NEW ISSUE **RATING: S&P: AA+**
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 not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (relating to financial institution deductibility of interest expense). See the section herein captioned **"TAX MATTERS"** and the form of opinion of Bond Counsel attached hereto as **APPENDIX C**.*

$12,500,000
SCHOOL DISTRICT OF WEBSTER GROVES, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2019

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

The General Obligation Bonds, Series 2019 (the **"Bonds"**) will be issued by the School District of Webster Groves, St. Louis County, Missouri (the **"District"**) for the purpose of providing funds to (1) pay the costs of the Project, and (2) pay the costs of issuing the Bonds, all as further described herein under the section captioned **"PLAN OF FINANCING."**

Principal of the Bonds is payable annually as set forth on the inside cover of this Official Statement, commencing on March 1, 2031. Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing on March 1, 2020, 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 INTEREST THEREON WILL CONSTITUTE GENERAL OBLIGATIONS OF THE DISTRICT, PAYABLE FROM AD VALOREM TAXES WHICH MAY BE LEVIED WITHOUT LIMITATION AS TO RATE OR AMOUNT UPON ALL OF THE TAXABLE TANGIBLE PROPERTY, REAL AND PERSONAL, WITHIN THE TERRITORIAL LIMITS OF THE DISTRICT.

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

The Bonds are offered when, as and if issued by the District and accepted by the Underwriter, subject to the approval of validity by Thompson Coburn LLP, St. Louis, Missouri, Bond Counsel, and subject to certain other conditions. Thompson Coburn LLP, St. Louis, Missouri, Disclosure Counsel to the District, will pass upon certain legal matters relating to the Official Statement. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about June 5, 2019.

FTN FINANCIAL CAPITAL MARKETS

The date of this Official Statement is May 20, 2019.

$12,500,000
SCHOOL DISTRICT OF WEBSTER GROVES, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2019

MATURITY SCHEDULE

Base CUSIP: 948050

Maturity (March 1)	Principal Amount	Interest Rate	Price	CUSIP
2031	$1,800,000	5.000%	121.807%	JZ3
2032	1,750,000	4.000	112.817	KA6
2033	1,650,000	2.625	98.688	KB4
2034	2,300,000	2.750	99.158	KC2
2035	1,600,000	2.875	99.808	KD0
2036	1,200,000	2.875	99.012	KE8
2037	1,000,000	3.000	100.000	KF5
2038	700,000	3.000	99.287	KG3
2039	500,000	3.000	98.528	KH1

SCHOOL DISTRICT OF WEBSTER GROVES
ST. LOUIS COUNTY, MISSOURI

BOARD OF EDUCATION

Amy Clendennen, President
David Addison, Director
Jo Doll, Director
Christine Keller, Director
Alexander Kahn, Director
Kita Quinn, Director
Arnold Stricker, Director

DISTRICT ADMINISTRATION

Dr. John Simpson, Superintendent
Bruce Ellerman, Chief Financial Officer
Dr. Kristin Denbow, Assistant Superintendent for Learning
Dr. Sandy Wiley, Assistant Superintendent – Human Resources

PAYING/ESCROW AGENT

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

BOND COUNSEL AND DISCLOSURE COUNSEL

Thompson Coburn LLP
St. Louis, Missouri

UNDERWRITER

FTN Financial Capital Markets
New York, New York

FINANCIAL ADVISOR

Piper Jaffray & Co.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

The information set forth herein has been obtained from the District and other sources which are deemed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the District 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 (1) THOSE RELATING TO THE POSSIBLE INVALIDITY OF THE UNDERLYING ASSUMPTIONS AND ESTIMATES, (2) POSSIBLE CHANGES OR DEVELOPMENTS IN SOCIAL, ECONOMIC, BUSINESS, INDUSTRY, MARKET, LEGAL AND REGULATORY CIRCUMSTANCES, AND (3) CONDITIONS AND ACTIONS TAKEN OR OMITTED TO BE TAKEN BY THIRD PARTIES, INCLUDING CUSTOMERS, SUPPLIERS, BUSINESS PARTNERS AND COMPETITORS, AND LEGISLATIVE, JUDICIAL AND OTHER GOVERNMENTAL AUTHORITIES AND OFFICIALS. ASSUMPTIONS RELATED TO THE FOREGOING INVOLVE JUDGMENTS WITH RESPECT TO, AMONG OTHER THINGS, FUTURE ECONOMIC, COMPETITIVE, AND MARKET CONDITIONS AND FUTURE BUSINESS DECISIONS, ALL OF WHICH ARE DIFFICULT OR IMPOSSIBLE TO PREDICT ACCURATELY. FOR THESE REASONS, THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL 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

$12,500,000
SCHOOL DISTRICT OF WEBSTER GROVES, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2019

INTRODUCTION

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

General

This Official Statement, including the cover page and appendices hereto, is furnished to prospective purchasers in connection with the offering and sale of $12,500,000 aggregate principal amount of General Obligation Bonds, Series 2019 (the **"Bonds"**) by the School District of Webster Groves, St. Louis County, Missouri (the **"District"**). The issuance and sale of the Bonds are authorized by a parameters resolution of the Board of Education of the District adopted on May 13, 2019 (the **"Resolution"**). *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.*

Purpose of the Bonds

The Bonds are being issued for the purpose of providing funds to (1) pay the costs of the Project (as defined herein), and (2) pay the costs of issuing the Bonds. See the section herein captioned **"PLAN OF FINANCING."**

Security for the Bonds

General. The Bonds will constitute general obligations of the District and will be payable as to principal or Redemption Price (as defined herein) 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. See the section herein captioned **"SECURITY FOR THE BONDS – General."**

Continuing Disclosure

The District will agree in a Continuing Disclosure Certificate dated June 5, 2019 (the **"Continuing Disclosure Undertaking"**) to provide certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events relating to the Bonds. The financial information, operating data and notice of events will be filed 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 a summary of the continuing disclosure obligations with respect to the Bonds.

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 $12,500,000. The Bonds are dated as of the date of original issuance and delivery thereof. The Bonds will consist of fully-registered Bonds, numbered from 1 upward in order of issuance, in denominations of $5,000 or any integral multiple thereof. Principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page hereof, subject to redemption and payment prior to their Stated Maturities as provided in the Resolution. Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 in each year, beginning March 1, 2020.

Payment of the interest on the Bonds will be made to the person in whose name such Bond is registered 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 (1) by check or draft mailed by UMB Bank, N.A. (the **"Paying Agent"**) to the address of such Registered Owner shown on the Bond Register or such other address furnished to the Paying Agent in writing by such Registered Owner, or (2) by electronic transfer to such Registered Owner upon written notice signed by such Registered Owner, and given to the Paying Agent not less than 15 days prior to the Record Date for such interest payment, containing the electronic transfer instructions including the name and address of the bank, the ABA routing number and the account number to which such Owner wishes to have such transfer directed and an acknowledgment that an electronic transfer fee may be applicable.

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

Book-Entry Only System

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each Stated Maturity of the Bonds, each in the aggregate principal amount of such Stated 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 S&P 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 the 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 the 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 (1) to register the transfer or exchange of any Bond that has been called for redemption after notice of such redemption has been mailed by the Paying Agent in accordance with the Resolution and during the period of 15 days next preceding the date of mailing of such notice of redemption or (2) to register the transfer or exchange of any Bond during a period beginning at the opening of business on the day after receiving written notice from the District of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest pursuant to the Resolution.

Redemption Provisions

At the option of the District, the Bonds or portions thereof maturing on March 1, 2031 and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2027 and thereafter as a whole or in part at any time at the Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (as defined herein).

Selection of Bonds to be Redeemed

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

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

Notice of Redemption

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

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

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

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

Effect of Call for Redemption

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

Defeasance

When any or all of the principal of the Bonds or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Resolution and the pledge of the District's faith and credit under the Resolution and all other rights granted shall terminate with respect to the principal of the Bonds or scheduled interest payments thereon so paid and discharged. Principal of the Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State of Missouri and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said principal of the Bonds or the interest payments thereon, in trust for and irrevocably appropriated thereto, money and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal of and redemption premium, if any, on said Bonds and interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments; provided, however, that if any such Bonds are to be redeemed prior to their Stated Maturity, (1) the District has elected to redeem such Bonds and (2) either notice of such redemption has been given, or the District has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Paying Agent to give such notice of redemption in compliance with the Resolution.

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

Defeasance Obligations include non-callable United States Government Obligations, defined in the Resolution as bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America. There is no legal requirement in the Resolution that United States Government Obligations be or remain rated in the highest rating category by any rating agency.

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 principal or Redemption Price of and interest on the Bonds from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

Levy and Collection of Annual Tax. Under the Resolution, there is levied upon all of the taxable tangible property within the District a direct annual tax sufficient to produce the amounts necessary for the payment of the principal or Redemption Price of and interest on the Bonds as the same becomes 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

The Project

On April 2, 2019, the voters of the District approved the issuance of $22,000,000 of the District's general obligation bonds for the purpose of acquiring, constructing, renovating, repairing, expanding, improving, furnishing and equipping school sites (collectively, the **"Project"**). A portion of the proceeds of the Bonds will be used for the Project. The District anticipates utilizing the remaining voted authorization to complete the Project over approximately the next two years.

Sources and Uses of Funds

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

Sources of Funds:	
Par Amount of Bonds	$12,500,000.00
Net Original Issue Premium	548,530.50
Total	$13,048,530.50
Uses of Funds:	
Deposit to Project Fund	$12,963,955.50
Costs of Issuance (including Underwriter's Discount)	84,575.00
Total	$13,048,530.50

RISK FACTORS

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

Ad Valorem Property Taxes

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

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

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

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

Rating

The Rating Agency (as defined herein) have assigned the Bonds the rating set forth under **"BOND RATING"** in this Official Statement. Such rating reflects only the views of the Rating Agency, and an explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by the Rating Agency if, in its judgment, circumstances warrant. Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Bankruptcy

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

Pensions

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (1) The Public School Retirement System of Missouri and (2) The Public Education Employee Retirement System of Missouri. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Retirement Plans"** in **APPENDIX A** of this Official Statement. Future required contribution increases beyond the current fiscal year may require the District to increase its revenues, reduce its expenditures or some combination thereof, which may impact the District's operations or limit the District's ability to generate additional revenues in the future.

Amendment of the Resolution

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

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

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

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

Defeasance Risks

When all Bonds are deemed paid and discharged as provided in the Resolution, the requirements contained in the Resolution and the pledge of the District's faith and credit thereunder and all other rights granted thereby will terminate with respect to the Bonds or scheduled interest payments thereon so paid and discharged. Bonds or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company moneys and/or Defeasance Obligations that, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the Bonds to the stated maturity or prior redemption date. There is no legal requirement in the Resolution that Defeasance Obligations be rated in the highest rating category by any rating agency. Prices of municipal securities in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets, and that could include the rating of Bonds defeased with Defeasance Obligations to the extent the Defeasance Obligations have a change or downgrade in rating.

Adverse Tax Legislation

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any proposed legislation might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

THE DISTRICT

The District covers an area of approximately 10 square miles and is located in St. Louis County, Missouri (the **"County"**). Driving time to downtown St. Louis City is approximately 20 minutes. Major department stores, medical facilities, cultural, recreational and entertainment attractions are minutes away in any direction. Communities served by the District include the cities of Rock Hill and Webster Groves and parts of the cities of Glendale, Shrewsbury and Warson Woods. The District is one of the oldest of the 23 school districts in St. Louis County. See **APPENDIX A** 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 relating to this Official Statement will be passed upon for the District by Thompson Coburn LLP, St. Louis, Missouri, as Disclosure Counsel to the District.

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. (the "**Rating Agency**"), has assigned a municipal bond rating of "AA+" to the Bonds based on the underlying credit of the District. Such rating reflects only the view of the Rating Agency, and an explanation of the significance of the rating may be obtained therefrom. There is no assurance that the rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, by the Rating Agency if, in its judgment, circumstances warrant. 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 (as defined below), 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, a form of which is attached hereto as **APPENDIX C – "FORM OF OPINION OF BOND COUNSEL,"** 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 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 provide for the payment of any additional interest, redemption premium or penalty if the interest on the Bonds becomes included in gross income for federal or State of Missouri income tax purposes.

In addition, the opinion of Bond Counsel will state that, under existing law, interest on the Bonds (1) is not a specific item of tax preference for purposes of the federal alternative minimum tax, and (2) is not 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 not "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 IRS 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 IRS. 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 IRS 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 IRS 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 IRS 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.

Original Issue Discount

The initial public offering prices of certain maturities of the Bonds, as set forth on the inside cover page of this Official Statement, may be less than the respective stated redemption prices at maturity (such Bonds are hereinafter referred to as **"OID Bonds"**). An amount equal to the difference between the initial public offering price of an OID Bond (assuming a substantial amount of such maturity is first sold at that price) and its stated redemption price at maturity constitutes original issue discount. The amount of original issue discount properly accruable with respect to an OID Bond is excluded from gross income for federal income tax purposes and is exempt from income taxation by the State of Missouri (subject to the condition of compliance by the District with the requirements of the Code). The amount of properly accruable original issue discount during the period that the owner holds an OID Bond is added to the owner's tax basis for purposes of determining gain or loss upon maturity, redemption, prior sale or other disposition of such OID Bond.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues during any accrual period to an owner of an OID Bond who purchases such OID Bond in this initial offering at the initial offering price generally equals (1) the issue price of such OID Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity of such OID Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (3) any interest on such OID Bond payable during, or otherwise allocable to, such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period. Each owner of an OID Bond may select accrual periods that may vary in length over the term of the OID Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the final day of an accrual period or on the first day of an accrual period.

Original issue discount on an OID Bond as described above is not a specific item of tax preference for purposes of the federal alternative minimum tax. However, the portion of the original issue discount that accrues to an owner of an OID Bond that is a corporation will be included in adjusted current earnings for purposes of determining the corporation's federal alternative minimum tax liability for tax years which began before January 1, 2018.

Owners of OID Bonds (and particularly those not purchasing in this initial offering at the initial offering prices) should consult their own tax advisors with respect to the determination and treatment of original issue discount for federal and State of Missouri income tax purposes and with respect to other federal, state, local and foreign tax consequences of owning or disposing of such OID Bonds.

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 qualified stated interest) 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 IRS. 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.

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.

Under the Code, all taxpayers are required to report on their federal income tax returns the amount of interest received or accrued (including properly allocable original issue discount) 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 IRS 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 will enter into the Continuing Disclosure Undertaking 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 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, 2019, provide to the Municipal Securities Rulemaking Board (**"MSRB"**), through its EMMA website, the following financial information and operating data (the **"Annual Report"**):

(1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with the accounting principles described in the notes to the financial statements included as **APPENDIX B** to this Official Statement for the Bonds and audited by its independent auditors. If audited financial statements are not available by the time the Annual Report is required to be filed pursuant to the Continuing Disclosure Undertaking, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial information contained in 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 come available.

(2) Updates as of the end of the fiscal year of the following financial information and operating data contained in the tables set forth in **APPENDIX A** to the Official Statement under the captions **"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

Within 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 IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
(7) modifications to rights of bondholders, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the District;
(13) the consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of the Paying Agent, if material;
(15) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of defaults, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

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

Nothing in the Continuing Disclosure Undertaking shall prevent the District from disseminating any other information in addition to that which is required by the Continuing Disclosure Undertaking. If the District chooses to include any information in any annual Report or notice of occurrence of a Material Event in addition to that which is specifically required, the District shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Compliance

The District made a similar undertaking with respect to the prior financings to file an Annual Report for each fiscal year of the District. During the past five years, the District has not complied in all material respects with certain of its obligations under those continuing disclosure undertakings. The District failed to timely file certain financial and operating data for the fiscal year ended June 30, 2016 and certain completed financial and operating data, including its audited financial statements, for the fiscal year ended June 30, 2018, all of which have since been filed on EMMA. The District has retained third party professional assistance to promote future compliance with undertakings to disclose its financial and operating data, including its audited financial statements, and material events 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

FTN Financial Capital Markets, New York, New York (the **"Underwriter"**), has agreed to purchase the Bonds at a price of $13,032,205.50 (which is equal to the aggregate original principal amount of the Bonds, plus a net original issue premium of $548,530.50 and less an underwriting discount of $16,325.00). The Underwriter is purchasing the Bonds for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

FINANCIAL ADVISOR

Piper Jaffray & Co., St. Louis, Missouri (the **"Financial Advisor"**), is employed as Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing in connection with the sale of the Bonds. Under the terms of its engagement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, other than this section.

The Financial Advisor's duties, responsibilities and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Bonds. The Financial Advisor's compensation is conditional on the successful closing of the Bonds.

CERTAIN RELATIONSHIPS

Thompson Coburn LLP, Bond Counsel, is also passing upon certain legal matters related to this Official Statement.

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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 Financial Advisor; 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.

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

SCHOOL DISTRICT OF WEBSTER GROVES, ST. LOUIS COUNTY, MISSOURI

By: /s/ Amy Clendennen
President of the Board of Education

APPENDIX A

INFORMATION REGARDING THE DISTRICT

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THE DISTRICT

General

The District covers an area of approximately 10 square miles and is located in St. Louis County, Missouri. Driving time to downtown St. Louis City is approximately 20 minutes. Major department stores, medical facilities, cultural, recreational and entertainment attractions are minutes away in any direction. Communities served by the District include the cities of Rock Hill and Webster Groves and parts of the cities of Glendale, Shrewsbury and Warson Woods. The District is one of the oldest of the 23 school districts in St. Louis County.

The District is in its 148^{th} year. Over the years the District has been recognized nationwide for its quality and leadership in public education. Its students typically score two years above state and national averages in standardized tests and 92% continue their education in college. Many go on to advanced degrees. For the 2018-19 school year there are 4,554 students enrolled. The District's average cost per student is $12,049.

The District has achieved national distinction for its curriculum, especially in writing, science and math. An acknowledged leader in teaching both science and math, the District has won federal grants for hands-on teaching of elementary science and math.

For the current school year, the District employs 352 teachers, 29 administrators and 195 support personnel. Support personnel includes teaching assistants, nurses, librarians, counselors and other staff members.

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	Office	Original Term Began (April)	Current Term Expires (April)
Amy Clendennen	President and Member	2011	2020
David Addison	Vice President and Member	2011	2020
Jo Doll	Member	2017	2020
Christine Keller	Member	2018	2021
Alexander Kahn	Member	2019	2022
Kita Quinn	Member	2018	2021
Arnold Stricker	Member	2019	2022

The Board has appointed Shari Meyers to serve as Secretary to the Board. JoAnn Kite has been appointed to serve as Treasurer of the Board.

Administration

The Board appoints the Superintendent of Schools, who is the chief administrative officer of the District responsible for carrying out the policies set by the Board. Additional members of the administrative staff and all other employees are appointed by the Board upon recommendation by the Superintendent.

Dr. John Simpson was appointed as Superintendent of Schools for the District in 2016. Dr. Simpson has served the District since the fall of 2005. He had previously served as the District's Assistant Superintendent of Curriculum and Instruction. Dr. Simpson was the principal at Hudson Elementary for four years prior to that. Dr. Simpson earned a bachelor's degree and a master's degree from the University of Missouri and in 2011 earned his doctorate from Maryville University.

Bruce Ellerman has served as the Chief Financial Officer of the District since July 2016. His previous experience includes 7 years as an independent financial, business and support services consultant to a variety of non-profit and educational organizations, including projects with the Hawaii Department of Education, KIPP St. Louis (a public charter school) and the Rhode Island Department of Education. His prior experience also includes ten years as Chief Executive Officer of the Voluntary Interdistrict Choice Corporation (VICC), a non-profit corporation responsible for administering the St. Louis Public Schools desegregation program, which at its height included 16 public school districts, served over 14,000 public school students and had an annual operating budget in excess of $100 million. Previous positions also include eight years as Chief Financial Officer of the Parkway School District in St. Louis County (the fourth largest district in Missouri at the time) and four years as the Business Manager of Francis Howell School District in St. Charles County (the fastest growing district in Missouri and the longest running year-round public school district in the country at the time). During this period, Mr. Ellerman also served four years on the Board of Directors of the Missouri Association of School Business Officials and one year as President of the Cooperating School Districts Business Officials Group. Prior to his career in public school district business and finance, he spent three years at an international public accounting firm (Deloitte) and two years as Vice President of Operations at a privately held manufacturing company. Mr. Ellerman is a Certified Public Accountant and graduated summa cum laude with a BSBA in Accounting from the University of Missouri – Columbia in 1983.

Professional Staff

One of the District's strengths has been its ability to attract and retain a dynamic and stable teaching and administrative 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
2014-15	381	195	576
2015-16	369	193	562
2016-17	374	189	563
2017-18	377	190	567
2018-19	381	195	576

The average years of teaching experience for the 2018-19 school year is 15.29 years. Approximately 86.23% of the teaching staff have a master's degree or higher. Approximately 71.8% of the staff is tenured.

The starting teacher's salary for the 2018-19 school year is $42,976 with an average teacher salary of $70,788. The current maximum salary is $96,719.

The District has a ratio of approximately 19 students per classroom teacher.

History of Enrollment

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

Grade	2014-15	2015-16	2016-17	2017-18	2018-19
Pre-K	140	164	189	208	173
K – 5th	2,073	2,042	2,015	2,046	1,991
6th – 8th	1,006	1,029	1,044	1,062	1,065
9th – 12th	1,339	1,357	1,362	1,347	1,370
Total	4,558	4,592	4,610	4,663	4,599

Source: District's reports of fall enrollment data filed with Missouri Department of Elementary and Secondary Education and the District

School Rating and Accreditation

The Department of Elementary and Secondary Education (**"DESE"**) administers the Missouri School Improvement Program (**"MSIP"**), the state's school accountability system for reviewing and accrediting public school districts in the State of Missouri (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 (a resolution to adopt criteria was considered but withdrawn in September 2014 and no further attempt to adopt criteria has been made making the achievement of the status Accredited with Distinction impossible until criteria have been adopted), (2) Accredited, for districts with scoring equal to or greater than 70% of the points possible on the APR, (3) Provisional, for districts with equal to or greater than 50% but less than 70% of the points possible on the APR, and (4) Unaccredited, for districts scoring less than 50% of the points possible on the APR.

In the District's 2018 APR, the District earned 97.2% of the points possible, placing the District in the "Accredited" category (as stated above, no placement in the Accredited with Distinction Category is currently possible).

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

School Facilities

The District operates the schools and facilities listed below. Enrollment numbers are based on the 2018-19 school year.

Avery Elementary School
Location: 909 Bompart Avenue
Enrollment: 498

Bristol Elementary School
Location: 20 Gray Avenue
Enrollment: 429

Clark Elementary School
Location: 9130 Big Bend Boulevard
Enrollment: 308

Edgar Road Elementary School
Location: 1131 Edgar Road
Enrollment: 417

Hudson Elementary School
Location: 9825 Hudson Avenue
Enrollment: 212

W. G. Computer School Elementary School
Location: 701 North Rock Hill Road
Enrollment: 127

Steger Sixth Grade Center School
Location: 701 North Rock Hill Rd
Enrollment: 374

Hixson Middle School
Location: 630 South Elm Avenue
Enrollment: 691

Webster Groves High School
Location: 100 Selma Avenue
Enrollment: 1,370

The District operates a self-sustaining, full-day pre-kindergarten program that is funded by tuition, grants and Head Start funds. For the 2018-19 school year, the program serves 173 children in the District, including special needs children served by The Special School District.

National School Lunch Program

Certain District students are eligible to receive free or reduced price lunches (**"FRL"**) under The National School Lunch Program (the **"NSLP"**), which includes students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program) or that qualify based on household income. The table below shows the percentage of the students in each of the District's schools that qualify for FRL.

School	October 2018 Full-Time Enrollment	October 2018 Full-Time Enrollment FRL Count	October 2018 Percentage of FRL Participation
Webster Groves High	1453	258	17.76%
Hixson Middle School	711	107	15.05%
Avery Elementary	503	73	14.51%
Bristol Elementary	434	29	6.68%
Bristol Primary	211	22	10.43%
Clark Elementary	314	26	8.28%
Edgar Road Elementary	418	51	12.20%
Hudson Elementary	215	34	15.81%
W.G. Computer School Elementary	129	21	16.28%
Steger Sixth Grade Center	387	51	13.18%

Source: District and DESE.

Supplemental Programs and Services

Curriculum covers a broad range of traditional and innovative programs, including a nationally recognized Writing Program, considered a prototype for schools across the country; innovative technology classrooms, an award-winning, student-produced high school newspaper and, from first grade through high school, an achievement-oriented remedial language arts program.

Foreign language study begins in middle school, with 80% of all high school students studying French, Spanish, German, Japanese and/or Latin. Full programs are available in industrial arts and business education. A student foreign exchange program begins in middle school.

The District's comprehensive athletic program fielded state football and boys' basketball champions, state championships in girls' cross country and in high school wrestling. Students with other interests take part in higher levels of state competitions in music, debating, spelling, art, drama, science, mathematics, history, future problem solving and other programs of far-reaching dimensions.

High school academic incentives programs reward students and staff for sustaining and improving academic performance and for community service. A seven-period day gives students more options in course selection. Honor courses with weighted grades are offered, which challenge the academically motivated for more competitive college placement. An alternative education program serves students with high potential, who are not living up to expectations.

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, expenditures and expenses. The following are the funds and account groups used by the District:

> *General (Incidental) Fund* – This fund is used to account for general activities of the District, including expenditures for noncertified employees, pupil transportation costs, plant operation, fringe benefits, student body activities, community services, food service and any expenditures not required or permitted to be accounted for in other funds.
>
> *Special Revenue (Teachers') Fund* – This fund is used to account for expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State and the local tax levy for the payment of teacher salaries and certain employee benefits.
>
> *Debt Service Fund* – 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 to be used for the acquisition or construction of major capital assets.

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 cash basis of accounting. Under the cash basis of accounting, revenues are recognized when received rather than when susceptible to accrual, and expenditures are recorded when paid rather than when fund liability is incurred.

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 July, the Chief Financial Officer, 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 approved 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.

The financial records of the District are audited annually by an independent public accountant in accordance with the cash basis of accounting, which is a basis of accounting other than United States generally accepted accounting principles. The most recent annual audit has been performed by CliftonLarsonAllen LLP, Certified Public Accountants, St. Louis, Missouri. A copy of the audit for the fiscal year ended June 30, 2018 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**.

Sources of Revenue

The District finances its operations through local property taxes, revenues from a 1% State sales tax, State Aid formula funds, including certain categorical source add-ons to the State formula funds, federal grant programs and miscellaneous sources including State Aid for transportation, State Aid for handicapped students, a State tax on cigarettes (**"fair share"** revenues) 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.

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 school district's fiscal year. School 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 school districts that may be receiving a larger percent of its revenue from State Aid amounts rather than local taxes.

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

Fiscal Year Ended June 30	Local Revenue	County Revenue	State Revenue	Federal Revenue	Other Revenue	Total Revenue
2014	$52,326,424	$749,074	$6,140,551	$1,454,822	$375,603	$61,046,474
2015	52,766,606	746,654	6,856,430	941,629	391,213	61,702,532
2016	52,723,214	780,347	6,888,272	2,066,388	341,793	62,800,014
2017	53,643,020	752,365	8,754,871	1,868,738	349,081	65,368,075
2018	57,065,223	779,480	9,485,132	1,291,050	308,836	68,929,721

Source: District's Audited Financial Statements for the fiscal years ended June 30, 2014 through June 30, 2018.

Local Revenue

The primary sources of "local revenue" are (1) taxes upon real and personal property within a school district, excluding railroad and utility property taxes (which are classified as County Revenues for school taxation purposes), which are more fully described below under the caption **"PROPERTY TAX INFORMATION,"** (2) tuition collected from participating families for the school district's self-supporting pre-school and certain before/after school programs, (3) a school 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, (4) receipts from a 1% State sales tax (commonly referred to as **"Proposition C"**) and (5) fundraising by student activity clubs and organizations.

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 (**"ADA"**) (see the section below captioned **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – State Revenue"**). For the 2017-18 fiscal year, each school district received approximately $988 per pupil from Proposition C revenues based upon each districts' 2016-17 ADA.

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. The voters within the District approved the elimination of the sales tax reduction requirement in June 1994.

State Revenue

State Aid. Senate Bill 287 passed by the Missouri General Assembly in its 2005 regular session transitioned the State 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 Incidental and Teachers' Funds must be at least $2.75 per $100 assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-06 fiscal year. Levy reductions required as a result of a "Hancock rollback" or an "SB 711 rollback" (see **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Tax Limitation Provisions"** below) will not affect a district's eligibility for State Aid increases. The District's combined Incidental and Teachers' Funds property tax levies for 2018-19 will be at least $4.8620.

The Formula. A district's State Aid is determined by first multiplying the district's weighted average daily attendance (**"ADA"**) by the state adequacy target (discussed below). This figure may be adjusted upward by a "dollar value modifier" (**"DVM"**), which is an index of the relative purchasing power of a dollar, calculated as one plus 15% of the difference of the regional wage ratio minus one. The product of the weighted ADA 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. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced price lunch (**"FRL"**), receive special education services (**"IEP"**), or possess limited English language proficiency (**"LEP"**). These FRL, IEP and LEP students are weighted to the extent they exceed certain thresholds (based on the percentage of students in each of the categories) in certain high performing districts (**"Performance Districts"**), which thresholds can change every two years. For fiscal years 2017 and 2018, DESE has revised the thresholds downward as required under Senate Bill 586, which modified the definition of State Adequacy Target to require that a future recalculation of the State Adequacy Target never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018. This lowering of the thresholds means more FRL, IEP and LEP students will be included in Weighted ADA. The District's State Aid revenues would be adversely affected by decreases in its Weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of FRL, IEP and LEP students.

State Adequacy Target. The 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. For fiscal years 2019 and 2020, the State Adequacy Targets are $6,308 and $6,376 per pupil, respectively. For fiscal year 2018, the foundation formula was fully funded based on the final June 2018 payment.

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 2018-19 is 1.095 and will be 1.092 for 2019-20.

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 Revenues) 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 weighted ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district, except that, beginning with the 2010-11 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 2017-18 fiscal year, each school district received approximately $415 per pupil based on their 2016-17 ADA. Classroom Trust Fund dollars do not increase the amount of State Aid.

Mandatory Deposit and Expenditures of Certain Amounts in the Teachers' Fund. The following State and local revenues must be deposited in the Teachers' Fund: (1) 75% of basic formula State Aid, excluding State Aid distributed from the Classroom Trust Fund (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 weighted ADA, as much as was spent in the previous year from local and county tax revenues deposited in the Teachers' Fund, plus the amount of any transfers from the Incidental Fund to the Teachers' Fund that are calculated to be local and county tax sources. This amount is to be determined by dividing local and county tax sources in the Incidental Fund by total revenue in the Incidental Fund. The formula provides that certificated staff compensation now includes the costs of public school retirement and Medicare for those staff members. These items were previously paid from the Incidental Fund.

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

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

Limited Sources of Funds for Capital Expenditures. School districts may only pay for capital outlays from the Capital Projects Fund. Sources of revenues in the Capital Projects Fund are limited to: (1) proceeds of general obligation bonds (which are repaid from a Debt Service Fund levy); (2) revenue from the school district's local property tax levy for the Capital Projects Fund; (3) certain permitted transfers from the Teachers' and Incidental 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 Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects

Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers and Incidental Funds to an amount below $2.75. The District's Capital Projects Fund levy for the 2018-19 school year is $0.0625 per $100 of assessed valuation.

Transfers from Incidental Fund to Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund 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 (which DESE has estimated at $6,241 for 2016-17 and for 2017-18) times the district's weighted ADA. The District transferred $1,174,377 from the Incidental Fund to the Capital Projects Fund under this provision during the 2017-18 fiscal year.

Transfers from Incidental 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 Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of: (1) the State Aid received in the 2005-06 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 2016-17 and 2017-18 but, due to funding shortfalls, will be at an adjusted level; see ***"State Adequacy Target"*** above) times the district's weighted ADA. The District made no transfer from the Incidental Fund to the Capital Projects Fund under this provision during the 2017-18 fiscal year.

Transfers from Capital Projects Fund to Debt Service Fund. If a balance of bond proceeds remains after a school district completes all projects which were indicated for the bond issue, the school district may transfer such balance from the Capital Projects Fund to the Debt Service Fund. For 2017-18, the District did not transfer any of unspent bond proceeds from Capital Projects Fund to the Debt Service Fund.

Federal Revenue

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

The federal "Every Student Succeeds Act" (**"ESSA"**) was signed into law on December 10, 2015. ESSA replaces the "No Child Left Behind Act." Each state education agency must develop a state accountability plan (**"ESSA Plan"**) that incorporates testing based on challenging academic standards. The ESSA Plans were required to be submitted to the United States Department of Education (the **"DOE"**) by either April 3 or September 18, 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 2016-17 school year, with full implementation expected in the 2017-18 school year once a state's ESSA Plan is approved by the DOE. If a state's ESSA Plan is not approved prior to the 2017-18 school year then a state may delay, until the 2018-19 school year, implementation of certain aspects of the ESSA Plan.

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

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 Receipts, Disbursements 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.

SUMMARY OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (FISCAL YEARS ENDED JUNE 30)

	2014	2015	2016	2017	2018
General (Incidental) Fund:					
Beginning Balance	$15,359,958	$16,106,076	$17,156,344	$19,601,293	$22,988,574
Receipts	34,216,154	35,505,859	37,702,080	36,528,818	34,430,080
Disbursements	21,245,535	20,832,852	20,127,404	19,824,283	20,391,262
Transfers To (From)	(12,224,501)	(13,622,739)	(13,129,727)	(13,317,254)	(11,037,361)
Ending Balance	$16,106,076	$17,156,344	$19,601,293	$22,988,574	$25,990,031
Special Revenue (Teachers') Fund:					
Beginning Balance	$ 0	$ 0	$ 0	$ 0	$ 0
Receipts	21,605,628	21,524,791	21,455,511	22,179,458	26,812,204
Disbursements	32,911,418	34,444,403	33,868,146	35,183,306	36,675,188
Transfers To (From)	11,305,790	12,919,612	12,412,635	13,003,848	(9,862,984)
Ending Balance	$ 0	$ 0	$ 0	$ 0	$ 0
Debt Service Fund:					
Beginning Balance	$16,063,830	$23,167,833[1]	$21,281,706	$ 196,785	$1,752,214
Receipts	4,759,031	4,217,752	5,173,060	6,112,386	7,118,485
Disbursements	5,824,684	6,103,879	26,257,981	4,861,940	4,890,234
Transfers To (From)	8,169,657	0	0	304,983	16,990,000[2]
Ending Balance	$23,167,834[1]	$21,281,706	$ 196,785	$1,752,214	$20,970,465
Capital Projects (Building) Fund:					
Beginning Balance	$5,837,519	$2,358,932	$1,072,388	$ 600,911	$ 0
Receipts	465,661	454,130	469,363	547,413	568,952
Disbursements	4,862,959	2,443,801	1,657,932	1,156,747	1,743,329
Transfers To (From)	918,711	703,127	717,092	8,423	1,174,377
Ending Balance	$2,358,932	$1,072,388	$ 600,911	$ 0	$ 0
Total Funds:					
Beginning Balance	$37,261,307	$41,632,841[1]	$39,510,438	$20,398,989	$24,740,788
Receipts	61,046,474	61,702,532	62,800,014	65,368,075	68,929,721
Disbursements	64,844,596	63,824,935	81,911,463	61,026,276	63,700,013
Transfers To (From)	8,169,657	0	0	0	16,990,000[2]
Ending Balance	$41,632,842[1]	$39,510,438	$20,398,989	$24,740,788	$46,960,496
Ending Operating Fund* Balances as percentage of Operating Fund Disbursements	29.74%	31.04%	36.30%	40.93%	45.54%

* Operating Fund is defined to be General (Incidental) Fund and Special Revenue (Teachers') Fund only.

(1) Difference in beginning balance and ending balance due to rounding.

(2) This amount is attributable to the sale of refunding bonds.

Source: District's Audited Financial Statements for the fiscal years ended June 30, 2014 through June 30, 2018.

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 Statutes of Missouri, as amended, to provide retirement allowances for substantially all of its employees. Teachers are covered by the Public School Retirement System of Missouri (**"PSRS"**) and non-teachers are covered by the Public Education Employee Retirement System (**"PEERS"**). PSRS provides retirement and disability benefits to certified employees and death benefits to members and beneficiaries. Positions covered by the PSRS are not covered by Social Security, except in limited circumstances. PEERS provides retirement, disability and death benefits to employees of the District who work more than 20 hours per week and who do not contribute to PSRS. Positions covered by PEERS are also covered by Social Security. Both PSRS and PEERS include most of the school districts in the State, and are administered by a seven-member Board of Trustees (the **"PSRS/PEERS Board"**) consisting of three elected PSRS members, one elected PEERS member, and three appointed trustees. Both systems are advance funded plans which are required by statute to remain in actuarial balance. PSRS and PEERS had 533 and 530 contributing employers, respectively, during the fiscal year ended June 30, 2018.

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

PSRS and PEERS Contributions. For fiscal year ended June 30, 2018, PSRS members were required to contribute 14.50% of their annual covered salary and the District was required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS/PEERS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS/PEERS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year. The District's contributions to PSRS for the fiscal years ended June 30, 2018, 2017 and 2016 were $4,424,848, $4,316,026 and $4,225,469, respectively, equal to the required contributions for each year.

For fiscal year ended June 30, 2018, PEERS members were required to contribute 6.86% of their annual covered salary and the District was required to contribute a matching amount. Similar to the PSRS program, the contribution requirements of members and the District are established and may be amended by the PEERS/PEERS 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. The District's contributions to PEERS for the fiscal years ended June 30, 2018, 2017 and 2016 were $562,820, $524,386 and $545,019, respectively, equal to the required contributions for each year.

Contribution rates provide for funding the systems' liability for past service cost. However, the liability for past service cost is not allocable to individual school districts.

PSRS and PEERS Funded Status. PSRS and PEERS reported funding ratios of 84.0% and 86.1%, respectively, for fiscal year ended June 30, 2018, according to the 2018 PSRS/PEERS CAFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. With regard to the PSRS and PEERS funding status, the 2018 PSRS/PEERS CAFR cites increased member longevity and sustained low interest rates as two significant factors, which have been affecting pension plans across the nation. The system earned an investment return of 8.9% (8.7% net of all investment expenses and fees) for fiscal year ended June 30, 2018. The total plan net of all investment expenses and fees exceeded the total plan policy benchmark of 7.4% and the long-term (actuarial assumption) of 7.6%. The annualized investment return was 8.5% (8.4% net of all investment expenses and fees) over the last 30 years.

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 cash basis of accounting, which is a basis of accounting other than 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, 2018 (measured as of June 30, 2017), the District's proportionate share of the net pension liability of PSRS and PEERS was $45,575,046 and $3,628,594, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. At June 30, 2018, the District's contribution to PSRS and PEERS represented 0.6311% and 0.4756%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. In addition, for the year ended June 30, 2018, the District recognized pension expense of $5,044,513 for PSRS and $546,218 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 2018 PSRS/PEERS CAFR.

The net pension liability of PSRS and PEERS is based on an 7.60% discount rate, which is also the current assumed investment rate of return for the plans. PSRS and PEERS advised the District that its proportionate share of the net pension liability using a 1% higher or lower discount rate at June 30, 2018 (measured as of June 30, 2017) would be as follows:

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Proportionate Share of Net Pension Liability Sensitivity

	1.0% Decrease (6.60%)	Current Discount Rate (7.60%)	1.0% Increase (8.60%)
District's proportionate share of PSRS net pension liability	$80,943,808	$45,575,046	$16,170,763
District's proportionate share of PEERS net pension liability / (asset)	$6,684,322	$3,628,594	$1,065,477

Source: PSRS/PEERS.

For additional information regarding the retirement systems and post-employment benefits, see the notes to the District's audited financial statements in **Appendix B** hereto. For additional information regarding PSRS and PEERS, see the 2018 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 the 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.

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Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation by category, of all taxable tangible property (excluding amounts allocated for tax increment financing) situated in the District according to the assessment of January 1, 2018, as finalized December 31, 2018:

Category	Assessed Valuation[3]	Assessment Rate	Estimated Actual Valuation
Real estate:			
Residential	$622,548,690	19%	$3,276,572,053
Commercial[1]	100,652,540	32%	314,539,188
Agricultural	0	12%	0
Sub-Total	$723,201,230		$3,591,111,241
Personal property[1] [2]	$ 86,272,640	33-1/3%	$ 258,843,804
Total	$809,473,870		$3,849,995,045

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

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

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

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

History of Property Valuations. The total assessed valuation of all taxable tangible property (excluding amounts allocated for tax increment financing) situated in the District, according to the assessments as of January 1 as finalized December 31 in the calendar years shown below has been as follows:

Calendar Year	Assessed Valuation[1]	% Change
2014	$700,894,180	+0.46
2015	734,988,920	+4.86
2016	740,899,120	+0.80
2017	807,408,120	+8.98
2018	809,473,870	+0.26

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

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

Tax Rates

Tax Rates – By Property Classification. For taxing jurisdictions within St. Louis County, separate tax rates are to be calculated and levied for each class and subclass of property: residential, commercial and agricultural real estate, and personal property. If the separate levy process reduces revenues to a political subdivision, it may adjust the levy to produce the same amount of revenue as would have been produced under a single levy process.

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

Fiscal Year Ended June 30	**Real Estate Residential**	**Real Estate Commercial**	**Real Estate Agricultural**	**Personal Property**
2015	$5.8584	$6.2316	$0.0000	$6.4799
2016	5.6722	5.7993	0.0000	6.4799
2017	5.6485	5.8471	0.0000	6.4679
2018	5.3253	5.4505	0.0000	6.4699
2019	5.3654	5.4623	0.0000	6.4699

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 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 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, 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:

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Fiscal Year Ended June 30	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Debt Service Fund	Total Levy
2015	$3.2660	$1.7900	$0.0625	$0.5699	$5.6884
2016	3.3544	1.7900	0.0625	0.5699	5.7768
2017	3.3450	1.7900	0.0625	0.5699	5.7674
2018	3.0414	1.7900	0.0625	0.5699	5.4638
2019	3.0720	1.7900	0.0625	0.5699	5.4944

Source: District.

Tax Collections

Tax Collection Procedure. Property taxes are levied and collected for the District by St. Louis 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 must certify a final tax rate by October 1.

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.

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

Fiscal Year	Total Levy (per $100 of Assessed Value)	Assessed Valuation[1]	Total Taxes Levied	Current Taxes Collected[2]		Current and Delinquent Taxes Collected[2], [3]	
				Amount	%	Amount	%
2013-14	$5.8516	$697,655,630	$40,824,016.85	$40,251,821.00	98.60%	$42,018,267.00	102.93%
2014-15	5.6884	700,894,180	39,869,664.54	40,646,429.06	101.95	41,313,014.17	103.62
2015-16	5.7768	734,988,920	42,458,839.93	40,952,501.00	96.50	40,932,690.04	96.41
2016-17	5.7674	807,408,120	46,566,455.91	41,006,595.00	95.97	41,656,431.00	97.49
2017-18	5.4638	809,473,870	44,228,033.31	42,847,557.00	97.30	43,229,349.00	98.20

(1) This amount excludes assessed valuation attributable to TIF districts located within the District. See the explanation below under the caption **"Tax Abatement and Tax Increment Financing."**
(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) Delinquent taxes are shown in the year payment is actually received, which may cause the percentage of current and delinquent taxes collected to exceed 100%. Current and Delinquent Taxes Collected also includes the current year's protested taxes which have been released.
Source: District and St. Louis County Department of Revenue.

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.

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Major Taxpayers

The ten largest real property taxpayers in the District according to their 2018 assessed valuations are listed below:

	Taxpayer	Assessed Valuation	% of District's 2018 Total Assessed Valuation(1)
1.	Market At McKnight LLC	$7,377,330	0.91%
2.	Missouri American Water Company	5,970,490	0.74
3.	ARC MPSTLMO001 LLC	5,311,610	0.66
4.	Yorkshire Village Properties LLC	4,115,840	0.51
5.	Laclede Gas Company	3,863,680	0.48
6.	Caplaco Twenty-Five INC amo CORP etal	3,829,760	0.47
7.	Lutheran Senior Services	2,790,100	0.34
8.	Welltower Propco Group LLC	2,276,790	0.28
9.	Novus Webster LLC	2,172,670	0.27
10.	EZ Storage Rock Hill LLC	1,714,180	0.21
	Total	$33,451,960	4.13%

(1) Percentages rounded up to the nearest hundredth of a percent.
Source: St. Louis County Department of Revenue Collections Division.

The ten largest personal property taxpayers in the District according to their 2018 assessed valuations are listed below:

	Taxpayer	Assessed Valuation	% of District's 2018 Total Assessed Valuation(1)
1.	Spire Missouri INC	4,222,330	0.52%
2.	SPECGX LLC	1,929,220	0.24
3.	Honda Lease Trust	1,037,990	0.13
4.	Central Bank of St Louis	937,450	0.12
5.	Toyota Lease Trust	834,730	0.10
6.	ACAR Leasing LTD	742,700	0.09
7.	Carr Lane MFG CO	711,470	0.09
8.	Enterprise FM Trust	671,040	0.08
9.	Fifth Third Bank Ohio	669,690	0.08
10.	VW Credit LSNG LTD	666,610	0.08
	Total	$9,827,400	1.21%

(1) Percentages rounded up to the nearest hundredth of a percent.
Source: St. Louis County Department of Revenue Collections Division.

Tax Abatement and Tax Increment Financing

Several forms of tax abatement and tax exemption are available under Missouri law, including tax abatement for redevelopers of areas determined by the governing body of a city or county to be "blighted" under Chapters 99 or 353 of the Revised Statutes of Missouri, as amended, and tax exemption as part of an industrial revenue bond financing under Chapter 100 of the Revised Statutes of Missouri, as amended.

In addition, 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 to be a "blighted area," "conservation area," or "economic development area," each as defined in such Act.

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

Currently, a portion of the District is located in two separate tax increment financing districts. According to the St. Louis County Assessor's office, the TIF Increment attributable to property within the District as approved and equalized by the Board of Equalization is $6,949,650 for the 2018 tax year.

DEBT STRUCTURE OF THE DISTRICT

Debt Ratios and Related Information

Estimated District Population, 2010	32,140
Assessed Valuation, 2018 [(1)]	$ 809,473,870
Estimated Actual Value, 2018 [(1)]	$ 3,849,995,045
Outstanding Direct General Obligation Debt [(2)]	$ 59,529,000
Overlapping General Obligation Debt	$ 17,896,887
Total Direct and Overlapping General Obligation Debt [(2)]	$ 77,425,887
Per Capita Direct Debt [(2)]	$ 1,852.18
Per Capita Direct and Overlapping General Obligation Debt [(2)]	$ 2,409.02
Ratio of Direct Debt to Assessed Valuation [(1), (2)]	7.35%
Ratio of Direct Debt to Estimated Actual Value [(1), (2)]	1.55%
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation [(1), (2)]	9.56%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value [(1), (2)]	2.01%

[(1)] Excludes assessed valuation attributable to TIF districts located within the District.
[(2)] Includes the Bonds.
Source: St. Louis County Department of Revenue Collections Division.

General

Under Missouri 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, as amended, and include purchasing, constructing, improving, extending, repairing, furnishing and equipping new and existing schoolhouse sites, buildings and related facilities for school purposes.

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

Series of Bonds	Original Amount	Final Maturity	Principal Amount Outstanding
2007	$ 5,500,000	3/1/2026	$ 3,730,000
2010B	18,900,000	3/1/2020	550,000
2010C	4,254,000	3/1/2027	4,254,000
2012	9,595,000	3/1/2026	9,295,000
2013	9,885,000	3/1/2033	9,885,000
2014	7,440,000	3/1/2021	2,325,000
2017	16,990,000	3/1/2030	16,990,000
2019	12,500,000	3/1/2039	12,500,000
Total	$85,064,000		$59,529,000

Overlapping General Obligation Indebtedness[1]

(As of April 1, 2019)

Taxing Body	General Obligation Debt	Approximate Percent Applicable	Amount Overlapping[1]
St. Louis County	$87,375,000	1.58%	$ 1,380,525
City of Shrewsbury	1,225,000	42.30	518,175
City of Rock Hill	9,743,187	100.00	9,743,187
City of Webster Groves	6,255,000	100.00	6,255,000
Total	$104,598,187		$17,896,887

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

Source: St. Louis County, individual taxing jurisdiction's records and finance officers of respective taxing bodies.

To the knowledge of the District, there are no other political subdivisions with boundaries overlapping the District or lying wholly within the District that have any general obligation bonds outstanding. However, political subdivisions may have ongoing programs requiring the issuance of bonds, the amounts of which cannot be determined at this time.

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 $809,473,870 assessed valuation as of January 1, 2018, as adjusted through December 31, 2018 and excluding the assessed value attributable to TIF districts located within the District, the District's legal debt limit is $121,421,081. The District's current total outstanding indebtedness is $59,529,000, leaving a legal debt margin of $61,892,081.

Debt Service Requirements

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

Calendar Year Ending Dec. 31	Outstanding Bonds Total Debt Service(1), (2)	The Bonds			Total Debt Service
		Principal	Interest	Total Debt Service	
2019	$ 4,542,494.00	$ -	$ -	$ -	$ 4,542,494.00
2020	4,651,910.25	-	511,738.54	511,738.54	5,163,648.79
2021	4,415,077.00	-	413,062.50	413,062.50	4,828,139.50
2022	4,457,306.50	-	413,062.50	413,062.50	4,870,369.00
2023	4,612,305.00	-	413,062.50	413,062.50	5,025,367.50
2024	4,602,231.50	-	413,062.50	413,062.50	5,015,294.50
2025	4,795,737.75	-	413,062.50	413,062.50	5,208,800.25
2026	4,767,617.50	-	413,062.50	413,062.50	5,180,680.00
2027	5,087,839.00	-	413,062.50	413,062.50	5,500,901.50
2028	4,774,700.00	-	413,062.50	413,062.50	5,187,762.50
2029	4,853,900.00	-	413,062.50	413,062.50	5,266,962.50
2030	4,683,000.00	-	413,062.50	413,062.50	5,096,062.50
2031	2,263,500.00	1,800,000.00	368,062.50	2,168,062.50	4,431,562.50
2032	2,249,750.00	1,750,000.00	288,062.50	2,038,062.50	4,287,812.50
2033	2,283,750.00	1,650,000.00	231,406.25	1,881,406.25	4,165,156.25
2034	-	2,300,000.00	178,125.00	2,478,125.00	2,478,125.00
2035	-	1,600,000.00	123,500.00	1,723,500.00	1,723,500.00
2036	-	1,200,000.00	83,250.00	1,283,250.00	1,283,250.00
2037	-	1,000,000.00	51,000.00	1,051,000.00	1,051,000.00
2038	-	700,000.00	25,500.00	725,500.00	725,500.00
2039	-	500,000.00	7,500.00	507,500.00	507,500.00
Totals	$63,041,118.50	$12,500,000.00	$5,998,769.79	$18,498,769.79	$81,539,888.29

(1) Excludes the interest on the Series 2010B Bonds after March 1, 2020.

(2) 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 through March 1, 2020 and an approximately 95% interest subsidy expected to be paid by the U.S. Government with respect to the District's $4,254,000 original principal amount Taxable General Obligation Qualified School Construction Bonds, Series 2010C (the **"Series 2010C Bonds"**). Presently, the interest subsidy payments made by the U.S. Government are expected to be reduced by 6.2% 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 payment of interest rate subsidies is subject to budget developments involving the U.S. Government and the amount, if any, of the reduction in the interest rate subsidies on the Series 2010B Bonds and the Series 2010C Bonds in future federal fiscal years is not yet known.

Operating and Capital Leases

The District has entered in several operating leases for various pieces of office equipment with several different vendors. As of June 30, 2018, the total amount outstanding was $162,531.

The District has entered into leases for computers which provide for interest at variable percentage rates. Future minimum lease payments as of June 30, 2018 were $364,205.

No Prior Defaults

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

* * * * *

APPENDIX B

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

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WEBSTER GROVES SCHOOL DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2018

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CliftonLarsonAllen LL P
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INDEPENDENT AUDITORS' REPORT

Board of Education
Webster Groves School District
Webster Groves, Missouri

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Webster Groves School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity'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 cash basis of accounting described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position — cash basis of the governmental activities and each major fund of the Webster Groves School District as of June 30, 2018, and the respective changes in financial position — cash basis, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund — cash basis for the year then ended, on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Groves School District's basic financial statements. The management's discussion and analysis and the other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulation, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards,* **is also presented for purposes of additional analysis and is not a required part of the basic financial statements.**

The other supplementary information on pages 35 through 40 and the schedule of expenditures of federal awards 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The management's discussion and analysis has not been subject of the auditory procedures applied in the audit of the basic financial statements, and accordingly we do not express an opinioin or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* **we have also issued our report dated October 22, 2018, on our consideration of the Webster Groves School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of 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 Webster Groves School District's internal control over financial reporting and compliance.**

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2018

The School District of Webster Groves financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School District of Webster Groves financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

The School District of Webster Groves GASB 34 reporting model for fiscal year ended June 30, 2018 will include an analysis with comparative data between year ended June 30, 2018 and June 30, 2017.

Key financial highlights for 2018 are as follows:

The District's financial status, as reflected in total net position is $46,960,496. The District had a beginning net position balance of $24,740,788 to which was added a 2018 fiscal year surplus of $22,219,708. The restricted net position balance encompasses balances reserved from bond issue sales. Below is a reflection of net position changes from 2017 to 2018.

	2018	2017
NET POSITION		
Restricted	$ 20,970,465	$ 1,752,214
Unrestricted	25,990,031	22,988,574
Total Net Position	$ 46,960,496	$ 24,740,788

The School District had $63,700,013 in disbursements; $6,929,471 of the disbursements was offset by program specific charges for services, grants, or contributions. General receipts (primarily taxes), along with receipts for operating grants and contributions and escrow funds totaling $78,990,250 adequately provided for these programs. Shown below is a two year comparison of disbursements:

	2018	2017
Charges, Operating Grants, and Contributions	$ 6,929,471	$ 7,531,920
All Other Disbursements		
Salaries, Benefits, Supplies, Equipment, Etc.	56.770.542	53.494.356
Total Disbursements	$ 63.700.013	$ 61.026.276

. **Total assets of governmental activities were valued at $49,328,151. Current assets include cash and cash held in escrow by trustee.**

	2018	2017
ASSETS		
Current	$ 49.328.151	$ 25.032.774
Total Assets	$ 49.328.151	$ 25.032.774

The District's current assets increased by $ 24,295,377 from last year due to a bond refunding transaction of $16,990,000 and a budget surplus of $7,305,377. $19.8 million of this surplus was expected and reflected in district budget projections.

Financial Highlights (Continued)

Total liabilities were $2,367,655. These liabilities are payroll deductions and withholdings.

	2018	2017
LIABILITIES		
Current	$ 2,367,655	$ 291,986
Total Liabilities	$ 2,367,655	$ 291,986

The District is reporting a July 1, 2017 beginning total fund balance of $24,740,788 and has a June 30, 2018 ending total fund balance of $46,960,496. The District fund balance is more than sufficient to maintain positive cash flow at all times during the fiscal year so that no intra-year borrowing are needed.

Among major funds, the Operating Funds, (General, Special, and Capital Projects) had $61,811,236 in receipts and $58,809,779 in disbursements. The School District transferred $9,862,984 from the General Fund to the Special Revenue (Teachers) Fund and $1,174,377 from the General Fund to the Capital Projects Fund. The Operating Fund's balance was $25,990,031 as of June 30, 2018.

. Debt Service Fund had $24,108,485 in receipts, which included $16,990,000 from the sale of refunding bonds and $4,890,234 in disbursements. The Debt Service Fund's balance increased $19,218,251 for fiscal year ended June 30, 2018.

Using the Other Comprehensive Basis of Accounting (OCBOA)

This annual report consists of a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities are presented on pages 13 and 14. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District of Webster Groves as a whole looks at all financial transactions and asks the question, "How did we do financially during school year 2017-2018?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the cash basis of accounting which is an Other Comprehensive Basis of Accounting than Generally Accepted Accounting Principles. The District's policy is to prepare its financial statements on the cash basis of accounting; consequently, revenues are recognized when received rather than earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Reporting the School District as a Whole (Continued)

<u>Statement of Net Position and the Statement of Activities (Continued)</u>

These two statements report the School District's net position and changes in those assets. This change in net position is important because it tells the reader whether, for the School District of Webster Groves as a whole, the financial position of the District has improved or diminished during the past two year. The causes of any change may be the result of many factors — financial, economic, operational, regulatory, etc.

In the Statement of Net Position and the Statement of Activities, the School District of Webster Groves reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to: instruction, support services, operation, and maintenance of plant, pupil transportation, and extracurricular activities. The School District of Webster Groves does not have any business-like activities.

Reporting the School District of Webster Groves Most Significant Funds

<u>Fund Financial Statements</u>

The analysis of the School District of Webster Groves major funds begins on page 15. Fund financial reports provide detailed information about the District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General (Incidental) Fund, Special Revenue (Teachers) Fund, Debt Service Fund, and Capital Projects Fund.

<u>Governmental Funds</u>

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These statements include all significant assets and liabilities using the cash basis of accounting, which is an Other Comprehensive Basis of Accounting (OCBOA) than Generally Accepted Accounting Principles. Under this basis of accounting, revenues are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District of Webster Groves as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2018 and 2017.

TABLE 1
NET POSITION

	Governmental Activities June 30, 2018	Governmental Activities June 30, 2017
ASSETS		
Current and Other Assets	$ 49,328,151	$ 25,032,774
Total Assets	49,328,151	25,032,774
LIABILITIES		
Current	2,367,655	291,986
Total Liabilities	2,367,655	291,986
NET POSITION		
Restricted	20,970,465	1,752,214
Unrestricted	25,990,031	22,988,574
Total Net Position	$ 46,960,496	$ 24,740,788

Total assets of governmental activities were valued at $46,960,496. The District reports on cash basis accounting.

Total liabilities at June 30, 2018 were $2,367,655. This was an increase of $2,075,669. Unrestricted net position totals $25,990,031. The District has restricted net position of $20,970,465 from a bond refunding escrow that complies with requirements imposed by the state of Missouri. Please note that the district also owns the real estate, buildings, equipment, and furniture comprising nine school campuses and two support service locations. Because the district uses the cash basis of accounting, however, the value of these assets are not shown on the balance sheet.

Unrestricted net position, the part of net position that can be used to finance day-to-day activities without constraints established by grants or legal requirements, of the School District are reported at Table 1. Table 2 shows the changes in combined restricted plus unrestricted net position for fiscal year 2018.

The School District of Webster Groves as a Whole (Continued)

TABLE 2
CHANGE IN NET POSITION

	Governmental Activities Year Ended June 30, 2018	2017
RECEIPTS		
Charges for Services	$ 5,752,881	$ 5,324,653
Operating Grants and Contributions	1,176,590	2,207,267
General Receipts:		
Property and Fair Share Taxes	49,159,674	47,300,319
Grants and Entitlements	10,379,072	9,168,707
Interest and Investment Earnings	2,037,547	154,971
Other	423,957	1,212,158
Sale of General Obligations and Refunding Bonds	16,990,000	
Total Receipts	85,919,721	65,368,075
PROGRAM DISBURSEMENTS		
Instruction	34,476,179	34,141,515
Student Services	2,654,659	2,488,766
Instructional Staff Support	1,908,039	1,813,177
Building Administration	3,831,722	3,480,298
General Administration and Central Services	3,507,416	3,483,852
Operation of Plant	8,236,324	6,830,855
Transportation	385,857	272,773
Food Service	1,241,954	988,911
Community Services	2,442,711	2,316,138
Facility Acquisition and Construction		295,929
Debt Service and Fiscal Charges	5,015,152	4,914,062
Total Disbursements	63,700,013	61,026,276
CHANGE IN NET POSITION	$ 22,219,708	$ 4,341,799

Governmental Activities

General receipts accounted for $78,990,250 or 92% of all receipts. General receipts are composed primarily of receipts from property taxes of $49,159,674. Other sources of general receipts are federal and state aid not restricted for specific purposes of $10,379,072, sale of refunding bonds of $16,990,000, interest and investment earnings of $2,037,547, and miscellaneous other sources of $423,957.

Program specific receipts in the form of charges for services, operating grants and contributions accounted for $6,929,471 or 8% of total receipts of $85,919,721.

Governmental Activities (Continued)

The School District of Webster Groves had $63,700,013 in disbursements; $6,929,471 of these disbursements were offset by program specific charges for services, grants, or contributions. General receipts (primarily property taxes) of $78,990,250, along with the offset of program specific receipts and escrow accounts for bond payments allowed the District to have adequate resources to provide for the following programs:

Disbursements for instruction and students services account for 58% of total district disbursements and were $37,130,838.

Disbursements for student support services, administration, facility improvements, and facility construction account for the majority of remaining disbursements and were $26,569,175 or 42%.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total costs of services and then the cost of services net of program specific receipts. That is, it identifies the cost of these services supported by tax receipts and unrestricted state entitlements.

TABLE 3

	Year Ended June 30,			
	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	$ 34,476,179	$ (31,435,379)	$ 34,141,515	$ (30,204,889)
Student Services	2,654,659	(2,654,659)	2,488,766	(2,488,766)
Instructional Staff Support	1,908,039	(1,842,816)	1,813,177	(1,533,545)
Building Administration	3,831,722	(3,831,722)	3,480,298	(3,480,298)
General Administration and Central Services	3,507,416	(3,507,416)	3,483,852	(3,483,852)
Operation of Plant	8,236,324	(8,236,324)	6,830,855	(6,830,855)
Transportation	385,857	(382,435)	272,773	(271,668)
Food Service	1,241,954	(71,212)	988,911	154,032
Community Services	2,442,711	206,573	2,316,138	(144,524)
Facility Acquisition and Construction			295,929	(295,929)
Debt Service and Fiscal Charges	5,015,152	(5,015,152)	4,914,062	(4,914,062)
Total Disbursements	$ 63,700,013	$ (56,770,542)	$ 61,026,276	$ (53,494,356)

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

Student Services include guidance and counseling, health services, as well as the cost of student attendance reporting.

Instructional Staff Support includes the activities involved with assisting staff with the content and process of teaching to pupils.

Governmental Activities (Continued)

Building Administration includes the cost of salaries and benefits for building level principals and office support staff.

General Administration and Central Services includes disbursements associated with administrative and financial supervision of the District. It also includes disbursements related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Operation of Plant activities involve keeping the school grounds, buildings, and equipment in good working condition.

Transportation includes activities involved with the conveying of students to and from school, as well as to and from school-related activities, in accordance with state law.

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

Community Services includes disbursements related to student activities provided by the School District which are designed to provide opportunities for pupils to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment, and skill improvement.

Facility Acquisition and Construction includes disbursements for land or existing buildings; improvements of grounds; remodeling of buildings; initial equipment; additional equipment; and replacement of equipment.

Debt Service and Fiscal Charges involve the transactions associated with the payment of principal, interest and other related charges to bond indebtedness of the School District.

The dependence upon tax receipts is apparent. Over 90% of instructional activities are supported through taxes and other general receipts. Any fluctuation in local tax revenue will significantly affect the District's operating activities. The community, as a whole, is the primary support for the School District of Webster Groves. Having very limited additional revenue available from the state of Missouri reinforces the School District's essential reliance upon future property taxes.

The School District's Funds

Information about the School District's major funds starts on page 15. These funds are accounted for using the cash basis of accounting. All governmental funds had total receipts of $85,919,721 and disbursements of $63,700,013. The net change in the fund balance total for the year was an increase of $22,219,708. The General (Incidental) Fund net change in fund balance was an increase of $3,001,457. The Debt Service net change in fund balance was an increase of $19,218,251. The Special Revenue Fund (Teachers) and Capital Projects Fund received a transfer of funds from the General Fund (Incidental) to cover the expenses incurred.

Operating Budgeting Highlights

The School District's budget is prepared according to Missouri law and is based on accounting for certain transaction on the cash basis accounting method, which recognizes revenues upon cash receipt and recognizes expenditures upon cash disbursement.

During the course of the fiscal year 2018, the School District of Webster Groves amended its budget two times, which resulted in a total budget increase of $19,753,752 in receipts, which included $16,990,000 from the sale of refunding bonds and a decrease of $1,693,080 in disbursements.

The District uses site-based budgeting and the budgeting systems are designed to tightly control total site expenditure but provide flexibility for site management.

Capital Assets

The District has chosen to exclude monies invested in land, buildings, furniture, and equipment and vehicles from the cash basis financial statements.

Debt Administration

At June 30, 2018, the School District of Webster Groves had $67,419,000 general obligation bonds, due in varying amounts with interest rate charges over 20 years. The purpose of each debt project was for facility and technology infrastructure additions and improvements.

	2018	2017
2007 General Obligation Bonds	$ 3,905,000	$ 4,075,000
2010A General Obligation Bonds		550,000
2010B General Obligation Bonds	18,900,000	18,900,000
2010C General Obligation Bonds	4,254,000	4,254,000
2012A General Obligation Bonds	9,395,000	9,495,000
2013A General Obligation Bonds	9,885,000	9,885,000
2014A General Obligation Bonds	4,090,000	5,790,000
2017A General Obligation Bonds	16,990,000	
Total	$ 67,419,000	$ 52,949,000

At June 30, 2018, the School District's overall legal debt margin was $121 million.

Current Financial Issues and Concerns

The School District of Webster Groves is financially stable. The District is proud of its community support for the public schools. As the preceding information shows, the School District of Webster Groves will continue to provide quality programs with little increase in District disbursements for instructional cost.

Due to the current school finance formula of the state of Missouri, the School District must continue to rely heavily upon local revenues to sustain current programs.

The Webster Groves School District has committed itself to financial excellence. The District's system of financial planning, budgeting, and internal financial controls are well regarded and the District will continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Bruce Ellerman, Interim Chief Financial Officer at School District of Webster Groves, 400 East Lockwood, Webster Groves, Missouri, 63119.

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF NET POSITION — CASH BASIS
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and Investments	$ 28,357,686
Restricted Assets:	
Cash	687,016
Cash in Escrow	20,283,449
Total Assets	49,328,151
LIABILITIES	
Payroll Deductions and Withholdings	2,367,655
Total Liabilities	2,367,655
NET POSITION	
Restricted for:	
Debt Service	20,970,465
Unrestricted	25,990,031
Total Net Position	$ 46,960,496

See accompanying Notes to Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - CASH BASIS
YEAR ENDED JUNE 30, 2018

Functions/Programs	Disbursements	Program Receipts: Charges for Services and Sales	Program Receipts: Operating Grants and Contributions	Net (Disbursements) Receipts and Changes in Net Position: Governmental Activities
GOVERNMENTAL ACTIVITIES:				
Instruction	$ 34,476,179	$ 2,312,526	$ 728,274	$ (31,435,379)
Student Services	2,654,659			(2,654,659)
Instructional Staff Support	1,908,039		65,223	(1,842,816)
Building Administration	3,831,722			(3,831,722)
General Administration and Central Services	3,507,416			(3,507,416)
Operation of Plant	8,236,324			(8,236,324)
Transportation	385,857		3,422	(382,435)
Food Service	1,241,954	791,071	379,671	(71,212)
Community Services	2,442,711	2,649,284		206,573
Debt Service and Fiscal Charges	5,015,152			(5,015,152)
Total Governmental Activities	$ 63,700,013	$ 5,752,881	$ 1,176,590	(56,770,542)
GENERAL RECEIPTS:				
Taxes				
Property Taxes, Levied for General Purposes				27,148,542
Property Taxes, Levied for Instruction				16,669,798
Property Taxes, Levied for Debt Services				4,784,147
Property Taxes, Levied for Capital Projects				557,187
Federal and State Aid Not Restricted to Specific Purposes				
General				9,641,938
State Assessed Utilities				737,134
Interest and Investment Earnings				2,037,547
Sale of General Obligations and Refunding Bonds				16,990,000
Miscellaneous				423,957
Total General Receipts				78,990,250
CHANGE IN NET POSITION				22,219,708
Net Position - Beginning of Year				24,740,788
NET POSITION - END OF YEAR				$ 46,960,496

See *accompanying Notes to Financial Statements.*

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE ARISING FROM CASH TRANSACTIONS — GOVERNMENTAL FUNDS
JUNE 30, 2018

	Governmental Fund Types				
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
ASSETS					
Cash and Investments	$ 28,357,686	$	$	$	$ 28,357,686
Restricted Assets:					
Cash			687,016		687,016
Cash in Escrow			20,283,449		20,283,449
Total Assets	$ 28,357,686	$	$ 20,970,465	$	$ 49,328,151
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Payroll Deductions and Withholdings	2,367,655	$	$	$	$ 2,367,655
Total Liabilities	2,367,655				2,367,655
FUND BALANCE					
Restricted:					
Debt Service			20,970,465		20,970,465
Unassigned	25,990,031				25,990,031
Total Fund Balance	25,990,031		20,970,465		46,960,496
Total Liabilities and Fund Balance	$ 28,357,686	$	$ 20,970,465	$	$ 49,328,151

See accompanying Notes to Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE (CASH BASIS)
TO NET POSITION (CASH BASIS) OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

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

Total Fund Balance - Cash Basis - Governmental Funds	**$**	**46,960,496**
There are no Reconciling Items		
Total Net Position - Cash Basis - Governmental Activities	**$**	**46.960.496**

See accompanying Notes to Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
RECEIPTS					
Local	$ 32,817,968	$ 17,230,946	$ 6,458,938	$ 557,371	$ 57,065,223
County	387,517	270,409	109,973	11,581	779,480
State	483,119	9,002,013			9,485,132
Federal	741,476		549,574		1,291,050
Other		308,836			308,836
Total Receipts	34,430,080	26,812,204	7,118,485	568,952	68,929,721
DISBURSEMENTS					
Instruction	4,350,236	29,912,484		213,459	34,476,179
Student Services	1,031,789	1,622,870			2,654,659
Instructional Staff Support	417,862	1,320,813		169,364	1,908,039
Building Administration	1,128,069	2,703,653			3,831,722
General Administration and Central Services	2,913,693	549,438		44,285	3,507,416
Operation of Plant	7,220,095			1,016,229	8,236,324
Transportation	385,857				385,857
Food Service	1,066,880			175,074	1,241,954
Community Services	1,876,781	565,930			2,442,711
Debt Service and Fiscal Charges			4,890,234	124,918	5,015,152
Total Disbursements	20,391,262	36,675,188	4,890,234	1,743,329	63,700,013
RECEIPTS OVER (UNDER) DISBURSEMENTS	14,038,818	(9,862,984)	2,228,251	(1,174,377)	5,229,708
OTHER FINANCING SOURCES (USES)					
Transfer From	(11,037,361)				(11,037,361)
Transfer To		9,862,984		1,174,377	11,037,361
Sale of Refunding Bonds			16,990,000		16,990,000
Total Other Financing Sources (Uses)	(11,037,361)	9,862,984	16,990,000	1,174,377	16,990,000
NET CHANGE IN FUND BALANCE	3,001,457		19,218,251		22,219,708
Fund Balance - July 1, 2017	22,988,574		1,752,214		24,740,788
FUND BALANCE - JUNE 30, 2018	$ 25,990,031	$ -	$ 20,970,465	$ -	$ 46,960,496

See accompanying Notes to Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS (CASH BASIS) TO THE STATEMENT OF ACTIVITIES (CASH BASIS)
YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balance - Cash Basis - Governmental Funds	**$ 22,219,708**
There are no Reconciling Items	
Change in Net Position - Cash Basis - Governmental Activities	**$ 22.219.708**

See accompanying Notes to Financial Statements.

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2018

	General (Incidental) Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Local	$ 34,063,536	$ 33,374,911	$ 32,817,968	$ (556,943)
County	401,000	401,000	387,517	(13,483)
State	444,153	444,153	483,119	38,966
Federal	925,150	892,500	741,476	(151,024)
Other				
Total Receipts	35,833,839	35,112,564	34,430,080	(682,484)
DISBURSEMENTS				
Instruction	4,953,000	4,744,994	4,350,236	394,758
Student Services	1,138,671	1,188,364	1,031,789	156,575
Instructional Staff Support	465,984	477,545	417,862	59,683
Building Administration	1,175,843	1,163,624	1,128,069	35,555
General Administration and Central Services	2,868,287	2,705,496	2,913,693	(208,197)
Operation of Plant	7,020,156	7,089,309	7,220,095	(130,786)
Transportation	433,199	432,199	385,857	46,342
Food Service	1,118,286	998,000	1,066,880	(68,880)
Community Services	1,857,895	1,891,954	1,876,781	15,173
Total Disbursements	21,031,321	20,691,485	20,391,262	300,223
RECEIPTS OVER (UNDER) DISBURSEMENTS	14,802,518	14,421,079	14,038,818	(382,261)
OTHER FINANCING SOURCES (USES)				
Transfer From	(13,563,850)	(11,037,361)	(11,037,361)	
Transfer To				
Total Other Financing Sources (Uses)	(13,563,850)	(11,037,361)	(11,037,361)	
NET CHANGE IN FUND BALANCE	1,238,668	3,383,718	3,001,457	(382,261)
Fund Balance - July 1, 2017	18,368,955	22,202,831	22,988,574	785,743
FUND BALANCE - JUNE 30, 2018	$ 19,607,623	$ 25,586,549	$ 25,990,031	$ 403,482

See *accompanying Notes to Financial Statements.*

WEBSTER GROVES SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND AND SPECIAL REVENUE FUND (CONTINUED)
YEAR ENDED JUNE 30, 2018

Special Revenue (Teachers) Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 15,102,537	$ 15,961,662	$ 17,230,946	$ 1,269,284
238,000	238,000	270,409	32,409
7,693,798	8,773,000	9,002,013	229,013
298,000	248,000	308,836	60,836
23,332,335	25,220,662	26,812,204	1,591,542
29,217,403	30,097,245	29,912,484	184,761
1,425,322	1,425,322	1,622,870	(197,548)
1,199,728	1,256,454	1,320,813	(64,359)
2,705,844	2,709,844	2,703,653	6,191
612,707	614,173	549,438	64,735
747	747		747
-		-	
654,559	550,000	565,930	(15,930)
35,816,310	36,653,785	36,675,188	(21,403)
(12,483,975)	(11,433,123)	(9,862,984)	1,570,139
12,483,975	9,862,984	9,862,984	
12,483,975	9,862,984	9,862,984	
	(1,570,139)		1,570,139
(25,000)	835,783		(835,783)
$ (25,000)	$ (734,356)	$	$ 734,356

See *accompanying Notes to Financial Statements.*

NOTE 1 DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Webster Groves School District (the District) was established in 1846 under the statutes of the state of Missouri. The District operates as a "six director" district (with seven members of the board of education) as described in RSMo Chapter 162.

The School District, located in St. Louis County serves an area of approximately ten square miles. It is staffed by 306 noncertificated employees, 368 certificated full-time teaching personnel, 196 certificated substitutes, and 28 administrative employees who provide services to over 4,660 students and other community members. The School District currently operates seven elementary/middle schools (K-8), one high school (9-12), and one other education center.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Webster Groves School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. As of June 30, 2018, the School District has no component units.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information. Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. For the year ended June 30, 2018, all of the District's activities are classified as governmental type.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements

The statement of net position presents the financial condition of the governmental activities of the School District at year-end. The statement of activities presents a comparison between direct disbursements and program receipts for each program or function of the School District's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Receipts which are not classified as program receipts are presented as general receipts of **the** School District. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts of the School District.

Fund Financial Statements

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District uses only the governmental category of funds. All the funds of the District are considered major due in part to an administrative directive from the Missouri Department of Elementary and Secondary Education.

General (Incidental) Fund

Accounts for general activities of the District, including student activities, food service, and textbooks, which are not required to be accounted for in another fund.

Special Revenue (Teachers) Fund

Accounts for expenditures for certified employees involved in administration and instruction. It includes receipts restricted by the state and local tax levy for the payment of teacher salaries and certain employee benefits.

Debt Service Fund

Accounts for the accumulation of resources for, and in payment of, principal, interest, and finance charges on long-term debt.

Capital Projects Fund

Accounts for the proceeds of long-term debt, taxes, and other receipts restricted for acquisition or construction of major capital assets, payment of capital leases, and certain equipment and expenditures designated by Missouri statute.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The School District's policy is to prepare its government-wide financial statements on the cash basis of accounting, consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the government-wide financial statements do not present the net position and activities of the School District in accordance with U.S. generally accepted accounting principles.

Fund Financial Statements

The School District's policy is to prepare its fund financial statements on the cash basis of accounting; consequently, receipts are recognized when received rather than when earned, and expenditures and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Accordingly, the fund financial statements do not present the financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

Budgetary Accounting

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

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

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

The District held public board meetings to discuss both the preliminary and final budgets and at which time public comments were invited.

The budget was legally enacted by the vote of the board of education on June 26, 2017.

Budgets for District funds for the current year were originally prepared and adopted on the cash basis of accounting, recognizing receipts when collected and disbursements when paid. 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. Budget adjustments made during the year are reflected in the final budget information included in the financial statements. The following amounts represent variances from original budget to actual balances: increases (decreases) equal $(1,403,759) receipts and $(640,059) disbursements (General Fund), $3,479,869 receipts and $858,878 disbursements (Special Revenue Fund), $1,756,027 receipts and $253,566 disbursements (Debt Service Fund) and $66,715 receipts and $(83,940) disbursements (Capital Projects Fund).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

Cash consists of interest bearing accounts and deposits in the Missouri Securities Investment Program (MOSIP). Cash balances from all funds are combined and invested to the extent available in various short term securities as authorized by Missouri statutes. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash in Escrow Held by Trustee

Cash in escrow held by trustee at a financial institiuion consists of state and local government holdings.

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The nature of the restriction is:

Restricted for Debt Service: The District has $20,970,465 of segregated resources for purposes of servicing general obligation bonds.

Teachers' Salaries

Payroll checks written and dated in June 2018, for July and August 2018 payrolls from 2017-2018 contracts are included in the financial statements as a disbursement paid in the month of June.

Postemployment Benefits

In addition to the pension benefits described in Note 8, the District provides postretirement healthcare benefits to all employees who retire from the District. The premium is paid fully by the retiree either monthly or quarterly at the retiree's discretion for the next period's coverage. There is no associated cost to the District under this program.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the Federal government for this coverage. The premium is paid by the insured either monthly or quarterly at the insured's discretion for the next period's coverage. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their 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.

The District first applies restricted resources when a disbursement is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balance

The District reports fund balances as restricted and unassigned in its governmental fund types. In the fund financial statements, restricted funds are constrained by outside parties (statute, grantors, bond agreements, etc.). Unassigned fund balances are those in the General Fund which are available for any purpose. Since the District has not established a policy regarding when committed, assigned and unassigned balances are used, the standard requires governments to report as if it is their policy to use committed resources first, then assigned resources, then unassigned resources. The District had only restricted and unassigned fund balances at June 30, 2018.

The nature and purpose of the restricted balances are:

Restricted for Debt Service: The District has $20,970,465 restricted for purposes of servicing general obligation bonds.

Interfund Activity

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

NOTE 3 CASH AND INVESTMENTS

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows Missouri statutes for deposits.

The District maintains a cash and investment pool that is available for use by all funds except the Debt Service Fund (state law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District.) Each fund type's portion of this pool is displayed on the combined statement of assets, and fund balances arising from cash transactions under each fund's caption.

In accordance with applicable Missouri statute, the District maintains deposits at depository banks authorized by the School District's board.

Missouri statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

The District's deposits in banks at June 30, 2018, were entirely covered by federal depository insurance or by surety bonds and collateral in accordance with Missouri statutes.

Investments

The District may purchase any investments allowed by the Missouri State Treasurer and Repurchase Agreements. These include (1) obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

The District records all interest revenue related to investment activities in the fund which owns the security.

Custodial Credit Risk — Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has a custodial credit risk policy to minimize credit risk by (1) pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the District will do business and (2) diversifying the portfolio so that potential losses on individual securities will be minimized. The District's investments were not exposed to custodial credit risk at year-end.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investment Credit Risk

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

pre-qualifying the institution with which the District will do business;

diversifying the portfolio so that potential losses on individual securities will be minimized.

Investment Interest Rate Risk

The District has policies 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 investment 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. Investments in banker's acceptances and commercial paper shall mature in no more than 180 days from purchase date and all other investments shall mature and become payable in no more than five (5) years from the purchase date.

NOTE 4 TAXES

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

The assessed valuation of the tangible taxable property for the calendar year 2017 for purposes of local taxation was $807,408,120.

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

	Unadjusted	Adjusted
General (Incidental) Fund	$ 2.9029	$ 2.9029
Special Revenue (Teachers) Fund	1.7900	1.7900
Debt Service Fund	0.5699	0.5699
Capital Projects Fund	0.0625	0.0625
Total	$ 5.3253	$ 5.3253

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2018 aggregated approximately 100.54% of the current assessment computed on the basis of the levy as shown above.

NOTE 5 LONG-TERM DEBT

Long-term liability balances and activity of the District's Governmental Activities for the year ended June 30, 2018 were as follows:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
General Obligation Bonds	$ 52,949,000	$ 16,990,000	$ (2,520,000)	$ 67,419,000	$ 2,590,000
Capital Lease Liabilities	270,752	183,699	(114,364)	340,086	140,229
Total Long-Term Liabilities	$ 53,219,752	$ 17,173,699	$ (2,634,364)	$ 67,759,086	$ 2,730,229

The District had a bond refunding during the year ended June 30, 2018, resulting in receipts of $16,990,000 and the new General Obligation Refunding Bond, Series 2017. The new bonds were issued in December 2017 for the purpose of advance refunding a portion of the District's outstanding Series 2010B bond.

General Obligation Bonds

Description	Amount
General obligation bonds, Series 2007, due in varying annual installments through March 1, 2026, interest at 3.82%.	$ 3,905,000
General obligation bonds, Series 2010B, due in varying annual installments through March 1, 2030, interest at 4.15% to 5.70%.	18,900,000
General obligation bonds, Series 2010C, maturing on March 1, 2027, interest at 5.70%.	4,254,000
General obligation bonds, Series 2012A, maturing on March 1, 2026, interest at 2.00%.	9,395,000
General obligation bonds, Series 2013A, maturing on March 1, 2033, interest at 2.00% - 3.00%.	9,885,000
General obligation bonds, Series 2014A, maturing on March 1, 2021, interest at 3.00% to 4.00%.	4,090,000
General obligation bonds, Series 2017A, maturing on March 1, 2030, interest at 4.45% to 5.70%.	16,990,000
Total General Obligation Bonds Payable	$ 67,419,000

General obligation bond debt service requirements to maturity are:

Year Ended June 30,	Principal	Interest	Total
2019	$ 2,590,000	$ 2,617,513	$ 5,207,513
2020	2,975,000	2,526,152	5,501,152
2021	3,555,000	2,426,857	5,981,857
2022	3,620,000	2,328,523	5,948,523
2023	4,100,000	2,233,592	6,333,592
2024-2028	26,284,000	9,154,049	35,438,049
2029-2033	24,295,000	2,081,800	26,376,800
Total	$ 67,419,000	$ 23,368,486	$ 90,787,486

NOTE 5 LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a district to 15% of the assessed valuation of a District (including state-assessed railroad and utilities). The District did not exceed its legal debt margin at June 30, 2018.

Capital Leases

The District has leases for computers which provide for interest at variable percentage rates.

Future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Year Ended June 30,	Payment
2019	$ 140,229
2020	140,229
2021	66,246
2022	17,500
Future Minimum Lease Payments	364,205
Less: Amounts Representing Interest	24,119
Present Value of Future Minimum Lease Payments	340,086
Less: Current Maturities	140,229
Noncurrent Portion	$ 199,856

NOTE 6 OPERATING LEASES

The District has entered into several operating leases for various pieces of office equipment with various vendors. Payment terms vary by vendor and lease. Rent payments were $98,773 in 2018.

Future annual lease payments for all equipment consist of the following:

Year Ended June 30,	Payment
2019	$ 87,221
2020	60,825
2021	14,485
Total Minimum Lease Payments	$ 162,531

NOTE 7 RETIREMENT 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. A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psrs-peers.org.

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-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 PEERS board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 2.00%. If the CPI increase is greater than 5.00%, the board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

NOTE 8 RETIREMENT PLAN (CONTINUED)

PEERS (Continued)

Contributions

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

The School District's contributions to PEERS for the years ended June 30, 2018, 2017 and 2016 were $562,820, $524,386, and $545,019, respectively, equal to the required contributions for each year.

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. A Comprehensive Annual Financial Report (CAFR) can be obtained at www.psrs-peers.org.

NOTE 8 RETIREMENT PLAN (CONTINUED)

PSRS (Continued)

Benefits Provided

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 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 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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psrs-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

Cost-of-Living Adjustments (COLA)

The PSRS board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 2.00%. If the CPI increase is greater than 5.00%, the board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments 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 year 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 School District's contributions to PSRS for the years ended June 30, 2018, 2017 and 2016 were $4,424,848, $4,316,026, and $4,225,469, respectively, equal to the required contributions for each year.

NOTE 8 PARTICIPATION IN PUBLIC ENTITY RISK POOL - (MUSIC)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District was unable to obtain general liability insurance at a cost it considered to be economically justifiable and therefore joined together with approximately 467 other Missouri Public School Districts to form the Missouri School Insurance Council (MUSIC). MUSIC is a public entity risk pool currently operating as a common risk management and insurance program. The District does not pay premiums to purchase insurance policies but pays an assessment to be a member of the self-sustaining risk-sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

The pooling agreement requires the pool to be self-sustaining. The District believes that it is not possible to estimate the range of contingent losses to be borne by the District.

The District has not seen any decreases in insurance coverage over the prior year and settled claims have not exceeded coverage in any of the proceeding three years.

NOTE 9 TAX ABATEMENTS

Tax abatements, as defined by Governmental Accounting Standards Board ("GASB") Statement No. 77, Tax Abatement Disclosures ("GASB 77"), are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Since the District does not and has not entered into tax abatement agreements directly with any individuals or entities, the following estimates are from tax abatements entered into by other governments, specifically the county and municipalities within the District's boundary, that have reduced the District's tax revenues.

<u>Tax Increment Financing **affecting Webster Groves School** District</u>

Missouri's Real Property Tax Increment Allocation Redevelopment Act enables cities to finance certain redevelopment costs with the revenue generated from (i) payments in lieu of real estate taxes, as measured by the net increase in assessed valuation resulting from redevelopment and (ii) a portion of the increase in other local tax revenue associated with new economic activity. When a tax increment financing ("TIF") plan is adopted, real estate taxes in the redevelopment are affected. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to the increased assessed valuation resulting from redevelopment, a tax "increment" is produced.

NOTE 9 TAX ABATEMENTS (CONTINUED)

The estimated TIF incremental values and the District's net reduced tax revenue resulting from the TIFs adopted are as follows for the year ended June 30, 2018:

	TIF Incremental Value/Assessments	Reduced Tax Revenues
Various Redevelopment Project Areas within the District's Geographic Area	$ 7.121.840	$ 389.123

NOTE 10 COMMITMENTS AND CONTINGENCIES

Litigation

The District is subject to asserted and unasserted claims encountered in the normal course of business. The District's management and legal counsel assess such contingent liabilities and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the District or unasserted claims that may result in such proceedings, the District's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the District's financial condition or results of operations.

Federal and State Receivables

Amounts received or receivable from federal or state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/ Cluster or Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Education			
Pass-Through Missouri Department of			
Elementary and Secondary Education:			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	096-114	422,340
Total Title I, Part A Cluster			422,340
Pass-Through Missouri Department of			
Elementary and Secondary Education:			
Improving Teacher Quality State Grants	84.367	096-114	65,749
Student Support and Academic Enrichment	84.424	096-114	3,454
Total			69,203
Total Department of Education			491,543
Department of Agriculture			
Pass-Through Missouri Department of			
Elementary and Secondary Education:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	096-114	70,717
Noncash Assistance Subtotal			70,717
Cash Assistance:			
National School Lunch Program	10.555	096-114	301,526
School Breakfast Program	10.553	096-114	69,826
Cash Assistance Subtotal			371,352
Total Child Nutrition Cluster			442,069
Total Department of Agriculture			442,069
Department of Health and Human Services			
Pass-Through Missouri Department of			
Elementary and Secondary Education:			
Youth Risk Behavior Survey			
Child Care and Development Block Grant	93.575	096-114	20,000
Total Department of Health and Human Services			20,000
Total Federal Expenditures			953,612

See accompanying Notes to Schedule of Expenditures of Federal Awards.

WEBSTER GROVES SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2018

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Webster Groves School District and is presented on the cash basis of accounting with the exception of the commodities, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).*

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the cash basis of accounting and, accordingly, represent the total cash expended for the program. The schedule of expenditures of federal awards does not include transactions that might be included using the accrual basis of accounting as contemplated by generally accepted accounting principles.

NOTE 3 INDIRECT COST RATE

The School District has elected to use the 10% de Minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 COMMODITIES

Commodities are included in schedule of expenditures of federal awards as appropriate but are not included within the financial statements due to the financial statements being presented on the cash basis method of accounting.

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - DEBT SERVICE FUND AND CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2018

	Debt Service Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
RECEIPTS				
Local	$ 4,711,458	$ 6,309,158	$ 6,458,938	$ 149,780
County	101,000	100,000	109,973	9,973
Federal	550,000	550,000	549,574	(426)
Total Receipts	5,362,458	6,959,158	7,118,485	159,327
DISBURSEMENTS				
Instruction				
Instructional Staff Support				
General Administration and Central Services				
Operation of Plant				
Food Service				
Debt Service and Fiscal Charges	4,636,668	4,913,168	4,890,234	22,934
Total Disbursements	4,636,668	4,913,168	4,890,234	22,934
RECEIPTS OVER DISBURSEMENTS	725,790	2,045,990	2,228,251	182,261
OTHER FINANCING SOURCES				
Transfer To				
Sale of Refunding Bonds		16,990,000	16,990,000	
Total Other Financing Sources		16,990,000	16,990,000	
NET CHANGE IN FUND BALANCE	725,790	19,035,990	19,218,251	182,261
Fund Balance - July 1, 2017	7,167,304	247,686	1,752,214	1,504,528
FUND BALANCE - JUNE 30, 2018	$ 7,893,094	$ 19,283,676	$ 20,970,465	$ 1,686,789

Capital Projects Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
$ 495,237	$ 495,237	$ 557,371	$ 62,134
7,000	7,000	11,581	4,581
502,237	502,237	568,952	66,715
235,026	235,978	213,459	22,519
193,358	193,358	169,364	23,994
156,618	156,618	44,285	112,333
945,947	1,843,719	1,016,229	827,490
76,000	76,000	175,074	(99,074)
220,320	240,537	124,918	115,619
1,827,269	2,746,210	1,743,329	1,002,881
(1,325,032)	(2,243,973)	(1,174,377)	1,069,596
1,079,876	1,174,377	1,174,377	
1,079,876	1,174,377	1,174,377	
(245,156)	(1,069,596)	-	1,069,596
400,763			
$ 155,607	$ (1,069,596)	$	$ 1,069,596

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF RECEIPTS BY SOURCE - ALL GOVERNMENT FUNDS - CASH BASIS
YEAR ENDED JUNE 30, 2018

	Government Funds				
	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund	Total
LOCAL					
Current Taxes	$ 23,356,632	$ 14,402,349	$ 4,585,546	$ 503,030	$ 42,847,557
Delinquent Taxes	217,412	121,467	38,673	4,241	381,793
School District Trust Fund	2,613,529	1,568,117			4,181,646
Financial Institution Taxes	107,925	75,547		32,377	215,849
M & M Surcharge Tax	826,218	486,529	154,901	16,988	1,484,636
In Lieu of Tax	26,826	15,789	5,027	551	48,193
Transportation from Individuals	102,064				102,064
Earnings on Investment	111,395	251,178	1,674,791	184	2,037,548
Food Service Program	427,708				427,708
Food Service Nonprogram	363,363				363,363
Student Activities	1,901,626				1,901,626
Community Services	2,649,284				2,649,284
Other Local	113,986	309,970			423,956
Total Local	32,817,968	17,230,946	6,458,938	557,371	57,065,223
COUNTY					
Fines, etc.		42,346			42,346
State Assessed Utilities	387,517	228,063	109,973	11,581	737,134
Total County	387,517	270,409	109,973	11,581	779,480
STATE					
Basic Formula		7,249,306			7,249,306
Transportation	3,422				3,422
Basic Formula - Classroom Trust Fund		1,752,707			1,752,707
Educational Screening Program	57,394				57,394
Vocational/Technical Aid	2,553				2,553
Food Service	8,319				8,319
Other State	411,431				411,431
Total State	483,119	9,002,013			9,485,132
FEDERAL					
Food Service	371,352				371,352
Title I - ESEA	233,442				233,442
Title II, Part A, ESEA	65,223				65,223
Title VI, Part A, SSAE	3,454				3,454
Childcare Development Fund Grant	20,000				20,000
Other Federal	48,005		549,574		597,579
Total Federal	741,476		549,574		1,291,050
OTHER					
Tuition from Other Districts		308,836			308,836
Refunding Bonds			16,990,000		16,990,000
Total Other		308,836	16,990,000		17,298,836
Total -All Sources	$ 34,430,080	$ 26,812,204	$ 24,108,485	$ 568,952	$ 85,919,721

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF DISBURSEMENTS BY OBJECT — CASH BASIS
YEAR ENDED JUNE 30, 2018

	General (Incidental) Fund	Special Revenue (Teachers) Fund	Debt Service Fund	Capital Projects Fund
Salaries	$ 8,280,782	$ 28,423,785	$	$
Employee Benefits	2,400,949	7,388,747		
Purchased Services	4,801,870	862,656		
Supplies	4,907,661			
Capital Outlay				1,618,411
Debt Service and Fiscal Charges			4,890,234	124,918
Total	$ 20,391,262	$ 36,675,188	$ 4,890,234	$ 1,743,329

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

Board of Education
Webster Groves School District
Webster Groves, Missouri

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 and each major fund of Webster Groves School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Webster Groves School District's basic financial statements, and have issued our report thereon dated October 22, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2018

CliftonLarsonAllen

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

Board of Education
Webster Groves School District
Webster Groves, Missouri

Report on Compliance for Each Major Federal Program

We have audited Webster Groves School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Webster Groves School District's major federal programs for the year ended June 30, 2018. Webster Groves School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Webster Groves School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).* Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Webster Groves School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Webster Groves School District's compliance.

A member of Nexia International

Board of Education
Webster Groves School District

Opinion on Each Major Federal Program

In our opinion, Webster Groves School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Webster Groves School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Webster Groves School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Webster Groves School District's internal control over compliance.

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

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

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

CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2018

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

Section I - Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting

Material Weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None Reported

3. Noncompliance material to financial statements noted?

Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

1. Internal control major federal programs:

Material Weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None Reported

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

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

2 CFR 200.516(a)?		Yes	X	No

Identification of Major Federal Programs

CFDA Numbers	Name of Federal Program or Cluster	Amount
10.555	National School Lunch Program	$ 301,526
10.553	National School Breakfast Program	$ 69.826
	Total	$ 371,352

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

Auditee qualified as low-risk auditee?	X	Yes		No

Section II — Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards.*

Section III — Findings and Questioned Costs — Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

INDEPENDENT AUDITORS' REPORT ON TRANSPORTATION COSTS ELIGIBLE FOR STATE AID

Board of Education
Webster Groves School District
Webster Groves, Missouri

Report on Transportation Costs

We have audited the accompanying cash basis financial statements of the governmental activities and each major fund of Webster Groves School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents. We have issued our report thereon dated October 22, 2018, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Groves School District's basic financial statements. The accompanying Schedule of Transportation Disbursements is presented for purposes of additional analysis as required by the Missouri Department of Elementary and Secondary Education (DESE) and is not a required part of the basic financial statements.

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2018

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF TRANSPORTATION DISBURSEMENTS — CASH BASIS
YEAR ENDED JUNE 30, 2018

	Pupil District Contracted	Pupil District Owned	Total
Purchased Services	$ 385,857	$	$ 385,857
Total	$ 385,857	$	$ 385,857

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Board of Education
Webster Groves School District
Webster Groves, Missouri

We have examined management of Webster Groves School District's assertions that Webster Groves School District (the District) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, attendance, and pupil transportation records and other statutory requirements as listed in the Schedule of Selected Statistics during the year ended June 30, 2018. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertions about the District's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance is in accordance with Missouri Statutes, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion about compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion about compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, management's assertions that Webster Groves School District complied with the aforementioned requirements for the year ended June 30, 2018 are fairly stated, in all material respects.

The purpose of this report is to provide information to the administration, Board, management, and the MO DESE concerning the District's compliance with the aforementioned requirements. The report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
October 22, 2018

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2018

Single Audit Year Ended June 30, 2018
County District Number 096-110

1. Calendar (Sections 160.041 and 171.031, RSMo)

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, minus Channel One time. Reported with four decimal places.

Grades	SDL
K-AM	3.0000
K	6.1667
1-6	6.1667
7-8	6.2167
9-12	6.2000

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	Hours
K-AM	531
K-5	1,083
K-5	1,083
K-5	1,077
K-6	1,085
7-8	1,086
9-12	1,069

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

Grades	Days
K-AM	177
K-5	176
K-6	177
7-12	176

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2018

2. Average Daily Attendance (ADA)

	Full-Time and Part-Time	Deseg In	Total
Kindergarten AM	3.48		3.48
Kindergarten Full Day	334.85	1.92	336.77
Grades: 1 - 5	1,600.19	22.64	1,622.83
Grades: 6	321.96	8.36	330.31
Grades: 7 -8	649.49	19.23	668.72
Grades : 9-12	1,192.93	44.90	1,237.84
Subtotal Regular Term	4,102.90	97.05	4,199.96
	Resident	**Deseg In**	
Summer School	40.06	1.06	41.11
Total Regular Term Plus Summer School ADA			4,241.07

3. September Membership

	Full-Time and Part-Time	Deseq In	Total	Deseq Out
September Membership FTE Count	4,341.32	106.71	4,448.03	14.00

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

	Full-Time and Part-Time	Deseg In	Total
Free FTE	480.04	70.00	550.04
Reduced FTE	92.40	7.00	99.40
Total	572.44	77.00	649.44

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2018

5. 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**
	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 approve 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 30 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 committee plan identifying expenditure of 75% of 1% of the current year basic formula apportionment.	**True**
H.	The amount spent for approved professional development committee plan activities was:	$ **186,561**

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

Finding #: **N/A**

Management Letter Comment #: **N/A**

WEBSTER GROVES SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
YEAR ENDED JUNE 30, 2018

6. 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 so maintained as to accurately disclose in all material respects the average number of regular riders transported.	**True**
	Based on the ridership records, the average number of students (nondisabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:	
	Eligible ADT	**64.5**
	Ineligible ADT	**283**
D	The district's transportation odometer mileage records are so maintained 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:	**61,376**
	Of this total, the eligible nondisabled and students with disabilities route miles and the ineligible nonroute and disapproved miles (combined) was:	
	Eligible Miles	**30,623**
	Ineligible Miles (Nonroute/Disapproved)	**30,753**
F.	Number of days the district operated the school transportation system during the regular school year:	**176**

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

Finding #: **N/A**

Management Letter Comment #: **N/A**

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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 Webster Groves,
St. Louis, Missouri

Re: $_______ School District of Webster Groves, St. Louis County, Missouri General Obligation Bonds, Series 2019

Ladies and Gentlemen:

The School District of Webster Groves, St. Louis County, Missouri has on this date issued its General Obligation Bonds, Series 2019 (the "Bonds") dated as of the date hereof in the aggregate principal amount of $_________.

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 May 13, 2019 for the purpose of providing funds to pay the (1) costs of acquiring, constructing, renovating, repairing, expanding, improving, furnishing and equipping school sites and (2) costs of issuing 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;

(ii) the execution and delivery of the Tax Compliance Agreement in connection with the Bonds (the "Tax Compliance Agreement") dated as of June 1, 2019, of the District; and

(iii) the Continuing Disclosure Certificate of the District dated June 5, 2019 (the **"Continuing Disclosure Undertaking"**).

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

D. A specimen of the Bonds.

E. Representations and certifications of the District and Piper Jaffray & Co., as financial advisor to the District.

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, the Tax Compliance Agreement and the Continuing Disclosure Undertaking 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, the Tax Compliance Agreement and the Continuing Disclosure Undertaking and (d) that all covenants and requirements of the Bond Resolution, the Tax Compliance Agreement and the Continuing Disclosure Undertaking 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 May 13, 2019 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, the Tax Compliance Agreement or the Continuing Disclosure Undertaking.

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 (including any original issue discount properly allocable to an owner thereof) 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 (including any original issue discount properly allocable to an owner thereof) 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 (including any original issue discount properly allocable to an owner thereof) 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. Interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (a) is not a specific item of tax preference for purposes of the federal alternative minimum tax on corporations and other taxpayers, including individuals, and (b) is not included in a corporate taxpayer's adjusted current earnings for purposes of determining its federal alternative minimum tax liability.

4. The Bonds are not "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, 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,