business days after the occurrence of any of the following events, the District shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (**"Material Events"**):

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the 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; and
(14) appointment of a successor or additional trustee or the change of name of the Paying Agent, if material.

The District is also required to 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 Omnibus 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 Omnibus Continuing Disclosure Undertaking.

Amendments to Omnibus Continuing Disclosure Undertaking

Notwithstanding any other provision of the Omnibus Continuing Disclosure Undertaking, the District may amend the Omnibus Continuing Disclosure Undertaking and any provision of the Omnibus Continuing Disclosure Undertaking may be waived, provided 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 Omnibus Continuing Disclosure Undertaking.

In conjunction with the public offering of any series of bonds, the District may amend the categories of operating data to be updated on an annual basis as described above to conform to the operating data included in the final official statement for such series of bonds, in conformance with the requirements and interpretations of the Rule as of the date of such final official statement, without further amendment to the Omnibus Continuing Disclosure Undertaking. Thereafter, the annual operating data to be filed by the District with the MSRB with respect to the Bonds (and all other series of bonds then subject to the Omnibus Continuing Disclosure Undertaking) shall be deemed to be amended to reflect the requirements of the revised operating data disclosure for the new series of bonds.

The Adoption Agreement entered into in connection with the Bonds further states for any amendment made pursuant to the Omnibus Continuing Disclosure Undertaking as it relates to the Bonds pursuant to the preceding paragraph, the District shall also (1) satisfy the same requirements for amendments and waivers under the Omnibus Continuing Disclosure Undertaking, notwithstanding anything in the preceding paragraph to the contrary, and (2) provide notice of such amendment in the same manner as for a Material Event under the Omnibus Continuing Disclosure Undertaking.

Remedies

In the event of a failure of the District to comply with any provision of the Omnibus 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 Omnibus Continuing Disclosure Undertaking. A default under the Omnibus Continuing Disclosure Undertaking will not be deemed an event of default under the Resolution, and the sole remedy under the Omnibus Continuing Disclosure Undertaking in the event of any failure of the District to comply with the Omnibus 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 Omnibus 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 Existing Obligations is incorporated by reference into this Official Statement.

Prior Compliance

The following chart sets forth the dates during the last five years on which the District was obligated to file Annual Reports and the dates on which such information was actually provided by the District.

Summary of Continuing Disclosure Filings of Annual Reports

Fiscal Year Ended	Filing Due Date	Audited Financial Statements Filing Date	Financial and Operating Data Filing Date[(1)]	Links to Filing Documentation
6/30/13	12/27/13	12/3/13	12/3/13	http://emma.msrb.org/EP783687-EP606714-EP1008225.pdf
6/30/14	12/27/14	12/4/14	12/16/14	http://emma.msrb.org/EP841286-EA527569-EA923783.pdf http://emma.msrb.org/EP843462-EP652592-EP1054261.pdf
6/30/15	12/27/15	12/11/15	12/11/15	http://emma.msrb.org/ER933103-ER728616-ER1130131.pdf http://emma.msrb.org/ER933103-ER728616-ER1130130.pdf
6/30/16	12/27/16	12/27/16	12/27/16	https://emma.msrb.org/ER1006779-ER788191-ER1189519.pdf
6/30/17	12/27/17	12/23/17	12/23/17	https://emma.msrb.org/ES1080215-ES843895-ES1244985.pdf https://emma.msrb.org/ES1080216-ES843896-ES1244986.pdf

(1) The operating data portion of the District's Annual Reports contained substantially all of the required operating data, except certain of the operating data was not presented in a format identical to the information included in the District's prior continuing disclosure undertakings, which reference operating data in prior official statements. The Annual Reports for the fiscal years ended June 30, 2013 through 2015 included updated (i) total assessed valuation and percent change information, but did not include assessed valuation by property classification, (ii) total tax rate and tax rate by fund information, but for the fiscal years ended June 30, 2013 through 2015 did not include tax rates by property classification, (iii) tax collections, but for the fiscal year ended June 30, 2013 did not include total taxes levied and information regarding current and delinquent taxes and percent thereof collected and (iv) major property taxpayers. The District subsequently filed a notice of failure to file and the updated information on May 17, 2016, which can be found at http://emma.msrb.org/ER963631-ER753257-ER1155244.pdf.

The District has adopted written policies and procedures to promote future compliance with its undertakings to disclose financial information and operating data under the Rule.

LEGAL MATTERS

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

Commerce Bank, Kansas City, Missouri (the **"Underwriter"**) has agreed to purchase the Bonds at a price of $2,907,287.75 (which is equal to the aggregate original principal amount of the Bonds, less an underwriting discount of $23,085.00, plus original issue premium of $80,372.75). 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.

CERTAIN RELATIONSHIPS

Thompson Coburn LLP, St. Louis, Missouri, is serving as both Bond Counsel and Disclosure Counsel in connection with the issuance of the Bonds.

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MISCELLANEOUS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is made to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights of the Owners thereof. During the period of the offering, copies of drafts of such documents may be examined at the offices of the Underwriter; following delivery of the Bonds, copies of such documents may be examined at the principal payment office of the Paying Agent. 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 THE CITY OF LADUE, ST. LOUIS COUNTY, MISSOURI

By: /s/ Andy Bresler
President of the Board of Education

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APPENDIX A

SCHOOL DISTRICT OF THE CITY OF LADUE
ST. LOUIS COUNTY, MISSOURI

INFORMATION REGARDING THE DISTRICT

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THE DISTRICT

General

The School District of the City of Ladue, St. Louis County, Missouri (the **"District"**) covers an area of approximately 19 square miles. Communities served by the District include Ladue, Creve Coeur, Crystal Lake Park, Frontenac, Huntleigh Village, Olivette, Richmond Heights, Town and Country, unincorporated St. Louis County and Westwood. The total population within the District is approximately 25,971. The District has 4,173 students enrolled for the 2018-19 school year.

Board of Education

The District is governed by a seven-member Board of Education (the **"Board"**). The Board is the policy-making body of the District. The Board has control over local school matters within the boundaries set by the Missouri General Assembly and the rules and regulations of the State Board of Education. The voters of the District elect the directors of the Board for three-year staggered terms, with two directors being elected in two successive years and three directors being elected every three years. All directors are elected at large and serve without compensation. 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 current members of the Board are as follows:

Name and Title	Year First Elected	Current Term Expires (April)
Andy Bresler, President and Director	2011	2020
Carolyn Jaeger, Vice President and Director	2014	2020
Sheldon Johnson, Treasurer and Director	2016	2019
Jeff Kopolow, Secretary and Director	2010	2019
Sheri Glantz, Director	2006	2021
Nancy Goldstein, Director	2012	2021
Kisha Lee, Director	2017	2020

Administration

Dr. Donna Jahnke is a 25-year-plus veteran of the District, and currently serves as the Superintendent of Schools. She began her career as a special education teacher working for the Special School District of St. Louis County, and went on to become a classroom teacher, Director of Community Programs at the Ladue Early Childhood Center, Principal of Reed Elementary School, and Assistant Superintendent for Curriculum and Instruction before becoming the Superintendent of Schools. Dr. Jahnke has a Bachelor of Science in Education from Southeast Missouri State University, a Masters in Education from the University of Missouri St. Louis, and a Ph.D. in Educational Leadership from Saint Louis University. Dr. Jahnke has announced she will retire from the District effective July 1, 2019. The District has selected an executive search firm and launched a community engagement campaign to assist in the search for the next superintendent.

Dr. Jason Buckner joined the District as the Assistant Superintendent of Business and Finance in September 2010. Dr. Buckner formerly served as the superintendent of the Weaubleau R-III School District. He has also served as superintendent of Laclede County C-5 School District in Lebanon, Missouri, after being chief financial officer and principal of Blackwater R-II School District in Blackwater, Missouri. Dr. Buckner was also a math and science instructor as well as a coach.

Dr. Buckner received his Doctorate in Educational Administration from Lindenwood University; an Educational Specialist degree in Superintendency from Lincoln University; a Masters in Educational Administration from Southwest Baptist University; a Bachelor of Science in Secondary Education from Southeast Missouri State University; and an Associate of Arts from Jefferson College.

Professional Staff

The following table shows certified and non-certified personnel figures for the District for the school years indicated:

School Year	Certificated Personnel	Non-Certificated Personnel	Total
2012-13	350	130	480
2013-14	362	143	505
2014-15	368	153	521
2015-16	371	145	516
2016-17	373	136	509
2017-18	376	128	504

Source: District.

The average years of experience of certificated personnel for the 2017-18 school year is 19 years. Approximately 88% of certificated personnel have a master's degree or higher. Approximately 69% of the certificated staff is tenured.

The starting teacher's salary for the 2017-18 school year is $43,235 with an average teacher salary of $69,792. The current maximum salary is $110,767.

The District has a pupil teacher ratio of approximately 14:1 at the elementary level, 17:1 at the middle school and 22:1 at the high school.

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History of Enrollment

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

Grade	2014-15	2015-16	2016-17	2017-18	2018-19
K	279	281	289	332	286
1st	300	307	302	303	354
2nd	326	333	309	317	314
3rd	305	316	337	309	308
4th	307	311	314	344	331
5th	330	342	310	316	340
6th	325	332	336	305	318
7th	328	332	329	328	306
8th	302	310	328	330	330
9th	362	362	299	312	340
10th	308	317	361	292	319
11th	301	307	315	356	289
12th	311	315	302	311	338
Total	4,084	4,165	4,131	4,155	4,173

Source: District.

School Rating and Accreditation

The Missouri Department of Elementary and Secondary Education (**"DESE"**) administers the Missouri School Improvement Program (**"MSIP"**), the State of Missouri (the **"State"**) school accountability system for reviewing and accrediting public school districts in the State. 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, (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 2017 APR, the District earned 98.9% of the points possible, placing the District in the "Accredited With Distinction" category.

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

School Facilities

The District currently owns and operates 1 high school, 1 middle school, 1 fifth grade center, 1 early childhood center and 4 elementary schools. Listed below is information about each of the schools currently operated by the District and enrollment figures for each school for the current school year.

Ladue Horton Watkins High School
Location: 1201 S. Warson Road
Enrollment: 1,271
Grade Span: 9-12

Ladue Middle School
Location: 9701 Conway Road
Enrollment: 963
Grade Span: 6-8

Conway Elementary School
Location: 9900 Conway Road
Enrollment: 338
Grade Span: K-4

Spoede Elementary School
Location: 425 N. Spoede Road
Enrollment: 421
Grade Span: K-4

Old Bonhomme Elementary School
Location: 9661 Old Bonhomme
Enrollment: 435
Grade Span: K-4

Reed Elementary School
Location: 9060 Ladue Road
Enrollment: 411
Grade Span: K-4

Fifth Grade Center
Location: 10900 Ladue Road
Enrollment: 316
Grade Span: 5

Ladue Early Childhood Center
Location: 10890 Ladue Road
Enrollment: 320
Grade Span: 3-5 years of age

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

General. The District's financial statements include all funds, account groups, departments, agencies, boards, commissions and other organizations over which the District is financially accountable.

Accounts are organized on the basis of funds or groups of accounts, each of which is considered to be a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues, and expenses. The following are the funds and account groups used by the District:

> *General (Incidental) Fund* – This fund is the general operating fund of the District and accounts for expenditures for non-certified employees, pupil transportation costs, plant operation, fringe benefits, student body activities, community services, food service and any expenditures not required or permitted to be accounted for in other funds.
>
> *Special Revenue (Teachers') Fund* – This fund accounts for revenues derived from specific taxes or other earmarked revenue sources. This fund accounts for expenditures for certified employees involved in administration and instruction and includes revenues restricted by the State and local tax levy allocations for the payment of teacher salaries and certain benefits.
>
> *Debt Service Fund* – This fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt.

Capital Projects Fund – This fund is used to account for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets and all other capital outlay.

Basis of Accounting. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The District's accounting system for governmental funds reflect the modified cash basis of accounting. This basis of accounting recognizes assets, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions except that the purchase of investments are recorded as assets. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Budgets and Budgetary Accounting. The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 67 of the Revised Statutes of Missouri, as amended, the District adopts a budget for each fund.

2. Prior to June 30, the Superintendent, who serves as the budget officer, submits to the Board a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

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

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

5. Subsequent to its formal approval of the budget, the Board has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

6. Budgets are adopted on the modified cash basis of accounting for all Governmental Funds.

The financial records of the District are audited annually by an independent public accountant in accordance with generally accepted auditing standards. The most recent annual audit has been performed by Daniel Jones & Associates, Certified Public Accountants, Arnold, Missouri. A copy of the audit for the fiscal year ended June 30, 2017, is included in this Official Statement as **Appendix B**. A summary of significant accounting policies of the District is contained in the Notes accompanying the financial statements in **Appendix B**. *The District neither requested nor received the consent of Daniel Jones & Associates to the inclusion of its audit report in this Official Statement. Neither the firm of Daniel Jones & Associates, nor any other independent accountants, has examined the District's records, or performed any procedures with respect to the District since the date of the District's audit for the fiscal year ended June 30, 2017.*

Sources of Revenue

Missouri school districts finance their operations through the local property tax levy, State sales tax, State Aid, federal grant programs and miscellaneous sources including State Aid for Transportation (though the District does not receive any such aid), a State sales tax on cigarettes and a pro rata share of interest income from the counties in which each school district operates. Debt service is financed primarily through local property taxes.

The following table shows the allocation of the District's revenue from the various sources for the fiscal year ended June 30, 2017.

Revenue Source	% of Total
Local Revenue	93.7%
County Revenue	1.2
State Revenue	3.8
Federal Revenue	1.3
Total	100.0%

Source: District's Audited Financial Statements for the fiscal year ended June 30, 2017.

State and federal revenue, as well as "Proposition C" sales tax revenue (as defined under the caption **"Local Revenue"** 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 aid amounts rather than local taxes.

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
2013	$61,291,575	$678,241	$2,611,629	$ 511,019	$ 192,000	$65,284,464
2014	60,764,020	740,476	2,738,139	633,728	1,095,598	65,971,961
2015	63,333,220	741,675	2,886,473	708,416	0	67,669,784
2016	63,145,359	792,451	3,053,202	1,119,327	0	68,110,339
2017	72,263,454	903,894	2,968,244	972,908	0	77,108,500

Source: District's Audited Financial Statements for the fiscal years ended June 30, 2013 through 2017.

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 under the caption **"PROPERTY TAX INFORMATION,"** (2) fines and forfeitures collected as a result of violations within a district's boundaries, (3) a district's allocable portion of state assessed railroad and utility property taxes collected and distributed by the county or counties in which it is located, and (4) receipts from a 1% state sales tax (commonly referred to as **"Proposition C revenues"**).

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 enrollment in each district and in part on the taxes levied by each district.

Proposition C revenues are generated by a 1-cent state sales tax that was approved by the voters in 1982. The sales tax proceeds are deemed to be "local" revenues for school district accounting purposes. Such revenues are distributed under the provisions of a revised State Aid formula using weighted average daily attendance (see the section below captioned **"State Revenue"**). Proposition C revenue per pupil for the fiscal year June 30, 2018 was approximately $988.

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 approximately one-half of the estimated revenues to be received through Proposition C during the year. School districts may submit propositions to voters to forego some or all of the reduction in the operating levy that is otherwise required under terms of Proposition C. At an election held on April 3, 2012, the voters within the District approved the elimination of the sales tax reduction requirement.

State Revenue

State Aid. Senate Bill 287 passed by the Missouri General Assembly in its 2005 regular session transitioned Missouri away from a local tax rate based formula to a formula that is primarily student-needs based. The new formula was phased in over a seven-year period that started with the 2006-07 fiscal year and ended with the 2012-13 fiscal year. During the phase-in period, State Aid for each school district was based on a percentage of both the old local tax rate based formula (determined as a percentage of the 2005-06 State Aid Payments), and the student-needs based formula. Effective with the 2013-14 fiscal year, State Aid was calculated solely using the student-needs based formula.

Property Tax Levy Requirements. The sum of a district's local property tax levies in its General and Special Revenue Funds must be at least $2.75 per $100 assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-06 fiscal year. Levy reductions required as a result of a "Hancock rollback" or an "SB 711 rollback" (see **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Tax Limitations Provisions"** 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 (**"WADA"**) by the state adequacy target. This figure may be adjusted upward by a dollar value modifier (**"DVM"**) (discussed below). The product of the WADA multiplied by the state adequacy target is then reduced by a district's "local effort" (discussed below) to calculate a district's final State Aid amount.

Weighted ADA. WADA is based upon regular term average daily attendance plus summer school average daily attendance, with additional weight assigned in certain circumstances for students who qualify for free and reduced lunch (**"FRL"**), receive special education services (**"IEP"**) or possess limited English language proficiency (**"LEP"**). Students receive additional weighted treatment if, categorically, they exceed certain thresholds (based on the percentage of students in each of the categories in "Performance Districts," as defined below), which thresholds can change every two years. For fiscal years 2017 and 2018, DESE has revised the thresholds downward as required under SB 586. This lowering of the thresholds means more FRL, IEP and LEP students will be included in average daily attendance. The average daily attendance has the potential to be further increased as certain districts become eligible to count certain preschool age children for FRL (up to a 4% increase). The District's

State Aid revenues would be adversely affected by decreases in its WADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP and LEP students.

State Adequacy Target. The new 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 will be based upon amounts spent, excluding federal and State transportation revenues, by certain high performing districts (known as **"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 fiscal years 2017 and 2018, the state adequacy target is $6,241 per pupil.

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

Local Effort. For the 2006-07 fiscal year, the "local effort" figure utilized in a district's State Aid calculation is 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 subsequent years, a district's "local effort" amount will be 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 (Gaming 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 of the State treasury containing a portion of the State's gaming revenues. This money is distributed to school districts on the basis of average daily attendance (versus WADA, 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 2010-11 fiscal year, all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-10 fiscal year must be placed in the Teachers' or Incidental Funds. For the 2017-2018 fiscal year, each school district received approximately $414.82 per pupil based on their 2016-2017 ADA. Classroom Trust Fund dollars do not increase the amount of State Aid.

Mandatory Deposit and Expenditures of Certain Amounts in the Special Revenue 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 (gaming revenues); (2) 75% of one-half of the district's local share of Proposition C revenues; (3) 100% of the career ladder State matching payments; and (4) 100% of local revenue from fines and escheats based on violations or abandoned property within the district's boundaries.

In addition to these mandatory deposits, school districts are also required to spend for certificated staff compensation and tuition expenditures each year the amounts described in clauses (1) and (2) of the preceding paragraph. School districts are further required to spend for certificated staff compensation and tuition expenditures each year, per the second preceding year's WADA, as much as was spent in the previous year from local and county tax revenues deposited in the Special Revenue Fund, plus the amount of any transfers from the General Fund to the Special Revenue 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 General Fund by total revenue in the General Fund. 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 General Fund.

Failure to satisfy the deposit and expenditure requirements applicable to the Special Revenue 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 General Fund to the Special Revenue Fund. Any district that uses a transfer from the General Fund to pay for more than 25% of the annual certificated compensation obligation of the district, and has an General Fund balance on June 30 in any year in excess of 50% of the combined General and Special Revenue Fund expenditures for the fiscal year just ended, will be required to transfer the excess from the General Fund to the Special Revenue 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), (2) revenue from the school district's local property tax levy for the Capital Projects Fund, (3) certain permitted transfers from the Special Revenue and General Funds, 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 Special Revenue and General 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 Special Revenue and General Funds to an amount below $2.75. The District's local property tax levy for the Capital Projects Fund does not result in a reduction of the equalized combined tax rates for the Special Revenue and General Funds to an amount below $2.75. See the caption **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Tax Rates"** herein.

Transfers from General Fund to Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the General Fund to the Capital Projects Fund under the following limited circumstances: (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) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (3) 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 (4) 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 times the district's WADA. The District made no transfers from the General Fund to the Capital Projects Fund during the 2016-2017 fiscal year.

Transfers from General Fund to Debt Service Fund and/or Capital Projects Fund. If a school district is not using the seven percent (7%) or the $162,326 transfer (as discussed above) and is not making payments on lease purchases pursuant to Section 177.088, Revised Statutes of Missouri, as amended, then the school district may transfer from the General 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 and capital projects levy used in the foundation formula and placed in the Capital Projects or Debt Service fund; or (2) five percent (5%) of the state adequacy target (which DESE has estimated at $6,241 for 2016-2017 but, due to funding shortfalls, will be at an adjusted level) times the district's WADA.

Federal Revenue

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

The federal "Every Student Succeeds Act" (**"ESSA"**) was signed into law on December 10, 2015. ESSA replaces the "No Child Left Behind Act." Each state education agency was required to develop and submit a state accountability plan (**"ESSA Plan"**) that incorporates testing based on challenging academic standards. The ESSA Plans were required to be submitted to the United States Department of Education (the **"DOE"**) in 2017. Under ESSA, states can decide how much weight to give standardized tests in their accountability systems and determine what consequences, if any, should attach to poor performance. However, at least 95% of eligible students are required to take the state-chosen standardized test and federal funding can be withheld if states fall below the 95% threshold. The transition to new ESSA Plans began during the 2016-2017 school year with full implementation for all states in the 2017-2018 school year once a state's ESSA Plan is approved by the DOE. If a state's ESSA Plan was not approved prior to the 2017-2018 school year then a state may delay, until the 2018-2019 school year, implementation of certain aspects of the ESSA Plan.

The DOE has completed its review of the State's ESSA Plan and such plan has been implemented. Under ESSA, the State will continue to test students through the Missouri Assessment Program.

Tax Limitation Provisions

The operating 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 which, when charged against the district's assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained below).

Under Article X, Section 11(b) of the Missouri Constitution, a school district may increase its operating levy up to $2.75 per $100 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. The tax levy for debt service on a school district's general obligation bonds is exempt from these limitations upon the tax rate ceiling.

Article X, Section 22(a) of the Missouri Constitution (popularly known as the **"Hancock Amendment"**), approved in 1980, places limitations on total State revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of "total state revenues" to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. By statute, in each odd-numbered year, the value of taxable real and personal property is reassessed. 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 tax levy ceiling 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 tax levy ceiling on the prior assessed value. This reduction is often referred to as a **"Hancock rollback."** The limitation on local governmental units does not apply to taxes levied in the Debt Service Fund for the payment of principal and interest on general obligation bonds.

In 2008, through the enactment of Senate Bill 711 (**"SB 711"**), the Missouri General Assembly approved further limitations on the amount of property taxes that can be imposed by a local governmental unit. Prior to the enactment of SB 711, a Hancock rollback would not necessarily result in a reduction of a district's *actual* operating tax levy if its current tax levy was less than its current tax levy *ceiling*, due to the district's voluntary rollback from the maximum authorized tax levy. Under SB 711, in reassessment years (odd-numbered years), the Hancock rollback is applied to a district's *actual* operating tax levy, regardless of whether that levy is at the district's tax levy *ceiling*. This further reduction is sometimes referred to as an **"SB 711 rollback."** In non-reassessment years (even-numbered years), the operating levy may be increased to the district's tax levy ceiling (as adjusted by the Hancock rollback), only after a public hearing and adoption of a resolution or policy statement justifying the action. Further pursuant to SB 711, governing bodies of political subdivisions, including school districts, are required to informally project non-binding tax rate levies and provide the projected levies to the County Clerk by April 8th of each year.

Summary of Revenues, Expenditures and Fund Balances

The following Summary of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's audited financial statements. 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.

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

	2013	2014	2015	2016	2017
General (Incidental Fund):					
Beginning Balance	$9,225,261.56	$15,641,410.72	$21,559,389.57	$26,547,411.13	$30,771,248.56
Revenues	25,663,429.53	26,786,301.76	25,492,875.25	25,255,136.83	22,307,173.19
Expenditures	(19,247,280.36)	(20,868,322.91)	(21,613,172.26)	22,064,247.02	22,458,712.55
Other Financing Sources (Uses)	0.00	0.00	1,108,318.57	1,032,947.62	892,978.04
Ending Balance	$15,641,410.72	$21,559,389.57	$26,547,411.13	$30,771,248.56	$31,512,687.24
Special Revenue (Teachers') Fund:					
Beginning Balance	$2,055,050.75	$2,294,777.53	$1,889,695.39	$ 1,365,204.10	$ 285,761.26
Revenues	31,824,299.67	31,742,550.60	33,103,305.78	33,722,010.60	37,471,586.56
Expenditures	(31,584,572.89)	(32,147,632.74)	(33,627,797.07)	34,801,453.44	37,229,667.49
Other Financing Sources (Uses)	0.00	0.00	0.00	0.00	0.00
Ending Balance	$2,294,777.53	$1,889,695.39	$1,365,204.10	$ 285,761.26	$ 527,680.33
Debt Service Fund:					
Beginning Balance	$3,093,283.29	$3,280,689.29	$3,240,983.63	$22,940,529.88	$22,437,872.63
Revenues	6,377,727.25	6,256,401.84	7,629,732.20	6,694,201.62	13,756,648.48
Expenditures	(6,190,321.25)	(6,296,107.50)	(6,825,185.95)	7,196,858.87	46,795,299.18
Other Financing Sources (Uses)	0.00	0.00	18,895,000.00	0.00	14,765,000.00
Ending Balance	$3,280,689.29	$3,240,983.63	$22,940,529.88	$22,437,872.63	$ 4,164,221.93
Capital Projects (Building) Fund:					
Beginning Balance	$5,511,650.23	$2,846,261.87	$1,022,562.40	$ 229,310.02	$84,075,375.98
Revenues	1,227,008.05	1,186,707.20	1,443,870.73	2,438,990.06	3,573,091.35
Expenditures	(4,084,396.41)	(3,010,406.67)	(2,252,623.11)	4,769,971.55	19,306,535.98
Other Financing Sources (Uses)	192,000.00	0.00	5,500.00	86,177,047.45	5,010.00
Ending Balance	$2,846,261.87	$1,022,562.40	$229,310.02	$84,075,375.98	$68,346,941.35
Total Funds:					
Beginning Balance	$19,885,245.83	$24,063,139.41	$27,712,630.99	$ 51,082,455.13	$137,570,258.43
Revenues	65,092,464.49	65,971,961.40	67,669,783.96	68,110,339.11	77,108,499.58
Expenditures	(61,106,570.91)	(62,322,469.82)	(64,318,778.39)	68,832,530.88	125,790,215.20
Other Financing Sources (Uses)	192,000.00	0.00	20,018,818.57	87,209,995.07	15,662,988.00
Ending Balance	$24,063,139.41	$27,712,630.99	$51,082,455.13	$137,570,258.43	$104,551,530.85

Source: District's Audited Financial Statements for the fiscal years ended June 30, 2013 - 2017.

Property and Liability Insurance

The District's insurance needs are covered by the Missouri United School Insurance Council (**"MUSIC"**), a self-insured pool of approximately 400 Missouri school districts. MUSIC is a public entity risk pool currently operating as a common risk management and insurance program. The District has coverage for property, liability and worker's compensation insurance through MUSIC.

Retirement Plans

The District contributes to the state-wide retirement systems created by Chapter 169 of the Revised The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri (**"PSRS"**), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (ii) The Public Education Employee Retirement System of Missouri (**"PEERS"**), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169 of the Revised Statutes of Missouri, as amended. The statutes assign responsibility for the administration of both plans to a seven-member Board of Trustees of PSRS (the **"PSRS Board"**). PSRS and PEERS had 534 and 530 contributing employers, respectively, during the fiscal year ended June 30, 2017.

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, 2017 (the **"2017 PSRS/PEERS CAFR"**), the comprehensive financial report for the plans, is available at www.psrs-peers.org/Investments/Annual-Report. The link to the 2017 PSRS/PEERS CAFR is provided for general background information only, and the information in the 2017 PSRS/PEERS CAFR is not incorporated by reference herein. The 2017 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, 2017, 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, 2017, 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 85.8%, respectively, as of June 30, 2017, according to the 2017 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 2017 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)***	**Actuarially Determined Contribution**	**Actual Employer Contributions**	**Contribution Excess/ (Deficiency)***
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
2013	507,232,268	634,040,335	126,808,067	87,013,816	97,059,313	10,045,497

Source: "Schedules of Employer Contributions" in the Financial Section of the 2017 PSRS/PEERS CAFR.
* The annual statutory increase in the total contribution rate may not exceed 1% 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.

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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**
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
2013	29,443,147	36,758,165	80.1	3,237,200	3,967,619	81.6

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2017 PSRS/PEERS CAFR.

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

District Contributions to PSRS and PEERS

	PSRS		PEERS	
Year Ended June 30,	**Annual Contribution***	**Contribution (% of Payroll)**	**Annual Contribution***	**Contribution (% of Payroll)**
2017	$4,512,834.65	14.5%	$410,878.11	6.86%
2016	4,153,887.00	14.5	412,614.00	6.86
2015	3,957,178.00	14.5	402,093.00	6.86

Source: Audited financial statements of the District; Financial Statement Information Related to the Public School and Education Employee Retirement Systems of Missouri, prepared by PSRS and PEERS for the District (Unaudited).
* The annual contributions equaled the amounts required by the PSRS and PEERS Board for each year.

The District's contribution to PSRS and PEERS during the fiscal year ended June 30, 2017 constituted approximately 3.9% of the District's total expenditures during the fiscal year. The District will be required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal years ending June 30, 2018 and June 30, 2019, equal to the contribution percentages for the fiscal year ended June 30, 2017.

Estimated Proportionate Share of PSRS/PEERS Liability. The District has not implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, because the District's financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. PSRS and PEERS, however, have implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25.*

Accordingly, PSRS and PEERS provide annually to each contributing Missouri school district reports estimating each district's proportional share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each district by multiplying the net pension liability of a plan (calculated by determining the difference between the plan's total pension liability and fiduciary net position) by a percentage reflecting the district's proportionate share of contributions to the plan during the fiscal year. At June 30, 2017 (measured as of June 30, 2016), the District's proportionate share of the net pension liability of PSRS and PEERS was $48,751,131 and $3,141,945, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. At June 30, 2016, the District's contribution to PSRS and PEERS represented 0.6552% and 0.3916%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ended June 30, 2017, the District recognized pension expense of $6,732,071 for PSRS and $575,522 for PEERS, its proportionate share of the total pension expense. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in Note 5 of the 2017 PSRS/PEERS CAFR.

The net pension liability of PSRS and PEERS is based on a 7.75% discount rate, which was also the assumed investment rate of return for the plans effective for the fiscal year ended June 30, 2017. PSRS and PEERS further advised the District that its proportionate share of the net pension liability using a 1% higher or lower discount rate at June 30, 2017 (measured as of June 30, 2016) would be as follows:

Proportionate Share of Net Pension Liability Sensitivity

	1.0% Decrease (6.75%)	**Current Discount Rate (7.75%)**	**1.0% Increase (8.75%)**
District's proportionate share of PSRS net pension liability	$82,704,275	$48,751,131	$20,479,980
District's proportionate share of PEERS net pension liability / (asset)	$5,463,952	$3,141,945	$1,193,209

Source: PSRS/PEERS.

For the fiscal year ended June 30, 2017, the PSRS Board revised the actuarial assumed rate of return from 8.0% to 7.75% along with several other revisions and changes in assumptions made by the PSRS Board in light of the actuarial experience studies and asset-liability study conducted in fiscal year 2016. With respect to the fiscal year ending June 30, 2018, the PSRS Board has revised the actuarial assumed rate of return from 7.75% to 7.6% and increased the assumption for cost-of-living adjustments for the June 30, 2017 valuations, which are relevant for the fiscal year ending June 30, 2018.

For additional information regarding the District's pensions and employee retirement plans, see Note 6 to the District's financial statements included in **Appendix B** to this Official Statement. For additional information regarding PSRS and PEERS, see the 2017 PSRS/PEERS CAFR.

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 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%

In order to maintain equalized assessed valuations, Missouri law requires that each County Assessor, on January 1 of every odd-numbered year, must adjust the assessed valuation of all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

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

Certain properties, such as those used for charitable, educational and religious purposes, are excluded from both the real estate ad valorem tax and the personal property tax.

Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation by category, of all taxable tangible property (excluding State assessed railroad and utility property) situated in the District according to the assessment of January 1, 2018, as of August 29, 2018:

Category(1)	Assessed Valuation	Assessment Rate	Estimated Actual Total Valuation
Real estate:			
Residential	$1,003,969,940	19%	$5,284,052,315
Commercial	281,455,820	32%	879,549,437
Agricultural	108,190	12%	901,583
Sub-Total	$1,285,533,950		$6,164,503,335
Personal property(2)	$ 145,774,870	33-1/3%	$ 437,368,346
Total	$1,431,308,820		$6,601,871,681

(1) St. Louis County includes locally assessed railroad and utility amounts within Commercial Real Estate and Personal Property categories.
(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 Assessor's Office.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District, according to the final assessments of the calendar years shown below, has been as follows (excluding State assessed railroad and utility property):

Calendar Year	Assessed Valuation	% Change
2018	$1,431,308,820[1]	-12.67%
2017	1,639,025,150	+7.28
2016	1,527,739,010	+1.26
2015	1,508,769,990	+5.97
2014	1,423,709,590	+0.88

[1] As of January 1, 2018, as of August 29, 2018.
Source: St. Louis County Assessor's Office.

Tax Rates

Tax Rates – By Property Classification. Taxing jurisdictions within St. Louis County (the **"County"**) are required to calculate and levy separate tax rates for each class and subclass of property: residential, commercial and agricultural real estate, and personal property. If the separate levy process results in less revenue to a political subdivision than a single levy process, the political subdivision may adjust the levy to produce the same amount of revenue as would have been produced under a single levy process. Under current law, the assessed valuation of all subclasses of real property and personal property are combined to calculate one levy to be applied to all classes of property equally.

Any required rollback of taxes pursuant to a "Hancock rollback," is required to be applied within each class or subclass of property (see the explanation above under the caption **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Tax Limitation Provisions"**).

Section 137.073.6(1), RSMo, as amended, provides a formula to be used by school districts to determine a "blended rate," which is to be used for purposes of calculating state aid for public schools pursuant to section 163.031, RSMo. The blended rate is to be calculated by first determining the total tax revenue of the property within the school district, which amount shall be equal to the sum of the products of multiplying the assessed valuation of each class and subclass of property by the corresponding tax rate for such class or subclass, then dividing the total tax revenue by the total assessed valuation of property within the school district, and then multiplying the resulting quotient by a factor of 100.

The following table shows the adjusted tax rates (per $100 of assessed valuation) levied against each class and subclass of property for the five prior fiscal years of the District:

Financial Year Ended June 30	Real Estate Residential	Real Estate Commercial	Real Estate Agricultural	Personal Property
2014	$3.3307	$3.2990	$3.5499	$3.2400
2015	3.2440	3.3342	3.2483	3.2400
2016	3.1439	3.2409	3.7500	3.2400
2017	3.1395	3.2390	0.0500	3.2400
2018	3.0307	3.0590	0.0500	3.2400

Source: District.

Operating Levy. The operating levy (consisting of all the taxes levied, except those allocated to the debt service fund) cannot exceed the "tax rate ceiling" for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the newly-received assessed valuation of the District 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 5% or the Consumer Price Index, whichever is lower. 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 1984 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment and SB 711, more fully explained above under the caption **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Tax Limitation Provisions"**). 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. Under Article X, Section 11(c) of the Missouri Constitution, any increase in the District's operating levy above $6.00 must be approved by two-thirds of the voters voting on the proposition.

Debt Service Levy. The District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to the rate or amount, at the level required to make such payments. Section 137.073.6(2), RSMo, as amended, provides that the amount of the debt service levy will be *prima facie* valid if, after making the payment for which the tax is levied, general obligation bonds remain outstanding and the amount remaining in the Debt Service Fund does not exceed the following year's payments.

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:

Financial Year Ended June 30	General (Incidental Fund)	Special Revenue (Teachers') Fund	Capital Project (Building) Fund	Debt Service Fund	Total Levy[(1)]
2015	$1.2500	$1.9800	$0.0800	$0.3900	$3.7000
2016	1.1375	1.9000	0.1300	0.3900	3.5575
2017	0.9645	2.0700	0.1300	0.7800	3.9445
2018	0.8554	2.0700	0.1300	0.7800	3.8354
2019	0.8199	2.1216	0.1300	0.7800	3.8515

(1) The "Total Levy" is the "blended rate." See the discussion above under the caption ***"Tax Rates – By Property Classification."***

Source: District.

Tax Collections

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

The Board annually prepares an estimate of the amount of money to be raised by taxation for the ensuing school year and the tax rate required to produce such amount, and the rate necessary to sustain the school or schools of the District for the ensuing school year, to meet principal and interest payments on any bonded debt of the District and to provide the funds to meet other legitimate District purposes. Such estimates are based on the annual budget for the coming year and the assessed figures provided by the County Clerk. The Board forwards an estimated tax rate to the County Clerk on or before April 8th in reassessment years and must certify a final tax rate by October 1 each year.

The County Clerk receives the county tax books from the County Assessor, which set forth the assessments of real and personal property. The County Clerk enters the tax rates certified to him or her by the local taxing bodies in the tax books and assesses such rates against all taxable property in the District as shown in the books. By October 31, the County Clerk forwards the tax books to the County Collector who is charged with levying and collecting taxes as shown therein. The County Collector extends the taxes on the tax rolls and issues the tax statements in early December. Taxes are due by December 31 and become delinquent if not paid to the County Collector by that time. All tracts of land and lots on which delinquent taxes are due are charged with a penalty of 18% of each year's delinquency. All land and lots on which taxes are delinquent and unpaid are subject to sale at public auction in August of each year.

The St. Louis County Collector of Revenue 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.

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

Fiscal Year Ended June 30[2]	Total Levy (per $100 of Assessed Value)	Assessed Valuation as of 12/31 in Prior Year	Total Taxes Levied[3]	Current Taxes Collected[1] Amount	%	Current and Delinquent Taxes Collected[1], [2], [3], [4] Amount	%
2012-13	3.6300	1,446,962,410	52,524,735	51,140,718	97.37	51,524,460	98.10
2013-14	3.6300	1,427,769,200	51,828,022	49,953,123	96.38	50,451,863	97.34
2014-15	3.7000	1,423,709,590	52,677,255	51,276,919	97.34	51,476,026	97.72
2015-16	3.5575	1,508,769,990	53,335,606	52,335,606	98.16	51,894,274	98.04
2016-17	3.9445	1,527,739,010	60,261,665	58,907,326	97.75	59,326,250	98.45

[1] The District contracts with the St. Louis County Collector and the St. Louis County Assessor to assist in the collection of the District's taxes. The taxes collected shown are net of both fees.

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

[3] Total Taxes Levied is calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy.

[4] Current and Delinquent Taxes Collected also includes the current year's protested taxes which have been released.

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

District's Rights in the Event of Tax Delinquencies. Taxes on real estate become delinquent on January 1 and the collector is required to enforce the state's lien by offering the property for sale on the fourth Monday in August. If the offering does not produce a bid equal to the delinquent taxes plus interest, penalty, and costs, the property is offered for sale again the following year. If the second offering also does not produce a bid adequate to cover the amount due, the property is sold the following year to the highest bidder. Tax sales at the first or second offerings are subject to the owner's redemption rights.

Delinquent personal property taxes constitute a debt of the person assessed with the taxes, and a personal judgment can be rendered for such taxes against the debtor. Personal property taxes become delinquent on January 1. Collection suits may be commenced on or after February 1 and must be commenced within three years.

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.	Monsanto Company	$69,411,470	4.2%
2.	Plaza Frontenac Acquisition LLC	18,064,290	1.1
3.	Frontenac Property Owner LLC	12,594,550	0.8
4.	Saint Louis Galleria LLC	12,431,320	0.8
5.	SM Properties LLC	5,906,340	0.4
6.	Missouri American Water Co.	5,700,300	0.3
7.	Frontenac Grove	5,681,790	0.3
8.	Strategic VH LLC	4,668,890	0.3
9.	Cornerstone Retail Fund I LLC	4,443,230	0.3
10.	Westchase Creve Coeur, MO LLC	4,369,910	0.3
	Total	$143,272,090	8.7%

Source: St. Louis County Assessor's Office.

Tax Abatement and Tax Increment Financing

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

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

According to the County Assessor's office, the TIF Increment attributable to property within the District is $-0- for the 2017 tax year. If in the future certain portions of the District are located in tax increment financing districts, neither tax abatement nor tax increment financing would diminish the amount of property tax revenues currently collected by the District in the affected areas, but instead would act to freeze such revenues at current levels and would deprive the District of future increases in ad valorem property tax revenues which would otherwise have resulted from increases in assessed valuation in such areas until the tax increment financing obligations issued are repaid and the tax abatement period terminates.

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DEBT STRUCTURE OF THE DISTRICT

Debt Ratios and Related Information

Estimated District Population	25,971
Assessed Valuation	$1,431,308,820.00
Estimated Actual Value	$6,601,871,681.00
Outstanding Direct General Obligation Debt(1)	$ 137,060,000.00
Overlapping General Obligation Debt	$ 18,877,749.00
Total Direct and Overlapping General Obligation Debt(1)	$ 155,937,749.00
Per Capita Direct Debt(1)	$ 5,277.42
Per Capita Direct and Overlapping General Obligation Debt(1)	$ 6,004.30
Ratio of Direct Debt to Assessed Valuation(1)	9.56%
Ratio of Direct Debt to Estimated Actual Value(1)	2.08%
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation(1)	10.89%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value(1)	2.36%

(1) Includes the Bonds.

General

Under State law, refunding bonds and obligations payable from annual appropriations do not require voter approval. Any general obligation bonds, other than refunding bonds, require voter approval for issuance. Pursuant to the Missouri Constitution, the District is authorized to issue general obligation bonds payable from unlimited ad valorem taxes upon a two-thirds or, at elections held on general municipal election days or state primary or general election days, a four-sevenths majority vote of the qualified voters voting on the specific proposition.

General Obligation Indebtedness

The purposes for which general obligation bonds may be issued by a school district are governed by Section 164.121 of the Revised Statutes of Missouri, and include purchasing, constructing, improving, extending, repairing, furnishing and equipping new and existing schoolhouse sites, buildings and related facilities for school purposes.

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The following table shows the current general obligation bonded indebtedness of the District, including the Bonds and excluding the Refunded Bonds:

Series of Bonds	Original Amount	Final Maturity	Amount Outstanding
2010B	$ 29,755,000	3/01/2020	$ 2,940,000
2014	18,895,000	3/01/2027	17,585,000
2016	82,250,000	3/01/2036	75,190,000
2016	14,765,000	3/01/2027	13,570,000
2017	24,925,000	3/01/2030	24,925,000
2018	2,850,000	3/01/2036	2,850,000
Total	$173,440,000		$137,060,000

General Obligation Debt Service Requirements

The following schedule shows the yearly total principal and interest requirements for all outstanding general obligation bonds of the District, including the Bonds and excluding the Refunded Bonds, which are payable from amounts in the Debt Service Fund generated by a levy on all taxable tangible property in the District. The Debt Service Fund levy may be set, without limitation as to rate or amount, at the level required to make payments on the general obligation bonds.

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Period Ending December 31	Outstanding Bonds Debt Service[(1)]	The Bonds Principal	The Bonds Interest	The Bonds Total	Total Debt Service
2018	$ 11,732,695.50	$ -	$ -	$ -	$ 11,732,695.50
2019	11,649,382.75	200,000	84,522.66	284,522.66	11,933,905.41
2020	11,294,575.50	115,000	90,868.76	205,868.76	11,500,444.26
2021	11,368,300.00	120,000	86,168.76	206,168.76	11,574,468.76
2022	11,411,400.00	120,000	81,368.76	201,368.76	11,612,768.76
2023	11,475,887.50	125,000	76,468.76	201,468.76	11,677,356.26
2024	11,484,800.00	130,000	71,693.76	201,693.76	11,686,493.76
2025	11,558,312.50	135,000	67,056.26	202,056.26	11,760,368.76
2026	12,024,150.00	145,000	62,156.26	207,156.26	12,231,306.26
2027	12,307,775.00	150,000	56,993.76	206,993.76	12,514,768.76
2028	9,935,681.25	155,000	51,656.26	206,656.26	10,142,337.51
2029	9,942,250.00	160,000	46,243.76	206,243.76	10,148,493.76
2030	9,949,087.50	165,000	40,862.51	205,862.51	10,154,950.01
2031	5,484,100.00	175,000	35,337.51	210,337.51	5,694,437.51
2032	5,495,862.50	180,000	29,568.76	209,568.76	5,705,431.26
2033	5,468,156.25	190,000	23,437.51	213,437.51	5,681,593.76
2034	5,470,500.00	195,000	16,940.63	211,940.63	5,682,440.63
2035	5,317,500.00	195,000	10,237.50	205,237.50	5,522,737.50
2036	4,770,500.00	195,000	3,412.50	198,412.50	4,968,912.50
Total	$178,140,916.25	$2,850,000	$934,994.68	$3,784,994.68	$181,925,910.93

(1) Excludes a 35% interest subsidy expected to be paid to the District by the U.S. Government with respect to the District's Series 2010B Bonds. Presently, the interest subsidy payments made by the U.S. Treasury are expected to be reduced by 6.2% for federal fiscal year 2017 under the provisions of the Budget Control Act of 2011 and the austerity measures enacted thereunder (commonly known as **"Sequestration"**), which is down from 6.6% for federal fiscal year 2018. The amount of future interest subsidy payments the District will receive is unknown at this time.

Overlapping General Obligation Indebtedness

The following table sets forth the approximate overlapping indebtedness of political subdivisions with boundaries overlapping the District as of October 1, 2018 and the percentage attributable (on the basis of assessed valuation) to the District. 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, the amounts of which cannot be determined as this time.

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Taxing Body	General Obligation Debt[1]	Approximate Percent Applicable	Amount Overlapping
St. Louis County	$ 92,215,000	3.45%	$ 3,181,418
City of Olivette	13,050,000	100.00	13,050,000
Creve Coeur Fire Protection District	11,675,000	22.44	2,619,870
West County EMS and Fire Protection District	15,565,000[2]	0.17	26,461
Total	$132,505,000		$18,877,749

[1] Overlapping bonded indebtedness excludes neighborhood improvement district general obligation bonds which are paid from special assessments.
[2] As of December 31, 2017.

Capital Lease Obligations

On December 5, 2014, the District entered into a lease purchase agreement with De Lage Laden Public Finance. This lease purchase is for copiers within the District. The Lease Purchase is for five years with payments starting on January 5, 2015 and ending on January 5, 2020. The interest rate is fixed at 5.6% with payments of $445.89 monthly.

On June 28, 2014, the District entered into a lease purchase agreement with Apple Computer, Inc. for the purchase of such items as iPads for student usage. The Lease Purchase is for four years with payments starting on July 28, 2014 and ending on July 28, 2017. The interest rate is fixed at 1.99% with payments ranging from $55,093.16 to $380,638.59 annually.

On June 2, 2014, the District entered into a lease purchase agreement with De Lage Laden Public Finance. This lease purchase is for copiers within the District. The Lease Purchase is for five years with payments starting on June 2, 2014 and ending on June 2, 2019. The interest rate is fixed at 3.897% with payments of $7,205.00 monthly.

On June 30, 2014, the District entered into a lease purchase agreement with Central Bus Sales Inc. This lease purchase is for buses within the District. The Lease Purchase is for five years with payments starting on July 15, 2014 and ending on July 15, 2019. The interest rate is fixed at 3.39% with payments ranging from $268,957.67 to $1,010,361.33 annually.

On July 7, 2016, the District entered into a lease purchase agreement with Apple Computer, Inc. for the purchase of iPads for student usage. The lease purchase is for four years with payments starting on July 7, 2016 and ending on July 7, 2019. The interest rate is fixed at 0.98% with payments ranging from $35,000.00 - $355,218.23 annually.

On January 5, 2017, the District entered into a lease purchase agreement with Apple Computer, Inc. for the purchase of iPads for student usage. The lease purchase is for four years with payments starting on January 5, 2017, and ending on July 15, 2020. The interest rate is fixed at 0.0% with payments ranging from $70,000.00 - $155,000.00 annually.

For additional information regarding these and other lease payments of the District, see the notes to the District's audited financial statements in **Appendix B** hereto.

Legal Debt Capacity

Under Article VI, Section 26(b) of the Missouri Constitution, the District may incur indebtedness not to exceed 15% of the valuation of taxable tangible property in the District. Based on $1,639,025,150 assessed valuation as of January 1, 2017, as finalized December 31, 2017, the current legal debt limit of the District is approximately $245,853,773. The total outstanding indebtedness of the District is $137,060,000, resulting in a legal debt margin of the District of approximately $108,793,773.

* * * * * * * * *

APPENDIX B

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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SCHOOL DISTRICT OF THE CITY OF LADUE
(THE PRIMARY GOVERNMENT)
ST. LOUIS COUNTY, MISSOURI
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2017

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SCHOOL DISTRICT OF THE CITY OF LADUE
(THE PRIMARY GOVERNMENT)
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(THE PRIMARY GOVERNMENT)
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FINANCIAL SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
School District of the City of Ladue

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund and the remaining fund information of the School District of the City of Ladue ("District"), Missouri, as of and for the year ended June 30, 2017, 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 the modified cash basis of accounting described in Note I; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 modified cash basis financial position of the governmental activities, each major fund and the remaining fund information of the District as of June 30, 2017, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note I.

3510 JEFFCO BOULEVARD • SUITE 200 • ARNOLD, MISSOURI 63010-3999 • 636-464-1330 • FAX 636-464-3076

Emphasis of Matter

As described in Note XIV to the financial statements in 2017, the District has adopted new accounting guidance, GASB Statement No. 77, *Tax Abatement Disclosures,* as required by the Governmental Accounting Standards Board. Our opinions are not modified with respect to this matter.

Basis of Accounting

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

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedules presented on pages 38 through 42 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 Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting described in Note I.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2017, 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 District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 30, 2017

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Net Position - Modified Cash Basis
As of June 30, 2017

	Governmental Activities
Assets	
Current assets:	
Cash and Cash Equivalents (Note II)	$ 33,787,527.22
Total current assets	33,787,527.22
Restricted assets:	
Self Insurance Cash	153,938.19
Debt Service	
Cash	3,344,803.20
Escrow	-
Investments	819,418.73
Capital Projects	
Cash	66,599,781.70
Total Restricted assets	70,917,941.82
Total assets	**$ 104,705,469.04**
Liabilities	
Current liabilities:	
Payroll tax accruals	-
Total Current Liabilities	**-**
Net Position	
Restricted for:	
Debt Service	$ 4,164,221.93
Capital Projects	66,599,781.70
Future Claims	153,938.19
Unrestricted	33,787,527.22
Total net position	**$ 104,705,469.04**

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 35,698,596.51	$ 2,286,721.97	$ 2,560,720.53	$ -	$ (30,851,154.01)
Attendance	-	-	-	-	-
Guidance	1,633,756.82	-	-	-	(1,633,756.82)
Health, Psych Speech and Audio	700,642.97	-	-	-	(700,642.97)
Improvement of Instruction	731,979.92	-	69,036.62	-	(662,943.30)
Professional Development	11,438.24	-	-	-	(11,438.24)
Media Services (Library)	1,585,050.62	-	-	-	(1,585,050.62)
Board of Education Services	99,159.27	-	-	-	(99,159.27)
Executive Administration	2,299,804.33	-	-	-	(2,299,804.33)
Building Level Administration	4,128,505.81	-	-	-	(4,128,505.81)
Business Central Service	668,099.36	-	-	-	(668,099.36)
Operation of Plant	6,698,036.86	-	-	-	(6,698,036.86)
Security Services	19,796.56	-	-	-	(19,796.56)
Pupil Transportation	1,752,939.93	-	258,426.00	-	(1,494,513.93)
Food Services	1,280,709.67	1,103,599.64	294,001.24	-	116,891.21
Central Office Support Services	1,405,696.92	-	-	-	(1,405,696.92)
Other Supporting Services	-	-	-	-	-
Adult Education	-	-	-	-	-
Community Services	2,604,046.03	2,209,810.98	66,750.00	-	(327,485.05)
Capital Outlay	17,769,919.94	-	-	5,089.89	(17,764,830.05)
Debt Service:					
Principal Retirement	40,875,000.00	14,765,000.00	-	-	(26,110,000.00)
Interest and Fiscal Charges	5,920,549.18	-	-	-	(5,920,549.18)
Total Governmental Activities	$125,883,728.95	$20,365,132.59	$ 3,248,934.39	$ 5,089.89	(102,264,572.08)

General revenues:	
Property taxes, levied for general purposes	48,794,061.83
Property taxes, levied for debt service	12,026,976.82
Other taxes	461,621.49
Prop C - Sales tax	3,781,346.38
Federal, State and County aid not restricted to specific purposes	2,616,844.21
Interest and investment earnings	1,472,742.67
Bond Proceeds	-
Refunding Bonds Proceeds	-
Miscellaneous	-
Subtotal, general revenues	**69,153,593.40**
Changes in net position	**(33,110,978.68)**
Net position July 1, 2016	137,816,447.72
Net position June 30, 2017	**$ 104,705,469.04**

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Balance Sheet-Modified Cash Basis
All Governmental Funds
As of June 30, 2017

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents (Note II)	$ 31,512,687.24	$ 527,680.33	$ 3,344,803.20	$ 68,346,941.35	$ 103,732,112.12
Investments	-	-	819,418.73	-	819,418.73
Escrow	-	-	-	-	-
Total Assets	**$ 31,512,687.24**	**$ 527,680.33**	**$ 4,164,221.93**	**$ 68,346,941.35**	**$ 104,551,530.85**
LIABILITIES AND FUND BALANCES					
Liabilities					
Payroll tax accruals	$ -	$ -	$ -	$ -	$ -
Total Liabilities	-	-	-	-	-
Fund Balances					
Restricted for:					
Debt Service	-	-	4,164,221.93	-	4,164,221.93
Capital Projects	-	-	-	66,599,781.70	66,599,781.70
Assigned to:					
Capital Projects	-	-	-	1,747,159.65	1,747,159.65
Special Revenue	-	527,680.33	-	-	527,680.33
Unassigned	31,512,687.24	-	-	-	31,512,687.24
Total Fund Balances	**31,512,687.24**	**527,680.33**	**4,164,221.93**	**68,346,941.35**	**104,551,530.85**
Total Liabilities and Fund Balances	**$ 31,512,687.24**	**$ 527,680.33**	**$ 4,164,221.93**	**$ 68,346,941.35**	**$ 104,551,530.85**

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
All Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues Collected					
Local Sources	$ 20,647,345.51	$ 35,405,774.78	$ 12,979,059.69	$ 3,231,273.59	$ 72,263,453.57
County Sources	175,545.23	418,411.16	276,734.91	33,203.03	903,894.33
State Sources	1,012,228.53	1,647,400.62	-	308,614.73	2,968,243.88
Federal Sources	472,053.92	-	500,853.88	-	972,907.80
TOTAL REVENUES	**22,307,173.19**	**37,471,586.56**	**13,756,648.48**	**3,573,091.35**	**77,108,499.58**
Expenditures Paid					
Current					
Regular Instruction	3,867,823.58	31,177,751.35	-	596,164.66	35,641,739.59
Attendance	-	-	-	-	-
Guidance	196,646.97	1,434,507.78	-	-	1,631,154.75
Health, Psych Speech & Audio	699,527.06	-	-	-	699,527.06
Improvement of Instruction	728,972.94	1,841.16	-	-	730,814.10
Professional Development	11,420.02	-	-	-	11,420.02
Media Services	311,897.40	820,195.32	-	450,433.40	1,582,526.12
Board of Education Services	99,001.34	-	-	-	99,001.34
Executive Administration	937,873.61	1,358,267.84	-	-	2,296,141.45
Building Level Administration	1,855,639.99	2,266,290.38	-	-	4,121,930.37
Business Central Services	656,258.13	-	-	10,777.15	667,035.28
Operation of Plant	6,587,431.83	-	-	99,937.11	6,687,368.94
Security Services	19,765.03	-	-	-	19,765.03
Pupil Transportation	1,452,628.58	-	-	297,519.45	1,750,148.03
Food Service	1,277,294.99	-	-	1,374.90	1,278,669.89
Central Office Support Services	1,168,632.65	154,666.06	-	80,159.37	1,403,458.08
Other Supporting Services	-	-	-	-	-
Community Services	2,587,898.43	16,147.60	-	-	2,604,046.03
Capital Outlay	-	-	-	17,769,919.94	17,769,919.94
Debt Service:					
Principal	-	-	40,875,000.00	-	40,875,000.00
Interest and Charges	-	-	5,920,299.18	250.00	5,920,549.18
Total Support Services	**22,458,712.55**	**37,229,667.49**	**46,795,299.18**	**19,306,535.98**	**125,790,215.20**
Excess (deficiency) of revenues over expenditures	**(151,539.36)**	**241,919.07**	**(33,038,650.70)**	**(15,733,444.63)**	**(48,681,715.62)**
Other Financing Sources (Uses):					
Transfers	-	-	-	-	-
Sale of Bonds	-	-	-	-	-
Net Insurance Recovery	-	-	-	-	-
Sale of School Buses	-	-	-	-	-
Sale of Other Property	79.89	-	-	5,010.00	5,089.89
Refunding Bonds	-	-	14,765,000.00	-	14,765,000.00
Tuition from other Districts	892,898.15	-	-	-	892,898.15
Area Voc Fees from Other LEAS	-	-	-	-	-
Contracted Educational Services	-	-	-	-	-
Trans from other LEAS Non-Handi	-	-	-	-	-
Trans from other LEAS for Handi	-	-	-	-	-
Trans from other LEAS for ECSE Handi	-	-	-	-	-
Total Other Financing Sources (Uses)	892,978.04	-	14,765,000.00	5,010.00	15,662,988.04
NET CHANGE IN FUND BALANCES	**741,438.68**	**241,919.07**	**(18,273,650.70)**	**(15,728,434.63)**	**(33,018,727.58)**
Fund Balance, July 1, 2016	30,771,248.56	285,761.26	22,437,872.63	84,075,375.98	137,570,258.43
Fund Balance, June 30, 2017	**$ 31,512,687.24**	**$ 527,680.33**	**$ 4,164,221.93**	**$ 68,346,941.35**	**$ 104,551,530.85**

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Reconciliation of the Governmental Funds Balance Sheet
With the Government-Wide Statement of Net Position - Modified Cash Basis
June 30, 2017

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

Total Fund Balance - Governmental Funds	$ 104,551,530.85
Net Position - Self Insurance Fund	153,938.19
Total Net Position - Governmental Activities	$ 104,705,469.04

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balances with the Government-Wide Statement of Activities - Modified Cash Basis
For the Year Ended June 30, 2017

Total net change in fund balances - governmental funds	$ (33,018,727.58)
Increase in self insurance fund not recognized in the fund statements	(92,251.10)
Change in net position of governmental activities	$ (33,110,978.68)

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Net Position -
Modified Cash Basis - Proprietary Fund
As of June 30, 2017

		Self Insurance Fund
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	153,938.19
Total Assets		153,938.19
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$	-
Total Liabilities	$	-
NET POSITION		
Net Investment in Capital Assets	$	-
Restricted		
For Future Claims		153,938.19
Unrestricted		-
Total Net Position	$	153,938.19

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Revenues, Expenses and
Changes in Fund Net Position -
Modified Cash Basis - Proprietary Fund
For the Year Ended June 30, 2017

	Self Insurance Fund
OPERATING REVENUES	
Self-Insurance Premiums	$ 6,117,383.16
Total Operating Revenues	6,117,383.16
OPERATING EXPENSES	
Medical Claim	6,166,357.15
Administration Fees	44,539.76
Total Operating Expenses	6,210,896.91
Operating Income (Loss)	(93,513.75)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	1,262.65
Total Non-Operating Revenues (Expenses)	1,262.65
Income (Loss) Before Capital Contributions	(92,251.10)
Capital Contributions	-
Change in Net Position	(92,251.10)
Total Net Position - July 1, 2016	246,189.29
Total Net Position - June 30, 2017	$ 153,938.19

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Cash Flows -
Modified Cash Basis - Proprietary Fund
For the Year Ended June 30, 2017

	Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from User Charges	$ 6,117,383.16
Cash Payments for Insurance Claims and Fees	(6,210,896.91)
Net Cash Provided (Used) By Operating Activities	(93,513.75)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	1,262.65
Net Increase (Decrease) in Cash and Cash Equivalents	(92,251.10)
Cash and Cash Equivalents - July 1, 2016	246,189.29
Cash and Cash Equivalents - June 30, 2017	153,938.19
Reconciliation of Operating Income/(Loss) to Net Cash Provided	
(Used) by Operating Activities:	
Operating Income (Loss)	(93,513.75)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (93,513.75)

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Fiduciary Net Position -
Modified Cash Basis - Fiduciary Funds (Agency)
As of June 30, 2017

		Agency Fund Flex Spending
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$	31,092.24
Total Assets		31,092.24
LIABILITIES		
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$	31,092.24
Total Liabilities	$	31,092.24
NET POSITION		
Net Investment in Capital Assets	$	-
Restricted		-
For Future Payment Requests		-
Unrestricted		-
Total Net Position	$	-

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

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Statement of Fiduciary Net Position -
Modified Cash Basis - Fiduciary Funds (Agency)
As of June 30, 2017

	Agency Fund 403B Funds
ASSETS	
Current Assets:	
Cash and Cash Equivalents	$ 25,401.73
Total Assets	25,401.73
LIABILITIES	
Current Liabilities:	
For Future Payment Requests	$ 25,401.73
Total Liabilities	$ 25,401.73
NET POSITION	
Net Investment in Capital Assets	$ -
Restricted	-
For Future Payment Requests	-
Unrestricted	-
Total Net Position	$ -

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of the City of Ladue ("District") operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services.

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

Principles Determining the Scope of Reporting Entity

The District's financial statements consist only of its funds. The District has no financial accountability for any other governmental entity, since no other entities are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective board. In addition, the District is not aware of any entity that would exercise such oversight which would result in the District being considered a component unit of the entity.

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

Fund Accounting

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

Governmental Funds

Governmental Funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through Governmental Funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. The following are the District's governmental fund types, each of which the District considers to be a major fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Fund: This fund is the District's general operating fund and it accounts for expenditures for non-certified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditures not required or permitted to be accounted for in other funds.

Special Revenue Fund: A special revenue fund accounts for revenues derived from specific taxes or other earmarked revenue sources. The Special Revenue Fund accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted by the state and local tax levy allocations for the payment of teacher salaries and certain benefits.

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

Capital Projects Fund: This fund is used to account for the proceeds of long-term debt, taxes and other revenues restricted for acquisition or construction of major capital assets and all other capital outlay.

School District of Ladue Foundation

This component unit was incorporated under Missouri statutes as a not-for-profit organization whose purpose is for contribution and maintaining investments for the use of the District to provide teachers grants and scholarships for students.

The District does not include the School District of Ladue Foundation, a component unit, to be presented as a fiduciary fund in its financial statements. Accounting principles generally accepted in the United States of America, as applicable to the modified cash basis of accounting, require that all fiduciary funds from component units be included in the financial statements.

If the financial statements of the School District of Ladue Foundation had been consolidated with those of the District, it is unknown what the effect would be on the fiduciary assets and net position for the year ended June 30, 2017.

The District's financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting (OCBOA) other than 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 established in GAAP and used by the District are discussed below.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Funds

Proprietary funds include enterprise and internal service funds. Enterprise funds account for ongoing organizations and activities, which are similar to those often found in the private sector. The measurement focus is upon the determination of change in net position. Internal service funds are established to account for services furnished by a department of the District to other departments on a cost reimbursement basis. The District's only proprietary fund is the following internal service fund:

Self-Insurance Health Fund: Accounts for transactions of the District's self-funded medical and dental plan.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension or other employee benefit trust funds, investment trust funds, private-purpose trust funds and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of changes in net position. The District has no trust funds. The District's only agency funds are the following funds:

Section 125 Cafeteria Plan: Accounts for transactions of the District's flexible spending account.

403BFunds: Accounts for transactions of the District's 403B Retirement Account.

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the students for tuition, fees, or goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

The fund financial statements provide information about the District's funds. A balance sheet and statement of revenues, expenditures, and changes in fund balances are presented. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. The District considers each of its funds to be major.

Basis of Accounting

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves modifications to the cash basis of accounting to report in the Statement of Net Position or Balance Sheet cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include investments arising from cash transactions or events.

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and post-employment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value.

If the District utilized the basis of accounting recognized as generally accepted in the United States, the fund financial statements for governmental funds would use the modified accrual basis of accounting, and the fund financial statements for proprietary fund types (if any) would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

Proprietary and Fiduciary Funds are maintained on the modified cash basis of accounting. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under the modified cash basis of accounting, revenue is recorded when received and expenditures are recorded when paid.

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The County collects the property tax and remits it to the District. The voters approved a Proposition C waiver for the District as well.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The assessed valuation of the tangible taxable property for the calendar year 2016, for purposes of local taxation, was $1,527,739,010.

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2016, for purposes of local taxation, was:

	December 31, 2016	
	Unadjusted	Adjusted
General Fund	$0.9645	$0.9645
Special Revenue Fund	2.0700	2.0700
Debt Service Fund	.7800	.7800
Capital Projects Fund	.1300	.1300
Total	$3.9445	$3.9445

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2017, aggregated approximately 109.10% of the current assessment computed on the basis of the levy as shown above.

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments, which is managed by the District Treasurer, except resources from the Debt Service Fund, as state law requires these deposits to be separately maintained.

The District may invest in United States Treasury-bills, notes, bonds, government agency and instrumental obligations, repurchase agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Interest income earned is allocated to contributing funds based on each fund's proportionate share of funds invested. In addition, see Note II, Cash and Investments.

Fund Balance Reserves

The District reserves those portions of fund equity legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

Net position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position are reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, which is the Board of Education. Formal action must be taken prior to the end of the fiscal year, such as a vote from the Board of Education. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority, which is the Board of Education, or a body or official, such as the Superintendent, who has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. This classification includes the remaining positive fund balance of all governmental funds except for the General Fund.

Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer using these other classified funds.

As of June 30, 2017, fund balance components other than unassigned fund balances consist of the following:

	Nonspendable	Restricted	Committed	Assigned
General Fund	$ -	$ -	$ -	$ -
Special Revenue (Teachers) Fund	-	-	-	527,680.33
Debt Service Fund	-	4,164,221.93	-	-
Capital Projects Fund	-	66,599,781.70	-	1,747,159.65
Total	$ -	$ 70,764,003.63	$ -	$ 2,274,839.98

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

II. CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law. Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2017, the carrying amount of the District's deposits was $104,705,469.04, and the bank balance was $109,569,224.09. Of the bank balance, $250,000 was covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the District's safekeeping bank agent in the District's name. The deposits and investments held at June 30, 2017, and reported at cost are as follows:

Type	Maturities	Cost
Restricted Deposits and Investments:		
Deposits Restricted for Debt Service	N/A	$ 3,344,803.20
Investments Restricted for Debt Service	7/31/2017	819,418.73
Deposits Restricted for Capital Projects	N/A	66,599,781.70
Total Restricted Deposits and Investments		70,764,003.63
Unrestricted Deposits and Investments:		
Unrestricted Deposits	N/A	33,787,527.22
Unrestricted Investments	N/A	-
Total Unrestricted Deposits and Investments		33,787,527.22
Total Cash and Investments – Government-Wide		104,551,530.85
Deposits – Proprietary Self Insurance		
Demand Deposits	N/A	153,938.19
Total Government-Wide and Self Insurance Balances		$104,705,469.04
Deposits – Agency Funds:		
Demand Deposits – Flexible Benefit Funds	N/A	$31,092.24
Demand Deposits – 403B Funds	N/A	25,401.73
Total Deposits – Agency Funds		$56,493.97

II. Cash And Investments (Concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's investment policy does not include custodial credit risk requirements. The District's deposits were not exposed to custodial credit risk for the year ended June 30, 2017.

Custodial Credit Risk – Investments

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

Investment Interest Rate Risk

The District has no policy in place to minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter-term securities. Maturities of investments held at June 30, 2017, are provided in the schedule above.

Investment Credit Risk

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

At June 30, 2017, all of the investments of the District were rated AAA.

Concentration of Investment Credit Risk

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

The District has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

At June 30, 2017, 100% of the District's investments were guaranteed by the U.S. Government.

III. LONG-TERM DEBT

Payments of principal and interest on the bonds payable are made by the Debt Service Fund. The following is a summary of changes occurring in long-term debt for the year ended June 30, 2017.

	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017	Amounts Due Within One Year
Bonds payable	$167,634,976.15	$ 14,765,000.00	($40,334,976.15)	$142,065,000.00	$7,345,000.00
Totals	$167,634,976.15	$ 14,765,000.00	($40,334,976.15)	$142,065,000.00	$7,345,000.00

Bonds Payable

$29,755,000 General Obligation Bonds, Series 2010B, due in annual Installments, each ranging from $1,380,000 to $4,530,000 starting March 2018 through March 2030; interest is at 3.90% to 5.10%. ***see note below regarding interest on this issuance.**	$ 29,755,000.00
$2,245,000 General Obligation Bonds, Series 2010A, due in annual Installments, each ranging from $315,000 to $430,000 starting March 2012 through March 2017; interest is at 1.50% to 4.00%.	-
$18,895,000.00 General Obligation Crossover Refunding Bonds, Series 2014, due in varying annual installments each ranging from $1,310,000 to $2,505,000 starting March 2018 through March 2027; interest is at 2.50% to 4.00%.	18,895,000.00
$82,250,000.00 General Obligation Bonds, Series 2016, due in annual Installments, each ranging from $3,200,000 to $5,100,000 starting March 2017 through March 2036; interest is at 2.00% to 4.00%.	78,650,000.00
$14,765,000.00 General Obligation Refunding Bonds, Series 2016, due in annual Installments, each ranging from $1,125,000 to $1,950,000 starting March 2017 through March 2027; interest is at 2.50% to 4.00%.	14,765,000.00
Total	$ 142,065,000.00

***For the 2010B Build America Bonds that have a current balance of $29,755,000.00, the District is reimbursed by the IRS for 35% of the interest paid on the bonds, which has subsequently been reduced to 28.2% as of September 31, 2016, and to 28.1% as of March 1, 2017, as a result of sequestration. For the year ended June 30, 2017, the amount reimbursed in interest was $500,853.36. The potential future reimbursement to the District in interest through March 1, 2030, is $3,917,609.27.**

III. LONG-TERM DEBT (CONCLUDED)

The annual requirements to amortize bonded debt outstanding as of June 30, 2017, are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ 7,345,000.00	$ 5,027,512.50	$ 12,372,512.50
2019	7,505,000.00	4,735,092.50	12,240,092.50
2020	7,445,000.00	4,504,575.00	11,949,575.00
2021	7,810,000.00	4,203,765.00	12,013,765.00
2022	8,185,000.00	3,885,125.00	12,070.125.00
2023-2027	47,970,000.00	14,437,755.00	62,407,755.00
2028-2032	35,955,000.00	6,273,395.00	42,228,395.00
2033-2036	19,850,000.00	1,471,312.50	21,321,312.50
Totals	$142,065,000.00	$44,538,532.50	$186,603,532.50

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including State assessed railroad and utility). The District's legal debt margin, computed including the assessed valuation of State assessed railroad and utilities, at June 30, 2017, was:

Constitutional debt limit	$ 229,160,851.50
General obligation bonds payable	(142,065,000.00)
Amount available in Debt Service Fund	4,164,221.93
Legal Debt Margin	$ 91,260,073.43

The District early extinguished a portion of the Series 2001 bonds maturing in 2021. The District used their resources to purchase U.S. Government securities that were deposited in an irrevocable trust to provide all future debt service on the early extinguished portion of the bonds. As a result, that portion of the bonds is considered defeased. The outstanding principal of these defeased bonds was $2,200,000.00 at June 30, 2017.

IV. LEASES

Capital Leases

On December 5, 2014, the Ladue Board of Education entered into a lease purchase agreement with De Lage Laden Public Finance. This lease purchase is for copiers within the District. The Lease Purchase is for five years with payments starting on January 5, 2017, and ending on January 5, 2020. The interest rate is fixed at 5.6% with payments of $445.89 monthly.	$	12,447.87

IV. LEASES (CONTINUED)

Capital Leases (Concluded)

On June 28, 2014, the Ladue Board of Education entered into a lease purchase agreement with Apple Computer, Inc. for the purchase of such items as iPads for student usage. The Lease Purchase is for four years with payments starting on July 28, 2014, and ending on July 28, 2017. The interest rate is fixed at 1.99% with payments ranging from $55,093.16 - $380,638.59 annually.	$	59,908.25
On June 2, 2014, the Ladue Board of Education entered into a lease purchase agreement with De Lage Laden Public Finance. This lease purchase is for copiers within the District. The Lease Purchase is for five years with payments starting on June 2, 2014, and ending on June 2, 2019. The interest rate is fixed at 3.897% with payments of $7,205.00 monthly.		166,094.11
On June 30, 2014, the Ladue Board of Education entered into a lease purchase agreement with Central Bus Sales Inc. This lease purchase is for buses within the District. The Lease Purchase is for five years with payments starting on July 15, 2014, and ending on July 15, 2019. The interest rate is fixed at 3.39% with payments ranging from $268,957.67 - $1,010,361.33 annually.		1,505,797.22
On July 7, 2016, the Ladue Board of Education entered into a lease purchase agreement with Apple Computer, Inc. for the purchase of such items as iPads for student usage. The Lease Purchase is for four years with payments starting on July 7, 2016, and ending on July 7, 2019. The interest rate is fixed at 0.98% with payments ranging from $35,000.00 - $355,218.23 annually.		314,042.98
On January 5, 2017, the Ladue Board of Education entered into a lease purchase agreement with Apple Computer, Inc. for the purchase of such items as iPads for student usage. The Lease Purchase is for four years with payments starting on January 5, 2017, and ending on July 15, 2020. The interest rate is fixed at 0.0% with payments ranging from $70,000.00 - $155,000.00 annually.		293,993.16
	$	2,352,283.59

Payments for the principal and interest are made out of the Capital Projects fund for the buses and computers and out of the General Fund for the copiers. The amortization schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ 582,607.52	$ 68,758.80	$ 651,366.32
2019	542,375.62	53,398.96	595,774.58
2020	1,153,802.16	39,472.21	1,193,274.37
2021	73,498.29	-	73,498.29
Totals	$2,352,283.59	$161,629.97	$2,513,913.56

IV. LEASES (CONCLUDED)

Operating Leases

The District entered into an operating lease with Mail Finance for a digital postage system on April 12, 2013, through April 12, 2018. Payments are $357.48 for the first 12 months and are $511.98 for the remaining 48 months. The District paid approximately $6,143.76 in lease payments for the year ended June 30, 2017. These payments are made out of the General Fund.

Future lease payments are as follows:

Year Ending June 30,	Total Amount
2018	$ 5,119.80
Total	$ 5,119.80

The District entered into various operating leases with Enterprise Fleet Management for maintenance vehicles starting on October 8, 2012, for vehicles to be delivered at various dates with payments ranging from $448.78 to $729.54 for 60 months and one for $986.07 for 48 months. The District paid approximately $64,720.62 in lease payments for the year ended June 30, 2017. These payments are made out of the Capital Projects Fund. Future lease payments are as follows:

Year Ending June 30,	Total Amount
2018	$ 54,068.34
2019	24,106.36
2020	13,134.62
2021	1,161.44
Total	$92,470.76

The District entered into an operating lease with IndDrv, LLC for a bus garage shared with University City School District on August 1, 2014, through July 31, 2024. Payments range from $92,500 - $103,917 annually for the first five years and are $113,643 annually for the next five years if the District decides to extend the lease. $97,997 was paid in lease payments for the year ended June 30, 2017. These payments are made out of the General Fund. Future lease payments are as follows:

Year Ending June 30,	Total Amount
2018	$100,904.00
2019	103,917.00
2020	113,643.00
2021	113,643.00
2022	113,643.00
2023-2024	227,286.00
Total	$773,036.00

V. Retirement Plans

Summary of Significant Accounting Policies

Financial reporting information pertaining to the District's participation in the Public School Retirement System of Missouri and the Public Education Employee Retirement System of Missouri (PSRS and PEERS, also referred to as the Systems) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statements No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

General Information about the Pension Plan - PSRS

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 PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

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 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. 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.

V. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plan – PSRS (Concluded)

A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

Cost-of-Living Adjustments ("COLA"). The PSRS Board has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second 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 2015, 2016 and 2017. 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. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS were $4,512,834.65 for the year ended June 30, 2017.

General Information about the Pension Plan - PEERS

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

Benefits Provided. PEERS is a defined benefit plan providing service retirement and disability 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 .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five 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-

V. RETIREMENT PLANS (CONTINUED)

General Information about the Pension Plan – PEERS (Concluded)

time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org.

Cost-of-Living Adjustments ("COLA"). The PSRS Board has established a policy of providing a 0.00% COLA for years in which the CPI increases between 0.00% and 2.00%, a 2.00% COLA for years in which CPI increases between 2.00% and 5.00%, and a COLA of 5.00% if the CPI increase is greater than 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second 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. PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2015, 2016 and 2017. 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 PEERS were $410,878.11 for the year ended June 30, 2017.

Pension Liabilities and Pension Expense - PSRS

At June 30, 2017, the District has a liability of $48,751,131 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2016, 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 of $4,388,795 paid to PSRS for the year ended June 30, 2016, relative to the actual contributions of $669,858,142 from all participating employers. At June 30, 2016, the District's proportionate share was 0.6552%.

Pension Liabilities and Pension Expense - PEERS

At June 30, 2017, the District has a liability of $3,141,945 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2016, 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 of $414,839 paid to PEERS for the year ended June 30, 2016, relative to the actual contributions of $105,934,385 from all participating employers. At June 30, 2016, the District's proportionate share was 0.3916%.

Actuarial Assumptions – PSRS and PEERS

Actuarial valuations of PSRS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. 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

V. RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (Continued)

anticipated experience for the Systems, derived from experience studies conducted every fifth year. The most recent comprehensive studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the study and effective with the June 30, 2016, valuation. Significant actuarial assumption and method changes are detailed below. For additional information please refer to the Systems' 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, 2016
- Valuation Date	June 30, 2016
- Expected Return on Investments	7.75%, 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.
- 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 – Both	The long-term cost-of-living adjustment (COLA) assumed in the valuation is 1.5% per year, based on the current policy of the Board to grant a 0.00% COLA when annual inflation, as measured by the CPI-U index for a fiscal year, increases between 0.00% and 2.00% and to grant 2.00% when the increase is between 2.00% and 5.00%. The actuarial assumption increases from 1.00% to 1.50% over ten years (from fiscal year 2017 to fiscal year 2027). The COLA applies to service retirements and beneficiary annuities. The COLA does not

V. RETIREMENT PLANS (CONTINUED)

Actuarial Assumptions – PSRS and PEERS (Concluded)

- Cost-of-Living Increases – Both	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 Assumption	
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.
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 Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
Disabled Retirees - Both:#	RP 2006 Disabled Retiree Mortality Tables with static projection using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods

An experience study was completed in June 2016 resulting in an update to the following assumptions:

PSRS & PEERS:

The inflation assumption decreased from 2.50% to 2.25% per year.

PSRS:

The payroll growth assumption decreased from 3.50% to 2.75% per year. The future salary increase assumption decreased from 4.00%-10.00%, depending on service to 3.00%-9.50%, depending on service. The investment return assumption decreased from 8.00% to 7.75% per year. The active mortality assumption changed from RP

V. RETIREMENT PLANS (CONTINUED)

Changes in Actuarial Assumptions and Methods (Concluded)

2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using scale AA to 75% of the RP-2006 White Collar Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale. The non-disabled retiree mortality assumption changed from the RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA to the RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale. The disabled retiree mortality assumption changed from the RP 2000 Disabled Retiree Mortality Table to the RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

PEERS:

The payroll growth assumption decreased from 3.75% to 3.25% per year. The future salary increase assumption decreased from 5.00%-12.00%, depending on service to 4.00%-11.00%, depending on service. The investment return assumption decreased from 8.00% to 7.75% per year. The active mortality assumption changed from RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using scale AA to 75% of the RP-2006 Total Dataset Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale. The non-disabled retiree mortality assumption changed from the RP 2000 Mortality Table set forward one year for males and no set back/forward for females, then projected to 2016 using Scale AA to the RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale. The disabled retiree mortality assumption changed from the RP 2000 Disabled Retiree Mortality Table to the RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

PSRS & PEERS:

In addition, the Board adopted a new COLA policy during fiscal 2016 resulting in a decrease in the future COLA assumption from 2.00% per year to a variable, increasing assumption of 1.00%-1.50% over ten years beginning January 1, 2018.

Fiduciary Net Position

PSRS issues a publicly available financial report that can be obtained at www.psrs-peers.org.

V. Retirement Plans (continued)

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard 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, 2016, is 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	27.0%	5.16%	1.39%
Public Credit	7.0%	2.17%	0.15%
Hedged Assets	6.0%	4.42%	0.27%
Non-U.S. Public Equity	15.0%	6.01%	0.90%
U.S. Treasuries	16.0%	0.96%	0.15%
U.S. TIPS	4.0%	0.80%	0.03%
Private Credit	4.0%	5.60%	0.22%
Private Equity	12.0%	9.86%	1.18%
Private Real Estate	9.0%	3.56%	0.32%
Total	100.0%		4.61%
Inflation			2.25%
Long-term arithmetical nominal return			6.86%
Effect of coverage matrix			0.89%
Long-term expected geometric return			7.75%

- Discount Rate

The discount rate used to measure the total pension liability was 7.75% as of June, 30, 2016, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% based on the actuarial experience studies and asset-liability study conducted during the current year. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

V. RETIREMENT PLANS (CONTINUED)

Expected Rate of Return (Concluded)

- Discount Rate Sensitivity

The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 7.75% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.75%) or 1.0% higher (8.75%) than the current rate.

Discount Rate	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
PSRS Proportionate share of the Net Pension			
Liability / (Asset)	$82,704,275	$48,751,131	$20,479,980
PEERS Proportionate share of the Net Pension			
Liability / (Asset)	$5,463,952	$3,141,945	$1,193,209

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 Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	0.6145%	$ 25,210,326	$27,572,988	91.43%	89.34%
6/30/15	0.6327%	$ 36,524,886	$28,988,276	126.00%	85.78%
6/30/16	0.6552%	$ 48,751,131	$30,620,029	159.21%	82.18%

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 Covered Member Payroll	Net Pension Liability (Asset) As a Percentage Of Covered Payroll	Fiduciary Net Position as A Percentage of Total Pension Liability
6/30/14	0.4020%	$1,467,967	$ 5,861,437	25.04%	91.33%
6/30/15	0.4011%	$2,121,443	$ 6,014,779	35.27%	88.28%
6/30/16	0.3916%	$3,141,945	$ 6,047,226	51.96%	83.32%

V. RETIREMENT PLANS (CONCLUDED)

Schedule of Employer Contributions - PSRS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	$3,723,836	$3,723,836	$ -	$25,955,461	14.35%
6/30/14	3,957,178	3,957,178	-	27,572,988	14.35%
6/30/15	4,153,887	4,153,887	-	28,988,276	14.33%
6/30/16	4,388,795	4,388,795	-	30,620,029	14.33%

Schedule of Employer Contributions - PEERS

Year Ended	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/13	$387,150	$387,150	$ -	$5,643,592	6.86%
6/30/14	402,093	402,093	-	5,861,437	6.86%
6/30/15	412,614	412,614	-	6,014,779	6.86%
6/30/16	414,839	414,839	-	6,047,226	6.86%

VI. EMPLOYEE BENEFIT PLANS

The District offers its employees a tax-sheltered annuity program created in accordance with Internal Revenue Code Section 403(b). The plan, available to all District employees, permits them to defer a portion of their salary for investment purposes. The District also offers a 457 plan, which is available to all of the District employees.

The District also offers a Section 125 cafeteria plan to all employees. Under this plan, the deferred portion can be used to purchase health insurance benefits, reimburse for qualified dependant care costs and reimburse qualified medical expenses.

VII. SELF-INSURANCE PLAN

The District has a self-insurance plan which covers substantially all employees' (and their dependents) medical and dental expenses. The District has purchased excess loss insurance coverage to protect it from any excessive liabilities that could result from medical claims in excess of $150,000 per insured with an aggregate deductible of approximately $5,048,000 with Anthem Blue Cross Blue Shield for July 1, 2016, to June 30, 2017. The dental plan carries a limit of claims per year of $2,000 per employee.

VIII. Insurance Program (MUSIC)

The District, along with 467 other local school districts and junior college districts, participates in the Missouri United School Insurance Council ("MUSIC"), an insurance association for workers' compensation, general liability, and property and casualty insurance. The purpose of MUSIC is to distribute the cost of self-insurance over similar entities. MUSIC requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of MUSIC have no legal interest in the assets, liabilities, or fund balances of the insurance association. However, although MUSIC purchases stop-loss insurance for excessively large claims, the District retains a contingent liability to fund its pro rata share of any deficit incurred by MUSIC should it cease operations at some future date. The District's premium assessment from MUSIC for the year ended June 30, 2017, was $725,493. Settled claims have not exceeded insurance coverage in any of the past three years.

IX. Commitments And Contingencies

Protested Taxes

The District has been notified by the County that taxes that were protested by commercial entities have been awarded to those entities. The protested taxes will be deducted from the District's January tax payment from the County.

Compensated Absences

Vacation time, personal days and sick leave are considered expenditures in the year paid. Unused sick time accumulates but does not vest. Vacation time can be accumulated up to 4 weeks and is payable to the non-teaching personnel only. The amount of unpaid vacation, which is not included in the accompanying financial statements, is approximately $659,072.51 at June 30, 2017.

Litigation

The District is involved in an asserted claim and an issue involving the Office for Civil Rights that are pending as of the audit report date. No provision has been made in the financial statements for any loss that might arise in the event of an unfavorable outcome of these matters. District management believes that such matters and claims will ultimately be resolved without material financial liability, if any, to the District.

X. Post-Employment Benefits

In addition to the pension benefits described in Notes V and VI, the District allows employees who retire from the District to participate in the District's health, dental and vision insurance plans. Upon meeting the retirement requirements per PSRS or PEERS, the employees can elect to participate in the District's plans. The retirees must pay for 100% of their coverage for each plan in which they elect to participate. The premiums are based on a single blended rate used for both active employees and retirees. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District

X. Post-Employment Benefits (Concluded)

has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand alone financial report is not available for the plan. During the year, 232 retirees participated in the District's insurance plans and paid premiums totaling $773,724.72. During the current year the following number of retirees participated in the District's health, dental or vision insurance plans:

Health	81
Dental	215
Vision	132

The District had five people participate in COBRA for the fiscal year ended June 30, 2017, with premiums collected from them totaling $9,196.26.

XI. Interfund Transfers

For the year ended June 30, 2017, there were no interfund transfers.

XII. Subsequent Events

In July and August of 2017, the District took delivery and entered into a capital lease with Central States Bus Sales Inc. for five new buses. The lease is paid monthly and is for a term of 5 years. Payments range from $72,756.28 to $157,289.54 annually, with an interest rate of 4%.

XIII. Tuition Received

The District received money for tuition from Riverview Gardens and Normandy School Districts for the year ended June 30, 2017, due to the loss of their accreditation. Students who chose to transfer to Ladue School District were transported to the District by their parents. The Riverview Gardens and Normandy School Districts had to pay the set tuition rate per child as established by the Ladue School District. The tuition rate for 2016-17 was $15,147.21which Normandy paid for the entire year and Riverview paid just for the first semester then was reduced to $7,000. Tuition received for the year ended June 30, 2017, was approximately $822,124.64 for Normandy and $130,866.27 for Riverview Gardens, for a total of $952,990.91.

XIV. Tax Abatement

The District is involved, through St. Louis County, in a tax abatement agreement with local businesses under the Urban Redevelopment Corporations under Ch. 353 of the RSMos. Under this program, localities may grant property tax abatements of up to 50% of a business' property tax bill for the purpose of providing Urban Redevelopment Corporations real property tax abatements.

For the year ended June 30, 2017, the District had abated property taxes totaling $51,661.19 under this program, including the following tax abatement that made up for the entire abatement amount.

XIV. TAX ABATEMENT (CONCLUDED)

- A 50 percent property tax abatement to Shoppes Price Crossing/ McKnight Investors under the program described above. The abatement amounted to $51,661.19.

The District is involved, through St. Louis County, in a tax abatement agreement with local businesses under the industrial development bonds under Ch. 100 of the RSMos. Under this program, localities may purchase or construct certain types of projects with bond proceeds and lease or sell the project to a company. Real estate or other assets may be exempt from some or all property taxes if structured as a lease to the company.

For the year ended June 30, 2017, the District had abated property taxes totaling $100,208.14 under this program, including the following tax abatement that made up for the entire abatement amount.

- A 50 percent on project improvements and 50 percent of the assessed value on project improvements abatement to Wexford Danforth property under the program described above. The abatement amounted to $100,208.14.

The District is involved, through the state of Missouri, in property tax surcharge receipts. The property tax surcharge was established in 1985 under the Missouri Constitution Article X, Section 6. This is a replacement for revenues lost when tangible personal property merchants' and manufacturers' inventory was exempted from property assessment. These receipts are put into a "Surcharge Pool" and are allocated to each taxing entity within a County. When certain entities enter into tax abatement agreements, these surcharge amounts become abated as well.

For the year ended June 30, 2017, the District had abated surcharge taxes totaling $43,302.98 under this program, under several surcharge abatements throughout St. Louis County.

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Budgetary Comparison Schedule - Modified Cash Basis
General Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Modified Cash Basis	Variance Actual Over (Under) Final
	Original	**Final**	**Actual**	**Budget**
Revenues Collected				
Local Sources	$ 20,407,609.75	$ 20,632,194.39	$ 20,647,345.51	$ 15,151.12
County Sources	183,818.87	183,388.26	175,545.23	(7,843.03)
State Sources	1,139,481.79	1,083,799.90	1,012,228.53	(71,571.37)
Federal Sources	516,532.00	538,904.00	472,053.92	(66,850.08)
TOTAL REVENUES	**22,247,442.41**	**22,438,286.55**	**22,307,173.19**	**(131,113.36)**
Expenditures Paid				
Current				
Instruction	3,619,345.42	3,619,647.23	3,867,823.58	248,176.35
Attendance	-	-	-	-
Guidance	190,902.36	186,117.34	196,646.97	10,529.63
Health, Psych Speech & Audio	745,184.00	695,505.06	699,527.06	4,022.00
Improvement of Instruction	793,050.18	780,410.93	728,972.94	(51,437.99)
Professional Development	27,500.00	27,500.00	11,420.02	(16,079.98)
Media Services	266,971.35	304,403.21	311,897.40	7,494.19
Board of Education Services	204,090.00	129,745.95	99,001.34	(30,744.61)
Executive Administration	912,441.00	892,101.50	937,873.61	45,772.11
Building Level Administration	1,803,152.00	1,792,515.63	1,855,639.99	63,124.36
Business Central Services	600,265.58	607,849.78	656,258.13	48,408.35
Operation of Plant	8,234,873.00	7,031,120.78	6,587,431.83	(443,688.95)
Security Services	35,461.50	39,461.50	19,765.03	(19,696.47)
Pupil Transportation	1,515,727.57	1,545,588.19	1,452,628.58	(92,959.61)
Food Service	1,226,779.60	1,226,779.60	1,277,294.99	50,515.39
Central Office Support Services	1,166,551.28	1,174,747.64	1,168,632.65	(6,114.99)
Other Supporting Services	-	-	-	-
Community Services	2,749,820.59	2,787,425.66	2,587,898.43	(199,527.23)
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Expenditures	**24,092,115.43**	**22,840,920.00**	**22,458,712.55**	**(382,207.45)**
Revenues Collected Over (Under) Expenditures Paid	**(1,844,673.02)**	**(402,633.45)**	**(151,539.36)**	**251,094.09**
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Property	-	-	79.89	79.89
Tuition from other Districts	1,000,000.00	1,000,000.00	892,898.15	(107,101.85)
Transportation From Other Lea's	-	-	-	-
Total Other Financing Sources (Uses)	**1,000,000.00**	**1,000,000.00**	**892,978.04**	**(107,021.96)**
NET CHANGE IN FUND BALANCES	(844,673.02)	597,366.55	741,438.68	144,072.13
Fund Balance, July 1, 2016	30,771,248.56	30,771,248.56	30,771,248.56	-
Fund Balance, June 30, 2017	**$ 29,926,575.54**	**$ 31,368,615.11**	**$ 31,512,687.24**	**$ 144,072.13**

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Budgetary Comparison Schedule - Modified Cash Basis
Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Modified Cash Basis	Variance Actual Over (Under) Final
	Original	**Final**	**Actual**	**Budget**
Revenues Collected				
Local Sources	$ 34,443,917.32	$ 34,955,077.19	$ 35,405,774.78	$ 450,697.59
County Sources	443,286.89	443,586.01	418,411.16	(25,174.85)
State Sources	1,560,962.21	1,561,716.10	1,647,400.62	85,684.52
Federal Sources	-	-	-	-
TOTAL REVENUES	**36,448,166.42**	**36,960,379.30**	**37,471,586.56**	**511,207.26**
Expenditures Paid				
Current				
Instruction	30,392,568.39	31,439,460.39	31,177,751.35	(261,709.04)
Attendance	-	-	-	-
Guidance	1,335,230.95	1,341,909.13	1,434,507.78	92,598.65
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	6,820.27	6,431.11	1,841.16	(4,589.95)
Professional Development	-	-	-	-
Media Services	793,765.31	802,307.47	820,195.32	17,887.85
Board of Education Services	-	-	-	-
Executive Administration	1,297,976.86	1,300,954.77	1,358,267.84	57,313.07
Building Level Administration	2,177,538.15	2,195,627.95	2,266,290.38	70,662.43
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	152,799.87	153,933.31	154,666.06	732.75
Other Supporting Services	-	-	-	-
Community Services	-	-	16,147.60	16,147.60
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	-	-
Total Support Services	36,156,699.80	37,240,624.13	37,229,667.49	(10,956.64)
Revenues Collected Over (Under) Expenditures Paid	291,466.62	(280,244.83)	241,919.07	522,163.90
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Bonds	-	-	-	-
Tuition from other Districts	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**-**	**-**	**-**
NET CHANGE IN FUND BALANCES	291,466.62	(280,244.83)	241,919.07	522,163.90
Fund Balance, July 1, 2016	285,761.26	285,761.26	285,761.26	-
Fund Balance, June 30, 2017	**$ 577,227.88**	**$ 5,516.43**	**$ 527,680.33**	**$ 522,163.90**

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Budgetary Comparison Schedule - Modified Cash Basis
Debt Service Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Modified Cash Basis	Variance Actual Over (Under) Final
	Original	**Final**	**Actual**	**Budget**
Revenues Collected				
Local Sources	$ 12,488,981.14	$ 12,770,874.68	$ 12,979,059.69	$ 208,185.01
County Sources	148,195.06	148,307.77	276,734.91	128,427.14
State Sources	-	-	-	-
Federal Sources	-	501,000.00	500,853.88	(146.12)
TOTAL REVENUES	**12,637,176.20**	**13,420,182.45**	**13,756,648.48**	**336,466.03**
Expenditures Paid				
Current				
Instruction	-	-	-	-
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	-	-	-	-
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Business Central Services	-	-	-	-
Operation of Plant	-	-	-	-
Security Services	-	-	-	-
Pupil Transportation	-	-	-	-
Food Service	-	-	-	-
Central Office Support Services	-	-	-	-
Other Supporting Services	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	3,395,000.00	40,875,000.00	40,875,000.00	-
Interest and Charges	3,914,965.00	5,939,658.90	5,920,299.18	(19,359.72)
Total Expenditures	**7,309,965.00**	**46,814,658.90**	**46,795,299.18**	**(19,359.72)**
Revenues Collected Over (Under) Expenditures Paid	**5,327,211.20**	**(33,394,476.45)**	**(33,038,650.70)**	**355,825.75**
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Bonds	-	14,765,000.00	14,765,000.00	-
Tuition from other Districts	-	-	-	-
Total Other Financing Sources (Uses)	**-**	**14,765,000.00**	**14,765,000.00**	**-**
NET CHANGE IN FUND BALANCES	5,327,211.20	(18,629,476.45)	(18,273,650.70)	355,825.75
Fund Balance, July 1, 2016	22,437,872.63	22,437,872.63	22,437,872.63	-
Fund Balance, June 30, 2017	**$ 27,765,083.83**	**$ 3,808,396.18**	**$ 4,164,221.93**	**$ 355,825.75**

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Budgetary Comparison Schedule - Modified Cash Basis
Capital Projects Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Modified Cash Basis	Variance Actual Over (Under) Final
	Original	Final	Actual	Budget
Revenues Collected				
Local Sources	$ 2,583,996.85	$ 2,606,663.79	$ 3,231,273.59	$ 624,609.80
County Sources	24,699.18	24,717.96	33,203.03	8,485.07
State Sources	277,615.00	308,615.00	308,614.73	(0.27)
Federal Sources	31,000.00	31,000.00	-	(31,000.00)
TOTAL REVENUES	**2,917,311.03**	**2,970,996.75**	**3,573,091.35**	**602,094.60**
Expenditures Paid				
Current				
Instruction	627,325.00	587,325.00	596,164.66	8,839.66
Attendance	-	-	-	-
Guidance	-	-	-	-
Health, Psych Speech & Audio	-	-	-	-
Improvement of Instruction	-	-	-	-
Professional Development	-	-	-	-
Media Services	225,550.00	625,550.00	450,433.40	(175,116.60)
Board of Education Services	-	-	-	-
Executive Administration	-	-	-	-
Building Level Administration	-	-	-	-
Business Central Services	9,500.00	9,500.00	10,777.15	1,277.15
Operation of Plant	135,000.00	135,000.00	99,937.11	(35,062.89)
Security Services	3,000.00	3,000.00	-	(3,000.00)
Pupil Transportation	288,710.58	288,710.58	297,519.45	8,808.87
Food Service	15,000.00	-	1,374.90	1,374.90
Central Office Support Services	74,200.00	74,200.00	80,159.37	5,959.37
Other Supporting Services	-	-	-	-
Community Services	-	-	-	-
Capital Outlay	29,110,000.00	28,710,000.00	17,769,919.94	(10,940,080.06)
Debt Service:				
Principal	-	-	-	-
Interest and Charges	-	-	250.00	250.00
Total Support Services	30,488,285.58	30,433,285.58	19,306,535.98	(11,126,749.60)
Revenues Collected Over (Under) Expenditures Paid	**(27,570,974.55)**	**(27,462,288.83)**	**(15,733,444.63)**	**11,728,844.20**
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Bonds/Assets	6,000.00	6,000.00	5,010.00	(990.00)
Tuition from other Districts	-	-	-	-
Total Other Financing Sources (Uses)	**6,000.00**	**6,000.00**	**5,010.00**	**(990.00)**
NET CHANGE IN FUND BALANCES	(27,564,974.55)	(27,456,288.83)	(15,728,434.63)	11,727,854.20
Fund Balance, July 1, 2016	84,075,375.98	84,075,375.98	84,075,375.98	-
Fund Balance, June 30, 2017	**$ 56,510,401.43**	**$ 56,619,087.15**	**$ 68,346,941.35**	**$ 11,727,854.20**

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
Budgetary Comparison Schedule - Modified Cash Basis
All Governmental Funds
For the Year Ended June 30, 2017

	Budgeted Amounts		Modified Cash Basis	Variance Actual Over (Under) Final
	Original	**Final**	**Actual**	**Budget**
Revenues Collected				
Local Sources	$ 69,924,505.06	$ 70,964,810.05	$ 72,263,453.57	$ 1,298,643.52
County Sources	800,000.00	800,000.00	903,894.33	103,894.33
State Sources	2,978,059.00	2,954,131.00	2,968,243.88	14,112.88
Federal Sources	547,532.00	1,070,904.00	972,907.80	(97,996.20)
TOTAL REVENUES	**74,250,096.06**	**75,789,845.05**	**77,108,499.58**	**1,318,654.53**
Expenditures Paid				
Current				
Instruction	34,639,238.81	35,646,432.62	35,641,739.59	(4,693.03)
Attendance	-	-	-	-
Guidance	1,526,133.31	1,528,026.47	1,631,154.75	103,128.28
Health, Psych Speech & Audio	745,184.00	695,505.06	699,527.06	4,022.00
Improvement of Instruction	799,870.45	786,842.04	730,814.10	(56,027.94)
Professional Development	27,500.00	27,500.00	11,420.02	(16,079.98)
Media Services	1,286,286.66	1,732,260.68	1,582,526.12	(149,734.56)
Board of Education Services	204,090.00	129,745.95	99,001.34	(30,744.61)
Executive Administration	2,210,417.86	2,193,056.27	2,296,141.45	103,085.18
Building Level Administration	3,980,690.15	3,988,143.58	4,121,930.37	133,786.79
Business Central Services	609,765.58	617,349.78	667,035.28	49,685.50
Operation of Plant	8,369,873.00	7,166,120.78	6,687,368.94	(478,751.84)
Security Services	38,461.50	42,461.50	19,765.03	(22,696.47)
Pupil Transportation	1,804,438.15	1,834,298.77	1,750,148.03	(84,150.74)
Food Service	1,241,779.60	1,226,779.60	1,278,669.89	51,890.29
Central Office Support Services	1,393,551.15	1,402,880.95	1,403,458.08	577.13
Other Support Services	-	-	-	-
Community Services	2,749,820.59	2,787,425.66	2,604,046.03	(183,379.63)
Capital Outlay	29,110,000.00	28,710,000.00	17,769,919.94	(10,940,080.06)
Debt Service:				
Principal	3,395,000.00	40,875,000.00	40,875,000.00	-
Interest and Charges	3,914,965.00	5,939,658.90	5,920,549.18	(19,109.72)
Total Expenditures	98,047,065.81	137,329,488.61	125,790,215.20	(11,539,273.41)
Revenues Collected Over (Under) Expenditures Paid	**(23,796,969.75)**	**(61,539,643.56)**	**(48,681,715.62)**	**12,857,927.94**
Other Financing Sources (Uses):				
Transfers	-	-	-	-
Sale of Bonds/Assets	6,000.00	14,771,000.00	14,770,089.89	(910.11)
Tuition from other Districts	1,000,000.00	1,000,000.00	892,898.15	(107,101.85)
Tranportation From Other Lea's	-	-	-	-
Total Other Financing Sources (Uses)	**1,006,000.00**	**15,771,000.00**	**15,662,988.04**	**(108,011.96)**
NET CHANGE IN FUND BALANCES	(22,790,969.75)	(45,768,643.56)	(33,018,727.58)	12,749,915.98
Fund Balance, July 1, 2016	137,570,258.43	137,570,258.43	137,570,258.43	-
Fund Balance, June 30, 2017	**$ 114,779,288.68**	**$ 91,801,614.87**	**$ 104,551,530.85**	**$ 12,749,915.98**

Budgets and Budgetary Accounting

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

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

2. Prior to June 30, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

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

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

5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

   Budgeted amounts are as originally adopted on June 27, 2016, or as finally amended by the Board of Education on December 12, 2016.

6. Budgets are adopted on the modified cash basis of accounting for all Governmental Funds.

STATE COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTIONS ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS OF MISSOURI STATE LAWS AND REGULATIONS

To the Members of the Board of Education
School District of the City of Ladue

Report on Compliance with State Requirements

We have examined management's assertions that the School District of the City of Ladue ("District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by the District's records of average daily attendance and average daily transportation of pupils, and other statutory requirements as listed in the Schedule of Selected Statistics for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for the District's compliance with the aforementioned requirements.

Auditor's Responsibility

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

Opinion on Compliance with State Requirements

In our opinion, management's assertions that the School District of the City of Ladue complied with the aforementioned requirements for the year ended June 30, 2017, are fairly stated, in all material respects.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 30, 2017

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SCHOOL DISTRICT OF THE CITY OF LADUE
(THE PRIMARY GOVERNMENT)
DISTRICT NUMBER 096-106
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2017

TYPE OF AUDIT PERFORMED: - YELLOW BOOK

I. CALENDAR

A. Standard day length (SDL) – The total number of hours between the starting time of the first class and the dismissal time of the last class, minus the time allowed for lunch and one passing time, and minus Channel One time. Reported with 4 decimal places:

Grades K – 5	6.6000	SDL
Grades 6 - 8	6.4500	SDL
Grades 9-12	6.4500	SDL

B. The number of actual calendar hours classes were in session and pupils were under the direction of teachers during this school year was as follows:

Grades K	1,127.60	Hours
Grades 1 - 4	1,127.60	Hours
Grades 5	1,128.40	Hours
Grades 6 - 8	1,102.70	Hours
Grades 9 - 12	1,095.00	Hours

C. The number of days classes were in session and pupils were under the direction of teachers during this school year was as follows:

Grades K - 5	174	Days
Grades 6 - 8	174	Days
Grades 9 - 12	174	Days

II. AVERAGE DAILY ATTENDANCE (ADA)

Regular Year	Resident	Deseg In	Deseg Out	Total
Kindergarten	272.3491	-	-	272.3491
Grades 1-4	1,182.9729	-	-	1,182.9729
Grades 5	291.7686	-	-	291.7686
Grades 6-8	935.9604	-	-	935.9604
Grades 9-12	1,137.8712	-	-	1,137.8712
Subtotal Regular Year	3,820.9222	-	-	3,820.9222
SUMMER SCHOOL ADA	11.3417	-	-	11.3417
TOTAL ADA	3,832.2639	-	-	3,832.2639

III. SEPTEMBER MEMBERSHIP

	Full Time & Part Time	Deseg. in	Total	Deseg. Out
September Membership FTE Count (Full-time and part-time)	4,017.88	-	4,017.88	-

IV. Free and Reduced Priced Lunch FTE Count (Section 163.011(6), RSMo)

	Full Time & Part Time	Deseg. in	Deseg. Out	Total
Free (Full-time and part-time)	366.18	-	-	366.18
Reduced (Full-time and part-time)	70.05	-	-	70.05
Total (Full-time and part-time)	436.23	-	-	436.23

V. FINANCE

A.	As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of	$ 50,000
B.	The District's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo	TRUE
C.	The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo	TRUE
D.	Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records	TRUE
E.	If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the Board approved a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken	N/A
F.	The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121, RSMo.	TRUE
G.	The District has a professional development committee plan adopted by the board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment	TRUE
H.	The amount spent for approved professional development committee plan activities was:	$11,420.02

VI. TRANSPORTATION (SECTION 163.161, RSMO)

A.	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid	TRUE
B.	The District's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported	TRUE
C.	Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	• Eligible ADT	2,230.00
	• Ineligible ADT	77.00
D.	The District's transportation odometer mileage records are maintained in a manner as to accurately disclose in all material respects the eligible and ineligible mileage for the year	TRUE
E.	Actual odometer records show the total District-operated and contracted mileage for the year was:	357,316
	Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:	
	• Eligible Miles	313,336
	• Ineligible Miles (Non-Route/Disapproved)	43,980
F.	Number of days the District operated the school transportation system during the regular school year:	176

SCHEDULE OF STATE FINDINGS
YEAR ENDED JUNE 30, 2017

I. CHAPTER 67 RSMO (BUDGET STATUTE)

Chapter 67 RSMo requires that each political subdivision of the State of Missouri adopt an annual budget, itemized by fund. It further requires that in no event shall the total proposed expenditures from any fund exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year.

There were no budget findings for the year ended June 30, 2017.

II. OTHER FINDINGS

There were no other findings.

INTERNAL CONTROL AND COMPLIANCE SECTION

Daniel Jones
& Associates
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Education
School District of the City of Ladue

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the remaining fund information of the School District of the City of Ladue ("District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

October 30, 2017

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2017

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Modified Cash Basis

2. Internal control over financial reporting:

a.	Material weakness(es) identified?	____ Yes	X No
b.	Significant deficiency(ies) identified?	____ Yes	X None Reported

3. Noncompliance material to financial statements noted? ____ Yes X No

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended June 30, 2017.

SCHOOL DISTRICT OF THE CITY OF LADUE
(the Primary Government)
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2017

I. Financial Statement Findings – Prior Year

There were no financial statement findings for the year ended June 30, 2016.

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

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

School District of the City of Ladue,
St. Louis County, Missouri
Ladue, Missouri

Commerce Bank
Kansas City, Missouri

Re: $2,850,000 City of Ladue School District, St. Louis County, Missouri General Obligation Bonds, Series 2018

Ladies and Gentlemen:

The City of Ladue School District, St. Louis County, Missouri (the "District") has on this date issued its General Obligation Bonds, Series 2018 (the "Bonds"), dated as of the date hereof in the aggregate principal amount of $2,850,000.

The Bonds have been authorized and issued under and pursuant to the Constitution and laws of the State of Missouri, including in particular Article VI, Sections 26 of the Constitution of the State of Missouri and Chapter 164 of the Revised Statutes of Missouri, as amended (the "Act"). The Bonds are further issued pursuant to a Resolution (the "Bond Resolution") adopted by the Board of Education of the District on June 12, 2018 for the purpose of providing funds to pay a portion of the (1) costs of constructing, renovating, repairing, improving, furnishing and equipping school sites, buildings and facilities, including, but not limited to (i) new construction and/or renovation of science labs, classrooms, fine and performing arts spaces, a library media center and building operational components at the high school and (ii) updating safety, security and technology infrastructure at other District schools, and (2) costs of issuance related to the Bonds.

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

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

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

(i) the issuance, sale and delivery of the Bonds; and

(ii) the execution and delivery of the Tax Compliance Agreement in connection with the Bonds (the "Tax Compliance Agreement") dated October 16, 2018 of the District.

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

D. A specimen of the Bonds.

E. Representations and certifications of the District and Commerce Bank, the original purchaser of the Bonds.

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

We have not, as Bond Counsel, undertaken to review the accuracy, completeness or sufficiency of the Official Statement dated October 2, 2018 with respect to the Bonds or other offering material relating to the Bonds (except to the extent stated therein), and we express no opinion relating thereto (except to the extent stated therein). We further express no opinion as to the ability of the District to comply with its obligations under the Bond Resolution.

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

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

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

3. The Bonds are not "specified private activity bonds" within the meaning of the alternative minimum tax provisions of the Code and, accordingly, interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals.

4. The Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense).

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

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

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

Very truly yours,