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

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

$55,000,000
PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2020

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

The General Obligation Bonds, Series 2020 (the **"Bonds"**) will be issued by the Parkway C-2 School District, St. Louis County, Missouri (the **"District"**), for the purposes of providing funds to pay (1) a portion of the costs of the Project, as further described herein under the section captioned **"PLAN OF FINANCING – The Project,"** and (2) costs of issuance related to the Bonds.

The Bonds will be issued as fully-registered bonds in the denomination of $5,000 or integral multiples thereof. Principal on the Bonds will be payable annually on March 1 as set forth on the inside cover of this Official Statement, commencing on March 1, 2022. Interest on the Bonds is payable semiannually on each March 1 and September 1, commencing on March 1, 2021, by check or draft mailed (or by electronic transfer in certain circumstances as described herein) to the persons who are the registered owners of the Bonds as of the close of business on the 15th day of the month preceding the applicable interest payment date.

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

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

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

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

The Bonds are offered when, as and if issued by the District and accepted by the Underwriter, subject to the approval of validity by Gilmore & Bell, P.C., St. Louis, Missouri, Bond Counsel to the District, and subject to certain other conditions. Bond Counsel will also pass on certain matters relating to this Official Statement. Piper Sandler & Co. has served as financial advisor to the District on this transaction. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company in New York, New York on or about October 20, 2020.

The date of this Official Statement is October 6, 2020.

PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI

$55,000,000
General Obligation Bonds
Series 2020

MATURITY SCHEDULE

Base CUSIP: 791319

Due (March 1)	Principal Amount	Interest Rate	Price	CUSIP
2022	$ 2,000,000	3.000%	103.881%	LE4
2023	2,660,000	5.000	111.414	LF1
2024	6,125,000	5.000	116.010	LG9
2025	6,320,000	5.000	120.264	LH7
***	***	***	***	***
2028	6,940,000	4.000	123.644	LJ3
2029	7,225,000	4.000	122.039	LK0
2030	1,840,000	1.250	100.000	LL8
***	***	***	***	***
2037	10,405,000	1.750	98.244	LM6
***	***	***	***	***
2040	11,485,000	1.875	98.000	LN4

PARKWAY C-2 SCHOOL DISTRICT
ST. LOUIS COUNTY, MISSOURI

455 N. Woods Mill Road
Chesterfield, Missouri 63017

BOARD OF EDUCATION

Jeff Todd, *President and Director*
Deborah Hopper, *Vice President and Director*
Kristy Klein Davis, *Director*
Pam Hill, *Director*
Matthew Schindler, *Director*
Sam Sciortino, *Director*
Kevin Seltzer, *Director*

DISTRICT ADMINISTRATION

Dr. Keith Marty, *Superintendent*
Dr. Chelsea Watson, *Deputy Superintendent*
Mr. Greg Mathison, *Assistant Superintendent, Student Services*
Mr. Michael Baugus, *Chief Human Resources Officer*
Mr. Kevin Beckner, *Assistant Superintendent, Teaching, Learning and Accountability*
Ms. Patty Bedborough, *Chief Financial Officer*
Mr. Paul Tandy, *Chief Communications Officer*
Mr. Brian Whittle, *Director of Finance*

PAYING AGENT

BOKF, NA
St. Louis, Missouri

BOND COUNSEL

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

FINANCIAL ADVISOR

Piper Sandler & Co.
St. Louis, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

TABLE OF CONTENTS

THIS PAGE INTENTIONALLY

LEFT BLANK

OFFICIAL STATEMENT

$55,000,000
PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI
GENERAL OBLIGATION BONDS
SERIES 2020

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 $55,000,000 aggregate principal amount of General Obligation Bonds, Series 2020 (the **"Bonds"**) by the Parkway C-2 School District, St. Louis County, Missouri (the **"District"**). The Bonds represent general obligation bonds authorized by the required majority of the qualified voters of the District at an election held in the District on November 6, 2018. The issuance and sale of the Bonds is authorized by a resolution of the Board of Education of the District adopted on September 16, 2020 (the **"Resolution"**). *All capitalized terms used herein and not otherwise defined herein have the meanings assigned to those terms in the Resolution.*

Purpose of the Bonds

The Bonds are being issued for the purposes of providing funds to pay (1) a portion of the costs of improving school safety and security and maintaining, repairing, improving, furnishing and equipping school facilities and sites, including but not limited to constructing additions to existing school buildings, roof and site repairs and HVAC, plumbing, electrical and technology upgrades throughout the District, and (2) the costs of issuing the Bonds. See the section herein captioned **"PLAN OF FINANCING."**

Security for the Bonds

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

Continuing Disclosure

Pursuant to a Continuing Disclosure Undertaking dated as of October 1, 2020 (the **"Continuing Disclosure Undertaking"**), the District will agree to provide certain annual financial information, operating data and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system (**"EMMA"**), in accordance with Rule 15c2-12 (the **"Rule"**) promulgated by the Securities and Exchange Commission. The form of Continuing Disclosure Undertaking is attached hereto in ***Appendix C***.

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 $55,000,000. The Bonds are dated as of the date of original delivery of and payment for such Bonds and the principal is payable on March 1 in the years and in the principal amounts set forth on the inside cover page hereof, subject to redemption and payment prior to maturity, upon the terms and conditions described under the section herein captioned **"THE BONDS – Redemption Provisions."** Interest on the Bonds is calculated at the rates per annum set forth on the inside cover page, computed on the basis of a 360-day year of twelve 30-day months. The Bonds shall consist of fully-registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the Bonds is payable from the date thereof or the most recent date to which said interest has been paid and is payable semiannually on March 1 and September 1 (each a **"Bond Payment Date"**), beginning on March 1, 2021.

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

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

Book-Entry Only System

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

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

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

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

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

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

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

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

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

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

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

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

Registration, Transfer and Exchange of Bonds

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

The Paying Agent shall transfer or exchange such Bond for a new Bond or Bonds in any authorized denomination of the same Stated Maturity and 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, 2029 and thereafter may be called for redemption and payment prior to their Stated Maturity on March 1, 2028 and thereafter as a whole or in part at any time at the Redemption Price of 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date (as defined herein).

Selection of Bonds to be Redeemed

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

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

Notice of Redemption

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

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

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

Effect of Call for Redemption

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

SECURITY FOR THE BONDS

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

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

PLAN OF FINANCING

The Project

In November 2018, voters in the District authorized $110,000,000 of general obligation bonds for the purpose of improving school safety and security and maintaining, repairing, improving, furnishing and equipping school facilities and sites, including but not limited to constructing additions to existing school buildings, roof and site repairs and HVAC, plumbing, electrical and technology upgrades throughout the District (the **"Project"**). The District previously issued $55,000,000 of the general obligation bonds authorized at the November 2018 election to finance a portion of the Project. The proceeds of the Bonds will fund the remainder of the Project, including:

- Completion of secured front vestibules at high schools and middle schools
- District wide HVAC, plumbing, roofing, flooring, bathroom renovation, pavement and parking lot improvements
- Track resurfacing at the high schools
- Sprinkler system installation at various District buildings

Sources and Uses of Funds

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

Sources of Funds	Total
Par Amount of Bonds	$55,000,000.00
Plus: Net Original Issue Premium	5,463,329.25
Total	$60,463,329.25
Uses of Funds	
Deposit to the Series 2020 Account of the Capital Projects Fund	$60,302,573.26
Costs of Issuance (including Underwriter's Discount)	160,755.99
Total	$60,463,329.25

RISK FACTORS

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

Ad Valorem Property Taxes

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

Potential Risks Relating to COVID-19

In December 2019, a novel strain of coronavirus (which leads to the disease known as **"COVID-19"**), was discovered in Wuhan, China. Since that date, the virus has spread throughout the world and has been characterized by the World Health Organization as a pandemic. The impact of the COVID-19 pandemic on the U.S. economy is expected to be broad based and to negatively impact national, state and local economies.

In response to such expectations, the President of the United States on March 13, 2020, declared a "national emergency," which, among other effects, allows the executive branch to disburse disaster relief funds to address the COVID-19 pandemic and related economic dislocation. On March 13, 2020, the Governor of the State of Missouri (the **"Governor"**) signed an Executive Order declaring a state of emergency in the State of Missouri (the **"State"**) in response to COVID-19. On April 24, 2020, the Governor signed another Executive Order extending the state of emergency in the State through June 15, 2020. On June 11, 2020, the Governor signed another Executive Order extending the state of emergency in the State through December 30, 2020. The stated purpose of the Executive Orders is to allow more flexibility in utilizing resources and deploying them around the State where they are most appropriate, including allowing the Governor to waive certain State laws and regulations where necessary.

On April 3, 2020, the Governor issued a "stay at home order," which began on April 6, 2020, and ended on May 4, 2020, requiring all Missourians to avoid leaving their residences unless necessary and to practice social distancing when travel outside their residences was necessary. Although the "stay at home order" required all school districts in the State to remain closed through the duration of the "stay at home order," the Governor announced on April 9, 2020 that all school districts in the State, including the District, were required to remain closed through the remainder of the 2019-2020 school year. On April 27, 2020, the Missouri Department of Health and Senior Services (**"DHS"**) issued the "Show Me Strong Recovery Order," which went into effect on May 4, 2020 and ended on May 31, 2020. On May 28, 2020, DHS issued the "Economic Reopening Order," which went into effect on June 1, 2020 and ended on June 15, 2020. Both DHS orders provide guidelines for individuals and businesses in the State to gradually reopen economic and social activity. The DHS order issued on May 28, 2020 permits school districts to proceed with summer school and other on-campus activities under guidelines set forth by the Missouri Department of Elementary and Secondary Education (**"DESE"**). The DHS orders expired on June 16, 2020, and the State is not currently under a statewide public health order. Despite the expiration of statewide orders, cities and counties have the ability, and continue, to impose local public health orders restricting economic activities within the State.

To slow the spread of COVID-19, the District voluntarily discontinued in-person classes beginning March 18, 2020, and in accordance with the Governor's announcement on April 9, 2020, the District discontinued in-person classes through the remainder of the 2019-2020 school year. On March 13, 2020, DESE released a memorandum to all Missouri school administrators which stated that the timing of a school district's State Aid payments was not expected to be affected by closure of a school or interruption of State employees' operations. On March 27, 2020, DESE released an additional memorandum to all Missouri school administrators to address how school district closures resulting from the COVID-19 outbreak may impact student attendance reporting and the average daily attendance and weighted average daily attendance metrics used to calculate the distribution of Proposition C revenues (as defined in ***Appendix A*** to this Official Statement), Classroom Trust Fund moneys (as described in ***Appendix A*** to this Official Statement) and State Aid to each school district. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Local Revenue"** and **"– Missouri School Finance Laws"** in ***Appendix A*** to this Official Statement for further details on the possible impact COVID-19 may have on distributions of Proposition C revenues and Classroom Trust Fund moneys and the District's State Aid payment calculations.

On July 29, 2020, the District announced it would have full-time online distance learning instead of in-person classes for at least the first quarter of the 2020-2021 school year. On September 29, 2020, the Board of Education of the District voted to approve a plan to return to in-person learning for the second quarter. The plan includes grades K-5 returning on October 22, 2020 and grades 6-8 on October 27, 2020, both on a part-time basis. Grades K-8 will return five days per week beginning November 9, 2020. Students will have the option to continue virtual learning instead of returning to schools. Under the current plan, high school students (grades 9-12) will continue distance learning for the remainder of the semester.

The proliferation of COVID-19 throughout the State may adversely affect the State's revenues which could negatively impact the availability of State Aid distributed to the District and may impact the amount of property tax revenues available to fund the District's operations if the economic ramifications of the spread of COVID-19 have a lasting impact on the economy in and around the State or the District. On June 1, 2020, the Governor announced a total of $131.3 million in restrictions for State Aid distributions to school districts in June 2020. Additionally, due to further State revenue declines resulting from COVID-19, on June 30, 2020, the Governor announced $123.4 million in restrictions for State Aid foundation formula payments to school districts for the current 2020-2021 fiscal year, which will result in a decrease from the $3,553,211,885 in foundation formula State Aid payments originally budgeted and approved by the Missouri General Assembly for the 2020-2021 fiscal year to approximately $3,429,853,210 in foundation formula State Aid payments for the 2020-2021 fiscal year. As a result of the total $123.4 million in restrictions for State Aid in the 2020-2021 fiscal year, school districts received a reduced July payment of State Aid to reflect the $123.4 million spending restriction and any shortfall in Classroom Trust Fund revenue. Other developments regarding COVID-19 continue to occur on a daily basis and the extent to which COVID-19 will impact the District in the future is highly uncertain and cannot be predicted. Factors impacting the calculation of State Aid, including the restrictions for the June 2020 payments and 2020-2021 fiscal year payments, and adjustment of the District's property tax rates are discussed in the following sections of ***Appendix A*** to this Official Statement: **"FINANCIAL INFORMATION CONCERNING THE DISTRICT"** and **"PROPERTY TAX INFORMATION – Tax Rates."**

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

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

Rating

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

Any such downward revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Bankruptcy

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

Pensions and Other Postemployment Benefits

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

State Aid

For the fiscal year ended June 30, 2020, approximately 4.10% of the District's revenue was derived from moneys provided by the State of Missouri as State Aid. See **"FINANCIAL INFORMATION CONCERNING THE DISTRICT – Sources of Revenue"** and **"– Missouri School Finance Laws"** in ***Appendix A*** of this Official Statement. Reductions in State Aid could occur in the future if, for example, the State of Missouri faces fiscal problems in the future or the District experiences a decline in enrollment. Reductions in State Aid could force the District to make budget cuts or operational adjustments and may adversely affect the rating on the Bonds or the market price of the Bonds.

Enrollment

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

Amendment of the Resolution

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

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

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

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

Defeasance Risks

When 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.

Cybersecurity Risks

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

THE DISTRICT

The District encompasses approximately 70 square miles in the western section of St. Louis County, Missouri. This area includes unincorporated portions of St. Louis County, as well as areas of the following municipalities: Maryland Heights, Creve Coeur, Chesterfield, Town & Country, Des Peres, Ballwin, Manchester, Twin Oaks, Country Life Acres, Valley Park, Westwood and Winchester. See **"THE DISTRICT"** in ***Appendix A*** of this Official Statement for further information regarding the District.

LEGAL MATTERS

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

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

BOND RATING

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

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

TAX MATTERS

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

Opinion of Bond Counsel

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

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

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

Bank Qualification. The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the **"Code"**).

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

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount (**"OID"**) is the excess of the stated redemption price at maturity of a Bond over its issue price. The issue price of a Bond is generally the first price at which a substantial amount of the Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, OID on tax-exempt bonds accrues on a compound basis. The amount of OID that accrues to an owner of a Bond during any accrual period generally equals (1) the issue price of that Bond, plus the amount of OID accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Bond during that accrual period. The amount of OID accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes and will increase the owner's tax basis in that Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of OID.

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

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

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

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

CONTINUING DISCLOSURE UNDERTAKING

General

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

Prior Compliance

The District believes it has materially complied with its prior undertakings under the Rule during the past five years and believes it is currently in material compliance with its prior continuing disclosure obligations under the Rule.

ABSENCE OF LITIGATION

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

UNDERWRITING

Morgan Stanley & Co, LLC, New York, New York (the **"Underwriter"**), has agreed to purchase the Bonds at a price of $60,411,573.26 (which is equal to the aggregate original principal amount of the Bonds, less an underwriting discount of $51,755.99, plus a net original issue premium of $5,463,329.25). The Underwriter is purchasing the Bonds for resale in the normal course of the Underwriter's business activities. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

The Underwriter has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, the Underwriter may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, the Underwriter may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

FINANCIAL ADVISOR

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

CERTAIN RELATIONSHIPS

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

MISCELLANEOUS

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

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

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

PARKWAY C-2 SCHOOL DISTRICT,
ST. LOUIS COUNTY, MISSOURI

By: /s/ Jeff Todd
President of the Board of Education

APPENDIX A

INFORMATION REGARDING THE DISTRICT

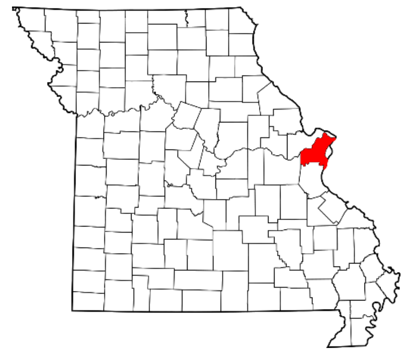
APPENDIX A

TABLE OF CONTENTS

THE DISTRICT

General Description

Parkway C-2 School District, St. Louis County, Missouri (the **"District"**) encompasses approximately 70 square miles in the western section of St. Louis County, Missouri (the **"County"**). This area includes unincorporated portions of the County, as well as areas of the following municipalities: Maryland Heights, Creve Coeur, Chesterfield, Town & Country, Des Peres, Ballwin, Manchester, Twin Oaks, Country Life Acres, Valley Park, Westwood and Winchester. The estimated population of the District in 2018 was 143,737. The District had 17,877 students (including Pre-K) enrolled for the 2019-2020 school year.



Organization and Board of Education

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

The current members and officers of the Board are as follows:

Name	Office	First Term Began	Current Term Expires
Jeff Todd	President & Director	2017	2023
Deborah Hopper	Vice President & Director	2014	2023
Kristy Klein Davis	Director	2017	2023
Pam Hill	Director	2019	2022
Matthew Schindler	Director	2018	2021
Sam Sciortino	Director	2010	2022
Kevin Seltzer	Director	2018	2021

The Board has appointed Patty Bedborough, Chief Financial Officer of the District, to serve as Treasurer and Nikki Stover to serve as Secretary 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. Dr. Keith Marty has been Superintendent of the District since July 1, 2011 and previously served as Superintendent of the 4,500-student Menomonee Falls School District in suburban Milwaukee, Wisconsin from 2001-2011. Dr. Marty holds a doctorate in education from Cardinal Stritch University in Milwaukee, as well as a master of science in administrative leadership from the University of Wisconsin-Milwaukee and a bachelor of science in secondary education from the University of Wisconsin-LaCrosse.

Additional members of the administrative staff are appointed by the Board upon recommendation by the Superintendent. The Superintendent's leadership team is comprised of the following positions: Deputy

Superintendent; Assistant Superintendent of Teaching, Learning and Accountability; Assistant Superintendent of Student Services; Chief Human Resources Officer; Chief Financial Officer; and Chief Communications Officer.

The District has approximately 2,541 total employees, including 121 administrative personnel, 1,402 teachers and 1,018 non-certificated employees.

Professional Staff

On average, teachers employed by the District have 14.3 years of teaching experience, compared to a statewide average of 12.5 years, and 81.9% of the District's teachers hold advanced degrees. For the 2018-2019 school year, the average salary for all teaching staff was $68,351 compared to a statewide average salary for teaching staff of $50,012.

Educational Facilities

The District operates 32 schools, as shown below. The aggregate replacement cost of the current physical facilities of the District as most recently determined for insurance purposes is $743,761,289.

Name of School	Grades Served	Name of School	Grades Served
Central High School	9-12	Hanna Woods Elementary School	K-5
North High School	9-12	Henry Elementary School	K-5
South High School	9-12	Highcroft Ridge Elementary School	K-5
West High School	9-12	Mason Ridge Elementary School	K-5
Fern Ridge High School	9-12	McKelvey Intermediate School	1-5
Central Middle School	6-8	McKelvery Primary School	K
Northeast Middle School	6-8	Oak Brook Elementary School	K-5
South Middle School	6-8	Pierremont Elementary School	K-5
Southwest Middle School	6-8	River Bend Elementary School	K-5
West Middle School	6-8	Ross Elementary School	K-5
Barretts Elementary School	K-5	Shenandoah Valley Elementary School	K-5
Bellerive Elementary School	K-5	Sorrento Springs Elementary School	K-5
Carman Trails Elementary School	K-5	Wren Hollow Elementary School	K-5
Claymont Elementary School	K-5	Early Childhood Center	Pre-K
Craig Elementary School	K-5	Early Childhood Center North	Pre-K
Green Trails Elementary School	K-5	Extended Learning Center (ADC)	6-12

[Remainder of Page Intentionally Left Blank]

History of Enrollment

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

Grade	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
K	1,262	1,298	1,286	1,332	1,360
1st	1,238	1,299	1,363	1,333	1,327
2nd	1,297	1,286	1,301	1,394	1,337
3rd	1,264	1,343	1,322	1,349	1,367
4th	1,388	1,312	1,338	1,340	1,348
5th	1,320	1,386	1,364	1,342	1,323
6th	1,344	1,345	1,386	1,350	1,327
7th	1,325	1,351	1,371	1,366	1,329
8th	1,361	1,331	1,343	1,369	1,365
9th	1,365	1,363	1,365	1,331	1,354
10th	1,404	1,375	1,365	1,366	1,348
11th	1,344	1,413	1,388	1,375	1,364
12th	1,390	1,332	1,407	1,366	1,377
Total[1]	17,302	17,434	17,599	17,613	17,526

(1) Excludes Pre-K enrollment.
Source: Missouri Department of Elementary and Secondary Education.

Education Programs

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

Other District Statistics

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

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
Avg. Daily Attendance (ADA)	16,516.86	16,710.76	16,752.14	16,823.62	16,754.15
Proportional Attendance Rate	91.46%	93.06%	93.07%	91.49%	91.11%
Current Expenditures per ADA	$12,230.87	$12,317.11	$12,504.76	$12,747.35	$12,952.88
Students per Teacher	14	14	14	14	14
Students per Classroom Teacher	16	15	16	16	16

Source: Missouri Department of Elementary and Secondary Education.

District Accreditation

DESE administers the Missouri School Improvement Program (**"MSIP"**), the state's school accountability system for reviewing and accrediting public school districts in Missouri. Since MSIP was established in 1990, five review cycles have been completed, each cycle lasting from five to six years. The sixth cycle, referred to as MSIP 6, began in the 2020-2021 school year.

Under MSIP, the District is "Accredited." The MSIP classification is not a bond or debt rating but is solely an evaluation made by DESE.

ECONOMIC INFORMATION CONCERNING THE DISTRICT

Much of the economic and financial information in this Appendix is historic in nature and generally predates the COVID-19 pandemic. It is not possible to predict whether any of the trends shown herein will continue in the future. See **"RISK FACTORS – Potential Risks Relating to COVID-19"** in the Official Statement.

Population

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

	1990	2000	2010	2018
District	137,523	141,896	140,234	143,737
County	993,529	1,016,315	998,954	998,684
State	5,117,073	5,595,211	5,988,927	6,090,062

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates; U.S. Census Bureau – 2010 Census; Missouri Census Data Center – Census 1990-2000 Trend Report.

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

Estimated Population Distribution by Age (2018 Estimate)

Age	District	County	State
Under 5 years	7,912	58,649	372,932
5-19 years	24,256	187,285	1,171,037
20-24 years	7,906	63,248	421,255
25-44 years	33,086	244,456	1,542,544
45-64 years	40,419	272,664	1,600,602
65 years and over	30,158	172,382	981,692
TOTAL	143,737	998,684	6,090,062
Median age	44.3	40.3	38.5

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates.

[Remainder of Page Intentionally Left Blank]

Commerce, Industry and Employment

Major Employers. Listed below are the major employers located in the District and the approximate number of employees employed within the St. Louis metropolitan area by each:

Employer	Type of Business	Employees
St. John's Mercy Medical Center (Mercy Health System)	Health Care	23,011
Schnucks Markets, Inc.	Retail Grocery	10,702
Bayer Monsanto	Agrochemical Company	5,400
St. Luke's Health Corp.	Health Care	4,667
Dierberg's Markets, Inc.	Retail Grocery	4,000
Spectrum	Cable Company	4,000
Eastman Chemical Company	Chemical Company	3,400
Missouri Baptist Medical Center (BJC HealthCare)	Health Care	2,700
The District	Education	2,610

Source: District's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

Several of the above employers, including Mercy Health System and BJC HealthCare, have announced furloughs and layoffs due to the COVID-19 pandemic. See the caption **"RISK FACTORS – Potential Risks Relating to COVID-19"** in the Official Statement.

Employment Figures. The following table sets forth employment figures for the County, the State and the United States.

	2016	2017	2018	2019	2020[(1)]
County					
Total Labor Force	532,537	526,669	526,570	533,085	523,172
Unemployed	22,448	18,029	15,568	16,363	46,454
Unemployment Rate	4.2%	3.4%	3.0%	3.1%	8.9%
State					
Total Labor Force	3,081,333	3,063,474	3,053,105	3,083,245	3,052,057
Unemployed	140,261	114,569	96,438	101,557	242,135
Unemployment Rate	4.6%	3.7%	3.2%	3.3%	7.9%
United States					
Total Labor Force	159,187,000	160,320,000	162,075,000	163,539,000	160,883,000
Unemployed	7,751,000	6,982,000	6,314,000	6,001,000	18,072,000
Unemployment Rate	4.9%	4.4%	3.9%	3.7%	11.2%

(1) As of June 2020; not an annualized calculation. As of January 2020 (before the COVID-19 pandemic), the unemployment rates were 3.8% for the County, 4.3% for the State and 4.0% for the United States.

Source: U.S. Bureau of Labor Statistics.

Medical and Health Facilities

There are approximately 50 hospitals located in the St. Louis metropolitan area, including St. Luke's Hospital, Missouri Baptist Medical Center and St. John's Mercy Medical Center which are all located within the District. Other major hospitals and medical facilities nearby include the highly-regarded Barnes-Jewish Hospital and two medical schools, Washington University Medical School and Saint Louis University Medical School. In addition, dentists, chiropractors and doctors provide medical services from offices and clinics located in the District.

Higher Education

Higher education is easily accessible to District residents through the St. Louis Community College (the **"College"**), Maryville University of St. Louis (the **"University"**) and numerous other institutions of higher education located in the St. Louis metropolitan area, including University of Missouri-St. Louis, Webster University, Saint Louis University and Washington University.

The College awards associate degrees and certificates of proficiency and specialization for prescribed courses of study. The College also offers courses to meet the needs of persons who desire enrichment or retraining in the areas of liberal arts, occupational education, continuing education and community services.

The University, with approximately 6,000 students, is a private university located within the District. The University offers a wide range of undergraduate, graduate and professional programs, degrees and certificates. Forbes and Kiplinger's Personal Finance magazines consistently rank the University as a top private school.

Recreational Facilities

The County park system offers 71 park sites featuring camping, fishing, boating, picnicking, hiking, horseback riding, cross country skiing, swimming, golf, ice skating and other athletic activities. Unique attractions include the St. Louis Carousel, the Butterfly House, the internationally-recognized Laumeier Sculpture Park, the working farm in Suson Park, the elk and buffalo in Lone Elk Park and the Museum of Transportation which "houses one of the largest and best collections of transportation vehicles in the world," according to the Smithsonian Institution.

Municipal Services and Utilities and Public Safety

Municipal services, including street maintenance and water, are provided by the cities in the District or the County. The Metropolitan St. Louis Sewer District provides sewer services. Natural gas and electricity are provided by Spire and Ameren, respectively. Telephone service is provided by AT&T. Police services are provided by municipal departments within the District or by the County. Fire protection services are provided by seven fire protection districts operating within the District.

Transportation, Communications and Media

The District's geographic location provides easy access to all areas of metropolitan St. Louis via I-64/Highway 40 and I-270, both of which run through the District. Commercial rail service is provided by the Central Midland Railway. Regularly scheduled commercial air passenger and air freight service is available at the St. Louis Lambert International Airport located approximately 15 miles northeast of the District. The Spirit of St. Louis Airport is located within the District.

Telecommunication services are provided to District residents by AT&T, CenturyLink and Charter Communications. Wireless telephone service is offered by numerous providers. Residents of the District receive all of the County and St. Louis radio stations and television channels. The District is served by the *St. Louis Post-Dispatch* newspaper. In addition, there are many weekly newspapers and journals published throughout the County.

[Remainder of Page Intentionally Left Blank]

Income and Home Values

The following table presents per capita personal income[1] for the County and the State for the years 2014 through 2018, the latest date for which such information is available.

Year	Per Capita Personal Income County	Per Capita Personal Income State
2018	$71,360	$47,746
2017	67,368	45,744
2016	66,165	44,336
2015	62,710	43,096
2014	61,078	41,775

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

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

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

	Median Household Income
District	$91,850
County	65,300
State	53,560

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates.

The following table presents the median value of owner-occupied housing units in the District, the County and the State.

	Number of Owner-Occupied Units	Median Home Value
District	43,618	$286,000
County	278,370	190,100
State	1,601,845	151,600

Source: U.S. Census Bureau – 2014-2018 American Community Survey 5-Year Estimates.

[Remainder of Page Intentionally Left Blank]

DEBT STRUCTURE OF THE DISTRICT

Debt Ratios and Related Information

The following table summarizes certain financial information concerning the District as of September 1, 2020 (unless otherwise noted). This information should be reviewed in conjunction with the other information contained in this section and the financial statements of the District in ***Appendix B*** to this Official Statement.

Estimated District Population (2018)[(1)]	143,737
Assessed Valuation (2019)[(2)]	$5,168,617,150
Estimated Actual Value (2019)[(3)]	$23,211,858,620
Outstanding Direct General Obligation Debt[(4)]	$258,435,000
Overlapping General Obligation Debt[(5)]	$68,106,918
Total Direct and Overlapping General Obligation Debt	$326,541,918
Per Capita Direct General Obligation Debt	$1,797.97
Per Capita Direct and Overlapping General Obligation Debt	$2,271.80
Ratio of Direct General Obligation Debt to Assessed Valuation	5.00%
Ratio of Direct General Obligation Debt to Estimated Actual Value	1.11%
Ratio of Direct and Overlapping General Obligation Debt to Assessed Valuation	6.32%
Ratio of Direct and Overlapping General Obligation Debt to Estimated Actual Value	1.41%

---

(1) See **"ECONOMIC INFORMATION CONCERNING THE DISTRICT – Population."**

(2) Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts (defined herein) located within the District.

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

(4) Includes the Bonds.

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

General Obligation Indebtedness

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

Series of Bonds	Original Amount	Final Maturity	Amount Outstanding	Interest Rates
2020	$ 55,000,000	2040	$ 55,000,000	1.250% - 5.000%
2019	55,000,000	2039	55,000,000	3.000% - 5.000%
2017	27,405,000	2023	10,205,000	2.000% - 5.000%
2016	44,000,000	2036	44,000,000	2.125% - 3.000%
2015A	27,080,000	2025	21,080,000	3.000% - 5.000%
2015B	50,000,000	2035	50,000,000	3.000% - 4.000%
2012A	23,365,000	2022	11,405,000	5.000%
2011	27,120,000	2024	11,745,000	2.500% - 4.000%
Total	$308,970,000		$258,435,000	

History of General Obligation Indebtedness

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

As of June 30	Total Outstanding Debt	Assessed Valuation(1)	Debt as % of Assessed Valuation(2)
2020	$203,435,000	$5,168,617,150	3.94%
2019	245,760,000	4,684,978,070	5.25
2018	206,945,000	4,705,282,070	4.40
2017	201,620,000	4,370,660,330	4.61
2016	168,795,000	4,336,607,760	3.89

(1) The assessed valuation of the District as adjusted through December 31 of the calendar year prior to the fiscal year shown. Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District.

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

Source: District's Comprehensive Annual Financial Report for the fiscal years ended June 30, 2016 through 2019; DESE's Annual Report of the County Clerk to the State Board of Education for the fiscal year ended June 30, 2020.

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

Legal Debt Capacity

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

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b) (15% of 2019 assessed valuation)	$775,292,572(1)
General Obligation Bonds Outstanding	258,435,000(2)
Legal Debt Margin under Article VI, Sections 26(b)	$516,857,572

(1) Excludes state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District.

(2) Includes the Bonds.

Source: DESE's Annual Report of the County Clerk to the State Board of Education for the fiscal year ended June 30, 2020.

The District's legal debt limit and debt margin would be higher if (1) the amount in the Debt Service Fund available to pay principal of the bonds, and (2) the valuation of state assessed railroad and utility property that is physically located within the bounds of the District were both taken into account. Neither amount was included in the calculations of debt limit or debt margin.

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

Debt Service Requirements for General Obligation Bonds Outstanding

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

Fiscal Year Ending June 30	Outstanding Bonds Total Debt Service	The Bonds			Total Debt Service
		Principal	Interest	Total	
2021	$ 22,117,750	$ 0	$ 655,830	$ 655,830	$ 22,773,580
2022	20,542,775	2,000,000	1,802,281	3,802,281	24,345,056
2023	18,021,575	2,660,000	1,742,281	4,402,281	22,423,856
2024	15,234,775	6,125,000	1,609,281	7,734,281	22,969,056
2025	14,245,475	6,320,000	1,303,031	7,623,031	21,868,506
2026	14,758,325	0	987,032	987,032	15,745,357
2027	15,407,825	0	987,032	987,032	16,394,857
2028	3,800,075	6,940,000	987,032	7,927,032	11,727,107
2029	3,800,075	7,225,000	709,432	7,934,432	11,734,507
2030	9,400,075	1,840,000	420,431	2,260,431	11,660,506
2031	16,171,075	0	397,431	397,431	16,568,506
2032	16,793,819	0	397,431	397,431	17,191,250
2033	17,024,606	0	397,431	397,431	17,422,037
2034	17,596,281	0	397,431	397,431	17,993,712
2035	17,778,481	0	397,431	397,431	18,175,912
2036	18,337,200	0	397,431	397,431	18,734,631
2037	878,700	10,405,000	397,431	10,802,431	11,681,131
2038	12,318,700	0	215,344	215,344	12,534,044
2039	18,385,500	0	215,344	215,344	18,600,844
2040	0	11,485,000	215,344	11,700,344	11,700,344
Totals	$272,613,087	$55,000,000	$14,631,712	$69,631,712	$342,244,799

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

[Remainder of Page Intentionally Left Blank]

Other Long-Term Obligations of the District

The District leases certain equipment under agreements classified as capital leases. The cost for such equipment as of June 30, 2019 was $4,213,952 and the accumulated depreciation was $2,366,035. The following is a schedule of future minimum lease payments under the capital leases as of June 30, 2020.

Fiscal Years Ending June 30	Annual Lease Payments
2020	$395,305
2021	328,981
2022	328,981
2023	284,419
2024	119,928

For additional information relating to other long-term obligations of the District, see Note F to the financial statements included in ***Appendix B*** to this Official Statement.

Future Borrowing Plans

The District has a long-term capital plan that includes improving District facilities and replacing aging equipment that may require the issuance of additional general obligation bonds. The District expects to seek voter approval for additional general obligation bonds in 2022.

Overlapping or Underlying Indebtedness

The following table sets forth the approximate overlapping and underlying general obligation indebtedness of political subdivisions with boundaries overlapping the District as of September 1, 2020, unless otherwise noted, and the percent attributable (on the basis of assessed valuation figures for calendar year 2018) to the District. The table was compiled from publicly available information furnished by the jurisdictions responsible for the debt, and the District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or other long-term obligations such as leases, the amounts of which may be unknown to the District at this time and are not included below.

[Remainder of Page Intentionally Left Blank]

Taxing Body	General Obligation Debt	Approx. Percent Applicable	Amount of Overlapping Debt
St. Louis County	$ 77,030,000	20.06%	$15,452,218
City of Ballwin	0	35.75	0
City of Chesterfield	0	60.24	0
City of Country Life Acres	0	100.00	0
City of Creve Coeur	9,465,000	66.10	6,256,365
City of Des Peres	0	32.51	0
City of Manchester	14,790,000	92.69	13,708,851
City of Maryland Heights	0	41.12	0
City of Town & Country	0	97.39	0
City of Twin Oaks	0	41.75	0
City of Valley Park	0	20.94	0
City of Westwood	0	56.73	0
City of Winchester	0	80.89	0
Fire District - Creve Coeur	16,875,000	62.75	10,589,063
Fire District - Maryland Heights	12,785,000	48.08	6,147,028
Fire District - Metro West	5,350,000	18.19	973,165
Fire District - Monarch	0	59.47	0
Fire District - Pattonville	11,885,000	0.23	27,336
Fire District - Valley Park	12,000,000	28.46	3,415,200
Fire District - West County EMS	11,540,000	99.98	11,537,692
TOTAL	$171,720,000		$68,106,918

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

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District presents its governmental activities in fund financial statements on the modified accrual basis of accounting, which is a comprehensive basis of accounting principles generally accepted in the United States of America. This means that revenues and expenses are recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to, and accounted for in, individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following are the District's major governmental funds:

- **General (Incidental) Fund**: The General Fund is the primary operating fund of the District. It is used to account for general activities of the District, including expenditures for 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 special revenue fund accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the state and the local tax levy for the payment of teachers' salaries and certain employee benefits.

- **Debt Service Fund**: This fund accounts for the accumulation of resources for, and the payment of, principal, interest and paying agent charges on, long-term debt.

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

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

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

The financial records of the District are audited annually by an independent public accountant according to accounting principles generally accepted in the United States. The most recent annual audit has been performed by Kerber, Eck & Braeckel LLP. The audited financial statements of the District for the fiscal year ended June 30, 2019, together with the independent auditor's report thereon, are included in this Official Statement at ***Appendix B***. A summary of significant accounting policies of the District is contained in the notes accompanying the financial statements in ***Appendix B***. The audited financial statements for earlier years with reports by the certified public accountants are available for examination in the District's office.

Sources of Revenue

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

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

Current. For the 2019-2020 fiscal year, the District's sources of revenue were as follows:

Source	Amount	%
Local Revenue:		
Property Taxes	$214,496,178.64	77.01%
Proposition C Sales Tax	16,068,744.52	5.77
Other	25,244,582.50	9.06
County Revenue:		
Railroad & Utility Property Taxes	3,126,871.24	1.12
Fines & Forfeitures	267,787.64	0.10
Other	1,557,623.37	0.56
State Revenue	11,430,918.36	4.10
Federal Revenue	4,169,096.25	1.50
Other Revenue	2,165,420.96	0.78
Total Revenue	$278,527,223.48	100.00%

Source: District's Annual Secretary of the Board Report for the fiscal year ended June 30, 2020.

Historical. The table below shows the allocation of revenues received by the District for the five fiscal years 2016-2020:

Source	2016	2017	2018	2019	2020
Local Revenue	$230,010,073.95	$229,139,200.00	$242,760,910.16	$254,103,633.13	$255,809,505.66
County Revenue	4,219,271.44	4,098,397.96	3,995,861.75	4,212,152.04	4,952,282.25
State Revenue	11,178,065.08	11,194,625.33	12,275,714.27	11,882,866.79	11,430,918.36
Federal Revenue	5,934,405.11	5,846,937.41	5,427,408.42	4,811,797.98	4,169,096.25
Other Revenue	2,511,595.95	46,747,666.43(1)	30,530,864.07(2)	57,800,230.81(3)	2,165,420.96
Total	$253,853,411.53	$297,026,827.13(1)	$294,990,758.67(2)	$332,810,680.75(3)	$278,527,223.48

(1) Includes proceeds from the sale of the District's $44,000,000 General Obligation Bonds, Series 2016.
(2) Includes proceeds from the sale of the District's $27,405,000 General Obligation Refunding Bonds, Series 2017.
(3) Includes proceeds from the sale of the District's $55,000,000 General Obligation Bonds, Series 2019.
Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2016 through 2020.

Local Revenue

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

Proposition C revenues are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district based on the district's weighted average daily attendance (see **"*Weighted ADA*"** under **"Missouri School Finance Laws"** below). For the 2018-2019 fiscal year, each school district received approximately $1,007 per pupil from Proposition C revenues based upon each district's 2017-2018 Weighted ADA. For the 2019-2020 fiscal year, each school district was expected to receive approximately $1,036 per pupil from Proposition C revenues based upon each district's 2018-2019 Weighted ADA; however, in its June 2020 School Finance Memo, DESE reported a final payment of approximately $1,006 per pupil from Proposition C revenues. For the 2020-2021 fiscal year, each school district is expected to receive approximately $1,050 per pupil from Proposition C revenues based upon each district's 2019-2020 Weighted ADA; however, this is a preliminary estimate and subject to change.

As previously discussed under **"RISK FACTORS – Potential Risks Relating to COVID-19,"** the recent outbreak of COVID-19 caused all school districts in the State, including the District, to discontinue in-person classes and caused numerous counties and municipalities across the State to enact "stay-in-place" orders, requiring individuals in those areas to remain in their residences, except to procure "essential services," and businesses in those areas, other than those deemed to be "essential businesses," to cease operations. The COVID-19 pandemic and the restrictions imposed by the State and various local governmental entities across the State to combat the spread of COVID-19 are expected to negatively impact the State economy and, therefore, are expected to result in a decrease of Proposition C revenues, Classroom Trust Fund moneys and State Aid distributed to school districts during the 2020-2021 fiscal year, and may result in a decrease in such revenues, moneys and State Aid in fiscal years thereafter. See the section below captioned **"Missouri School Finance Laws."**

On March 27, 2020, DESE released Administrative Memo FAS-20-002 (the **"Administrative Memo"**) to address how school district closures resulting from the COVID-19 outbreak may impact student attendance reporting and the average daily attendance (**"ADA"**) and Weighted ADA metrics used to calculate the distribution of Proposition C revenues, Classroom Trust Fund moneys and State Aid to each school district. According to the Administrative Memo, DESE will not require school districts to make-up school hours lost during the 2019-2020 fiscal year due to school district closures caused by COVID-19. DESE will consider those lost school hours as "not-in-session" hours, so no "attendance" hours or "absent" hours will be reported for that time. As a result, the District's Weighted ADA for the 2019-2020 fiscal year, which will be used in calculating the distribution of Proposition C revenues to the District for the 2020-2021 fiscal year, will not likely be significantly reduced as a result of the COVID-19 outbreak. However, in the Administrative Memo, DESE reminded school districts that, if a school district's ADA for any fiscal year is substantially reduced for an extended period, "whenever there has existed within the school district an infectious disease, contagion, epidemic, plague or similar condition" (like COVID-19), Section 163.021, RSMo, allows the apportionment of school funds and all other distribution of school moneys, such as Proposition C revenues, to be made on the basis of the school district's ADA (or Weighted ADA) for the next preceding fiscal year in which such condition existed. Therefore, if the District's Weighted ADA for the 2019-2020 fiscal year (or any future fiscal year) is substantially reduced as a result of the COVID-19 outbreak, the District will be allowed to base its Proposition C revenue distributions for the 2020-2021 fiscal year (or any then current fiscal year) on its Weighted ADA for the 2018-2019 fiscal year (or the fiscal year immediately preceding the fiscal year in which the infectious disease outbreak existed).

Nonetheless, in the Administrative Memo, DESE has urged school districts to exercise extreme caution as they move forward with their budgeting process for the 2020-2021 fiscal year and to anticipate a reduction in the State's Proposition C revenues available for distribution to school districts due to the negative impact COVID-19 is expected to have on the State's economy. See also the captions **"*State Adequacy Target*"** and **"*Classroom Trust Fund (Gambling Revenue) Distributions*"** under **"Missouri School Finance Laws"** below for a further discussion on the potential impact the COVID-19 pandemic may have on the Weighted ADA and State Adequacy Target metrics used in calculating the District's future State Aid payments and the State's future distribution of Classroom Trust Fund moneys to the District.

County Revenue

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

State Revenue

The primary source of State revenue or "State Aid" is provided under a formula enacted under Chapter 163, RSMo. See **"Missouri School Finance Laws"** for a description of the State Aid distribution laws.

Federal Revenue

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

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

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

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

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

Missouri School Finance Laws

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

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

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

On June 1, 2020, the Governor announced a total of $131.3 million in restrictions for State Aid distributions to school districts in June 2020. Additionally, due to further State revenue declines resulting from COVID-19, on June 30, 2020, the Governor announced $123.4 million in restrictions for State Aid foundation formula payments to school districts for the current 2020-2021 fiscal year, which will result in a decrease from the $3,553,211,885 in foundation formula State Aid payments originally budgeted and approved by the Missouri General Assembly for the 2020-2021 fiscal year to approximately $3,429,853,210 in foundation formula State Aid payments for the 2020-2021 fiscal year. As a result of the total $123.4 million in restrictions for State Aid in the 2020-2021 fiscal year school districts received a reduced July payment of State Aid to reflect the $123.4 million spending restriction and any shortfall in Classroom Trust Fund revenue.

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

State Adequacy Target. The State Aid formula requires DESE to calculate a "State Adequacy Target," which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE's calculation of the State Adequacy Target is based upon amounts spent, excluding federal and State transportation revenues, by Performance Districts. Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated subsequent to fiscal year 2018. For the fiscal year ended June 30, 2019, the State Adequacy Target was approximately $6,291 per pupil.

For the fiscal year ended June 30, 2020, the State Adequacy Target was expected to be $6,375 per pupil; however, due to the economic impact resulting from the COVID-19 pandemic, the State has experienced a dramatic revenue shortfall. On June 1, 2020, the Governor of Missouri announced a total of $131.3 million in restrictions for State Aid distributions to school districts in June 2020. According to an administrative memo from DESE dated June 1, 2020, this restriction of funds, together with other restrictions announced earlier, will result in school districts receiving approximately 96.5% of State Aid based on the formula requirements for the fiscal year ended June 30, 2020, based on a full State Adequacy Target of $6,375. DESE's memo also states, "The timing of the shortfalls, however, will cause the majority of the reduction to be reflected in the June payment. . . . With these withholds, the June payment will be reduced to $193 million [from approximately $315 million], a 39% decrease."

For the fiscal year ending June 30, 2021, the State Adequacy Target is expected to be $6,375 per pupil; however, this is a preliminary estimate and subject to change.

Dollar Value Modifier. The DVM is an index of the relative purchasing power of a dollar in different areas of the State. The DVM is calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the State median wage per job) minus one. The law provides that the DVM can never be less than 1.000. DESE revises the DVM for each district on an annual basis. The DVM for the District for 2019-2020 was 1.092, and the DVM for the District for 2020-2021 is 1.089.

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

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These include (1) 75% of allowable transportation costs, (2) the career ladder entitlement, (3) the vocational education entitlement and (4) the educational and screening program entitlements. According to DESE's June 2020 School Finance Memo, school districts received approximately 13% less transportation funding than was originally appropriated for the fiscal year ended June 30, 2020.

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

For the 2019-2020 fiscal year, each school district was expected to receive approximately $409 per pupil based on its 2018-2019 ADA; however, according to a May 2020 School Finance Memo released by DESE, there was no Classroom Trust Fund payment to school districts in May 2020 due to casino closures caused by the outbreak of COVID-19. This resulted in a final Classroom Trust Fund payment of approximately $327 per pupil.

For the 2020-2021 fiscal year, each school district is expected to receive approximately $427 per pupil based on its 2019-2020 ADA; however, this is a preliminary estimate and subject to change.

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

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

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

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

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

Capital Projects Fund Levy. Prior to setting tax rates for the Incidental and Teachers' Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Incidental and Teachers' Funds to an amount below $2.75. The District's Capital Projects Fund levy for the fiscal year ended June 30, 2020 was $0.1326 per $100 of assessed valuation.

Transfers from the Incidental Fund to the Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund for certain purposes, including: (1) the amount to be expended for transportation equipment that is considered an allowable cost under the State Board of Education rules for transportation reimbursements during the current year; (2) the amount necessary to satisfy obligations of the Capital Projects Fund for State-approved area vocational-technical schools; (3) current year obligations for lease-purchase obligations entered into prior to January 1, 1997; (4) the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and (5) to satisfy current year capital project expenditures, an amount not to exceed the greater of (a) $162,326 or (b) seven percent (7%) of the State Adequacy Target (see ***"State Adequacy Target"*** above) times the district's Weighted ADA. The District transferred $2,500,000 from the Incidental Fund to the Capital Projects Fund under this provision during the 2018-2019 fiscal year.

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

Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances was prepared from the District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2017 through 2020. 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 Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Funds

	2017	2018	2019	2020
General (Incidental) Fund				
Balance – Beginning of Year	$ 40,720,433.92	$ 43,490,036.03	$ 43,019,139.29	$ 44,296,814.84
Revenues	89,384,095.34[(1)]	87,891,966.64[(1)]	88,653,807.89[(1)]	86,655,472.77[(1)]
Expenditures	(81,504,493.23)	(85,362,863.38)	(84,876,132.34)	(80,917,805.66)
Transfers In (Out)	(5,110,000.00)	(3,000,000.00)	(2,500,000.00)	(2,000,000.00)
Balance – End of Year	$ 43,490,036.03[(1)]	$ 43,019,139.29[(1)]	$ 44,296,814.84[(1)]	$ 48,034,481.95[(1)]
Special Revenue (Teachers') Fund				
Balance – Beginning of Year	$ 2,219,017.56	$ 925,145.53	$ 3,473,347.17	$ 4,132,404.16
Revenues	140,300,819.47	150,212,058.52	152,123,666.23	156,602,259.22
Expenditures	(146,594,691.50)	(149,163,856.88)	(151,464,609.24)	(153,008,422.07)
Transfers In (Out)	5,000,000.00	1,500,000.00	0.00	0.00
Balance – End of Year	$ 925,145.53	$ 3,473,347.17	$ 4,132,404.16	$ 7,726,241.31
Capital Projects Fund				
Balance – Beginning of Year	$ 27,544,182.52	$ 38,732,433.42	$ 19,750,034.23	$ 65,725,633.75
Revenues	45,505,980.27[(3)]	3,648,019.52	68,429,605.45[(3)]	8,511,074.06
Expenditures	(34,427,729.37)	(24,130,418.71)	(24,954,005.93)	(36,231,659.56)
Transfers In (Out)	110,000.00	1,500,000.00	2,500,000.00	2,000,000.00
Balance – End of Year	$ 38,732,433.42[(3)]	$ 19,750,034.23	$ 65,725,633.75[(3)]	$ 40,005,048.25
Debt Service Fund				
Balance – Beginning of Year	$ 10,106,754.94	$ 13,767,360.13	$ 36,717,984.62	$ 36,159,218.79
Revenues	21,835,932.05	53,238,713.99[(2)]	23,603,601.18	26,758,417.43
Expenditures	(18,175,326.86)	(30,288,089.50)	(24,162,367.01)	(51,623,156.70)
Transfers In (Out)	0.00	0.00	0.00	0.00
Balance – End of Year	$ 13,767,360.13	$ 36,717,984.62[(2)]	$ 36,159,218.79	$ 11,294,479.52
Total Governmental Funds				
Balance – Beginning of Year	$ 80,590,388.94	$ 96,914,975.11	$102,960,505.31	$150,314,071.54
Revenues	297,026,827.13[(1)(3)]	294,990,758.67[(1)(2)]	332,810,680.75[(1)(3)]	278,527,223.48[(1)]
Expenditures	(280,702,240.96)	(288,945,228.47)	(285,457,114.52)	(321,781,043.99)
Transfers In (Out)	0.00	0.00	0.00	0.00
Balance – End of Year	$ 96,914,975.11[(1)(3)]	$102,960,505.31[(1)(2)]	$150,314,071.54[(1)(3)]	$107,060,251.03[(1)]

(1) Includes sale of property.
(2) Includes proceeds from sale of $27,405,000 principal amount of General Obligation Refunding Bonds, Series 2017.
(3) Includes proceeds from sale of general obligation bonds.
Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2017 through 2020.

Risk Management

The District is exposed to various risks of loss from, among things, tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District is a member of the Missouri United School Insurance Council (MUSIC), a protected, self-insurance program of approximately 400 Missouri public school districts and junior college districts. The District does not pay premiums to purchase insurance policies, but it does pay an annual assessment to be a member of MUSIC. Part of the annual assessment is used to purchase excess insurance for the group as a whole.

Pension and Employee Retirement Plans

General. The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (1) The Public School Retirement System of Missouri (**"PSRS"**), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts and certain other educational entities in Missouri and employees of certain related employers; and (2) The Public Education Employee Retirement System of Missouri (**"PEERS"**), which provides retirement and disability benefits to employees of school districts and certain other educational entities in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169, RSMo. The statutes assign responsibility for the administration of both plans to a seven-member Board of Trustees of PSRS (the **"PSRS Board"**). PSRS and PEERS had 533 and 530 contributing employers, respectively, during the fiscal year ended June 30, 2019.

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, 2019 (the **"2019 PSRS/PEERS CAFR"**), the comprehensive financial report for the plans, is available at www.psrs-peers.org/About-Us/Resources/Annual-Report. The link to the 2019 PSRS/PEERS CAFR is provided for general background information only, and the information in the 2019 PSRS/PEERS CAFR is not incorporated by reference herein. The 2019 PSRS/PEERS CAFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies and certain statistical information about the plans.

PSRS and PEERS Contributions. Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2019, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2019, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

PSRS and PEERS Funded Status. PSRS and PEERS reported funded ratios of 84.4% and 86.4%, respectively, as of June 30, 2019, according to the 2019 PSRS/PEERS CAFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan's actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a level percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2016. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2019 PSRS/PEERS CAFR. The funding objective of each plan, as stated in each plan's Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period.

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

Schedule of Employer Contributions

	PSRS			PEERS		
Year Ended June 30,	**Actuarially Determined Contribution**	**Actual Employer Contributions**	**Contribution Excess/ (Deficiency)[(1)]**	**Actuarially Determined Contribution**	**Actual Employer Contributions**	**Contribution Excess/ (Deficiency)[(1)]**
2019	$628,513,916	$712,545,096	$ 84,031,180	$113,567,475	$120,042,046	$ 6,474,571
2018	533,062,186	696,970,397	163,908,211	97,653,104	115,103,143	17,450,039
2017	642,821,624	684,857,718	42,036,094	108,807,233	111,239,585	2,432,352
2016	643,155,536	669,953,683	26,798,147	104,011,593	106,654,638	2,643,045
2015	666,438,984	656,924,899	(9,514,085)	105,739,092	103,624,310	(2,114,782)

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

Source: "Schedules of Employer Contributions" in the Financial Section of the 2019 PSRS/PEERS CAFR.

Schedule of Funding Progress
(Dollar amounts in thousands)

	PSRS			PEERS		
Year Ended June 30,	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**
2019	$40,498,479	$47,973,829	84.4%	$5,019,868	$5,809,485	86.4%
2018	39,211,452	46,702,002	84.0	4,774,781	5,542,478	86.1
2017	37,373,740	44,501,771	84.0	4,470,270	5,209,369	85.8
2016	35,419,278	41,744,619	84.8	4,157,427	4,809,666	86.4
2015	34,073,415	40,610,540	83.9	3,915,199	4,512,317	86.8

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2019 PSRS/PEERS CAFR.

For information specific to the District's participation in PSRS and PEERS, including the District's past contributions and proportionate share of the net pension liability of PSRS and PEERS, see Note G to the District's financial statements included in ***Appendix B*** to this Official Statement. For additional information regarding PSRS and PEERS, see the 2019 PSRS/PEERS CAFR.

Other Postemployment Benefits

In addition to pensions, the District provides continuation of medical, dental and vision insurance coverage, including prescription drugs, to employees who are eligible for normal or early retirement under a single employer plan. Retirees who elect to participate must pay the premium in effect for the current plan year. The difference between the amount the retiree is required to pay and the actual cost to the District is considered to be a post-employment benefit. The District has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. During the fiscal year ended June 30, 2019, the District's contribution was $1,712,669. For additional information regarding the District's other postemployment benefits, see Note H to the District's financial statements included in ***Appendix B*** to this Official Statement.

PROPERTY TAX INFORMATION

Property Valuations

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

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

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

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

Current Assessed Valuation. The following table shows the total locally assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District) according to the assessment for calendar year 2019 for property owned as of January 1, 2019, as adjusted and finalized through December 31, 2019.

Type of Property	Total Assessed Valuation	Assessment Rate	Estimated Actual Valuation	% of Actual Valuation
Real:				
Residential	$3,333,067,190	19.00%	$17,542,458,895	75.58%
Agricultural	1,507,050	12.00%	12,558,750	0.05
Commercial[(1)]	1,237,697,960	32.00%	3,867,806,125	16.66
Total Real	$4,572,272,200		$21,422,823,770	92.29%
Personal[(1)]	$ 596,344,950	33.33%[(2)]	$ 1,789,034,850	7.71%
Total Real & Personal	$5,168,617,150		$23,211,858,620	100.00%

(1) Includes locally assessed railroad and utility property.

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

Source: DESE's Annual Report of the County Clerk to the State Board of Education for the fiscal year ended June 30, 2020.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding assessed valuation amounts attributable to state assessed railroad and utility property and the incremental increase in assessed valuation over the established assessed valuation base within TIF Districts located within the District) according to the assessments of January 1, as adjusted and finalized through December 31, in each of the following years has been as follows:

Year	Assessed Valuation	% Change
2019	$5,168,617,150	+10.32%
2018	4,684,978,070	-0.43
2017	4,705,282,070	+7.66
2016	4,370,660,330	+0.79
2015	4,336,607,760	N/A

Source: District's Comprehensive Annual Financial Report for the fiscal years ended June 30, 2016 through 2019; DESE's Annual Report of the County Clerk to the State Board of Education for the fiscal year ended June 30, 2020.

Property Tax Levies and Collections

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

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

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

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

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

Tax Abatement and Tax Increment Financing

Under State law, tax abatement is available for redevelopers of areas determined by the governing body of a city to be "blighted." The Land Clearance for Redevelopment Authority Law authorizes ten-year tax abatement pursuant to Sections 99.700 to 99.715, RSMo. In lieu of ten-year tax abatement, a redeveloper that is an urban redevelopment corporation formed pursuant to Chapter 353, RSMo, may seek real property tax abatement for a total period of 25 years. In addition, Chapter 100, RSMo and Article VI, Section 27(b) of the Missouri Constitution authorize real and personal property tax abatement for certain projects. Currently, there are tax abatement projects located within the District. For additional information regarding tax abatement within the District, see Note K to the District's financial statements included in ***Appendix B*** to this Official Statement.

The Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, RSMo, makes available tax increment financing for redevelopment projects in certain areas determined by the governing body of a city or county to be a "blighted area," "conservation area" or "economic development area," each as defined in such statute. Currently, certain portions of the District are located in tax increment financing districts (**"TIF 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 (the **"Base"**) 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 above the Base (the **"TIF Increment"**). The TIF Increment is captured by the TIF District until the tax increment financing obligations issued are repaid or the tax increment financing period terminates.

According to the St. Louis County Department of Revenue, Collections Division, the TIF Increment attributable to property within the District is $34,925,700 for the 2020 tax year.

Tax Rates

Debt Service Levy. The District's debt service levy for the 2019-2020 fiscal year was $0.4900 per $100 of assessed valuation. Once indebtedness has been approved by the requisite number of voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

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

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

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

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

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

For the fiscal year ended June 30, 2020, the District's operating levy (all funds except the debt service fund levy) was $3.6624 per $100 of assessed valuation, which was equal to the District's tax rate ceiling for said fiscal year.

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

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

Fiscal Year Ended June 30	General Incidental Fund	Special Revenue Teachers' Fund	Debt Service Fund	Capital Projects Fund	Total Levy
2020	$1.2354	$2.2944	$0.4900	$0.1326	$4.1524
2019	1.3116	2.4359	0.4900	0.1497	4.3872
2018	1.3003	2.4146	0.4900	0.0500	4.2549
2017	1.3511	2.5093	0.4900	0.0000	4.3504
2016	1.3993	2.5987	0.4900	0.0000	4.4880

Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2016 through 2020.

Tax Collections

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

Tax Collection Record. The following table sets forth tax collection information for the District in each of the following years:

Fiscal Year Ended June 30	Total Levy (per $100 of Assessed Value)	Assessed Valuation[1]	Total Taxes Levied[2]	Current Taxes Collected		Current and Delinquent Taxes Collected[3]	
				Amount	%	Amount	%
2020	$4.1524	$5,168,617,150	$214,621,659	$212,270,426	98.90%	$214,496,179	99.94%
2019	4.3872	4,684,978,070	205,539,358	200,745,151	97.67	198,898,176	96.77
2018	4.2549	4,705,282,070	200,205,047	195,161,263	97.48	192,649,490	96.23
2017	4.3504	4,370,660,330	190,141,207	185,075,124	97.34	183,452,796	96.48
2016	4.4880	4,336,607,760	194,626,956	190,766,936	98.02	186,108,212	95.62

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

(2) Total Taxes Levied are based on assessed valuation as of December 31 of each year and are calculated by dividing Assessed Valuation by 100 and multiplying by the Total Levy.

(3) Refunds to successfully protesting taxpayers may exceed the amount collected in delinquent taxes, which could result in Current and Delinquent Taxes Collected being less than Current Taxes Collected.

Source: District's Annual Secretary of the Board Reports for the fiscal years ended June 30, 2016 through 2020 and the District.

Major Property Taxpayers

The following table sets forth a list of the largest property taxpayers in the District based on the valuation of property owned as of January 1, 2019, as adjusted through December 31, 2019. The District has not independently verified the accuracy or completeness of such information.

Taxpayer	Assessed Valuation	% of District's 2019 Total Assessed Valuation
1. RNSI City Place Owner LLC	$ 38,615,220	0.75%
2. Bayer Monsanto	25,429,670	0.49
3. Emerson RD LLC	23,511,170	0.46
4. Missouri American Water Company	21,385,610	0.41
5. Ramco Gershenson Properties LP	18,840,700	0.37
6. WPP LLC	14,688,460	0.28
7. Pembroke TCM Maryville LLC	13,729,950	0.27
8. Ameren UE	13,583,640	0.26
9. TKG Manchester Highlands Shopping Center	11,576,220	0.22
10. Mills West Pointe 1 LLC	11,459,620	0.22
Total	$192,820,260	3.73%

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

* * *

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX B

AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

THIS PAGE INTENTIONALLY

LEFT BLANK

Comprehensive Annual

Financial Report

Parkway School District • C2 • Chesterfield, Missouri

For the Fiscal Year Ended June 30, 2019

PARKWAY

SCHOOLS

PARKWAY C- 2 SCHOOL DISTRICT

TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

TABLE OF CONTENTS (concluded)

III. STATISTICAL SECTION (concluded)

PARKWAY C-2 SCHOOL DISTRICT
CHESTERFIELD, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Prepared by the Chief Financial Officer's Division

Patricia Bedborough, Chief Financial Officer
Brian Whittle, Director of Finance

THIS PAGE INTENTIONALLY

LEFT BLANK

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AND

INDEPENDENT AUDITORS' REPORT

PARKWAY C-2 SCHOOL DISTRICT

June 30, 2019

INTRODUCTORY SECTION

November 6, 2019

Members of the Board of Education and
Residents of the Parkway School District

The Comprehensive Annual Financial Report (CAFR) of the Parkway C-2 School District (District), Chesterfield, Missouri for the fiscal year ended June 30, 2019 is presented on the following pages. This report provides full disclosure of the District's financial operation. Missouri revised statute 165.111 requires an audit to be performed at least biennially of the financial records of all funds of the District. Parkway has always chosen to have an audit done annually rather than biennially. This CAFR, which includes an opinion from the Independent Auditors that conducted the District's audit, conforms to the Generally Accepted Accounting Principles in the United States of America (GAAP) as applicable to governmental entities. The District maintains full responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe that all data, as presented, is accurate in all material respects and that it is presented in a manner to fairly set forth the financial position and results of the District's operations as measured by the financial activity of its various funds. We further believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

This letter of transmittal is designed to be read in conjunction with the Management Discussion and Analysis (MD&A) report which is located following the independent auditors' report. Financial highlights and a discussion of the District's financial condition are provided in the MD&A.

The Comprehensive Annual Financial Report is presented in three sections as follows:

1. The Introductory Section, which includes a Letter of Transmittal, Principal Officials, Organizational Chart of the District, and Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting.

2. The Financial Section, which begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements, Notes To Basic Financial Statements, Required Supplementary Information and Supplementary Information.

3. The Statistical Section, which includes selected comparative financial, non-financial, demographic and economic data for the District.

Profile of the Organization

This report includes all funds of the District. The District is a political subdivision of the State of Missouri created under the Constitution of Missouri.

Parkway C-2 School District is considered a national leader in innovative education. Its teachers, administrators and students strive for excellence each day. Parkway is more than just a school system; it is a nurturing community that fosters individual talents and encourages collaborative thinking. At Parkway, when one person succeeds, everyone grows. It is the Mission of the Parkway School District to ensure all students are capable, curious and confident learners who understand and respond to the challenges of the ever changing world. The District believes that Higher Expectations bring Brighter Futures For All By All. Certain accomplishments of the District are as follows:

- **Blue Ribbon Schools** – Parkway has 17 U.S. Blue Ribbon and 19 Missouri Gold Star schools.
- **National Merit Scholars –** 20 Parkway students were named National Merit Semifinalists.
- **America's Best High Schools** – All four traditional Parkway high schools - Central, North, South and West were named best High Schools in America by U.S. News and World Report.
- **National Schools of Character** – Parkway was named as a National School District of Character. Parkway has twelve National Schools of Character.
- **Green Ribbon Schools** –Parkway now has six National Green Ribbon Schools - Bellerive Elementary, Claymont Elementary, Green Trails Elementary, Highcroft Elementary, McKelvey Elementary and North High - honored for innovative efforts to reduce environmental impact and utility costs, improve health and wellness, and ensure effective sustainability education.
- **Energy Star Certified Schools** – Parkway has 16 schools recognized as Energy Star certified schools.
- **Tax Rate –** Parkway consistently has one of the lowest property tax rates out of the 23 districts in St. Louis County.
- **Top Test Scores in Missouri** – Parkway earned a 98.9 on the most recent Annual performance report issued by the Missouri Department of Elementary and Secondary Education. Parkway ranked among the top 10 districts in the state with over 1,000 students.
- **Financials** –Parkway is one of only four school districts in Missouri to earn the Standard and Poor's AAA bond rating.
- **Top Workplace -** Parkway School District was selected as a Top workplace in St. Louis by *The St. Louis Post-Dispatch* based on surveys of employees for the sixth year in a row.
- **Social Justice Work -** The District was honored at the National Network for Education Renewal Conference for social justice work.
- **Longevity –** The average Parkway school is 50 years old.

The Parkway School District Board of Education (the "Board"), consisting of seven elected officials, has the power to sue and to be sued and to make rules and regulations for its own government consistent with the laws of the State of Missouri and the State Board of Elementary and Secondary Education (DESE). The Board has oversight responsibility and control over all activities related to public education in the District, including the authority to designate management, and the ability to significantly influence operations and primary accountability for fiscal matters.

It is the responsibility of the District to make public education available to residents of the Parkway C-2 School District. The District is an independent entity and receives its funding from local, state and federal government sources and must comply with the requirements of these funding agencies.

The District operates the seventh largest school district of the 523 districts operating in the State serving 17,575 students for Fiscal Year 2018-2019 The District provides a full range of public education services at all grade levels ranging from kindergarten through grade twelve. In addition to a superior regular academic curriculum, the District offers a broad range of other programs for students including gifted/talented, English as a second language, fine arts, advanced college placement, interscholastic and intramural athletics, assistance for at-risk students and others. In addition, the District provides services beyond the broad K-12. The District operates two Early Childhood Education centers and multiple classrooms throughout the district buildings, which serves children before they attend kindergarten and a Community Education program for adult continuing education. Some of the services provided to our students include instructional staff, instructional materials, instructional facilities, administrative and business service support, food service and bus transportation services and facility maintenance.

Accounting System and Budgetary Control

The District's comprehensive annual financial report was prepared pursuant to School Board Policy and in accordance with the standards established by the Governmental Accounting Standard Board (GASB).

The District utilizes a fully automated accounting system as well as an automated system of control for fixed assets and payroll. This system provides a complete set of self-balancing accounts for each District fund. The chart of accounts used in this accounting system was developed in accordance with the Missouri Financial Accounting Manual prepared by the Department of Elementary and Secondary Education, School Finance Section, State of Missouri.

The District's accounting system for governmental funds operates on the modified accrual basis of accounting. At year end, the governmental funds are converted from the modified accrual basis to a full accrual basis for the presentation of government wide financial statements. In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the benefits and the evaluation of costs and benefits requires estimate and judgments by management.

The District believes that the internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

A complete budgetary system of accounts is maintained in all of the District's funds in accordance with District policy. The accounting system provides interim financial reports which detail year-to-date expenditures and encumbrances as compared to the budget. These reports are distributed to the District's management and Board on a monthly basis showing the status of the budget accounts for which they are responsible. These reports compare each program, building and line-item account balance to the approved budget. A monthly financial statement is prepared and distributed to the Board for their approval.

Economic Condition and Outlook

The District is located in St. Louis County, Missouri, and covers an area of approximately 68 square miles, including portions of unincorporated St. Louis County as well as areas of the following municipalities: Maryland Heights, Creve Coeur, Chesterfield, Town & Country, Des Peres, Ballwin, Manchester, Twin Oaks, Country Life Acres, Valley Park, Westwood and Winchester. The District is a blend of commercial, industrial and residential activity. The economic diversity of the District, along with the high quality of education, makes Parkway C-2 School District an attractive community.

Since the District was organized in 1954, it has expanded from a rural farming community to a suburban industrial one, expanding from a small district to one of the largest in St. Louis County and tenth largest in Missouri. Today, the District includes four high schools, five middle schools, 18 elementary schools and two Early Childhood Development Centers. Parkway is currently accredited with distinction in performance under the Missouri School Improvement Program (MSIP) Standards administered by the State Department of Elementary and Secondary Education. The District is governed by the Board of Education, whose seven members are elected for staggered three-year terms of office.

The population within the District's boundaries is estimated to be 143,296. There were 17,575 children that attended school during the 2018-2019 academic year. The District employed the following full time equivalent staff; 1,381 certificated instructional staff. The current certified staffing created a certified staff to student ratio of 12.73:1 during the past academic year. The staffing ratio is expected to decrease slightly to 12.72:1 in 2019-2020 based on a projected student enrollment of 17,611 and instructional staffing of 1,384.2 FTE.

Major Initiatives

<u>Current Year and Future Years</u>

The District has spent the past year implementing its next generation five year strategic plan, Project Parkway 2.0, under which it will operate for fiscal years ending 2017 through 2021. The District operates on a Mission Statement that focuses on successfully educating all Parkway students and preparing them for the next stage of their lives.

As part of the first generation of Project Parkway, the District initiated its Profession Learning Committees (PLC's). These committees meet for two hours, once a month, to discuss and evaluate the process of delivering the best education to the students in order for them to be more capable, curious and confident learners who understand and respond to the challenges of the ever-changing world.

In addition to the PLC's, the District equipped each of its 33 buildings with Solar Panels for energy efficiencies. It is estimated that the combined savings across the District will be $15,000 in the first year and over the twenty-year term of the lease, the cost savings for all sites is estimated to be $1,200,000.

During the fall of 2011, the District developed an Ad Hoc Budget Review Committee. The purpose was to take a detailed look at the budget and make recommendations to the Board to address the declining reserve balances. It was not sustainable to continue spending down these reserves. As this committee reviewed the budget, the following principals were established:

- Our strategic plan is our roadmap in budgeting;
- We cannot compromise the strategic plan;
- The best approach is a multi-year budget planning;
- Fund balance parameters must be maintained over time;
- Goal is to achieve an 80/20 ratio of personnel to operating expenses (current ratio is 85/15);
- Staffing models must be established and followed;
- Classroom staffing is the priority;
- Cannot compromise professional development in support of all staff;
- The budget process must be transparent.

Under Project Parkway 2.0, Goal 3 is dedicated to the efficient allocation of resources including finances, facilities, personnel and time. The plan includes three measurable objectives and key performance indicators will indicate success or improvements needed. The measurable objectives are as follows:

- Each school, department and program will maintain ethical and fiscally responsible practices to effectively accomplish mission
- All personnel, time and resources will be allocated responsibly and flexibly based on mission related needs of students and the financial reality of the district
- Each school, department and program will successfully integrate environmentally, socially and fiscally sustainable best practices into their area of focus.

The key performance indicators include fund balance growth, evidence of an unqualified audit, successful bond issue elections, maintaining AAA credit rating, capital projects completion on time and on budget, personnel allocation based on targets, energy usage by building, water usage by building, wellness initiatives, etc.

Debt Administration

As of June 30, 2019, long-term general obligation bonds totaled $245,760,000. This is an increase of $38,815,000 from the prior fiscal year. The District has remaining bonded debt capacity of $493,145,930 on June 30, 2019.

Significant Board Policies

The District has entered into agreements with the Parkway National Education Association, the Parkway Registered Nurses' Association and the Communications Workers of America. Each of these agreements dictate the work environment and compensation for the members of each organization.

The Parkway National Education Association is a three year agreement that covers 2017-2018, 2018-2019, and 2019-2020. The Communications Workers of America agreement covers 2018-2019, 2019-2020 and 2020-2021. The Parkway Registered Nurses' Agreement was extended to cover the 2019-2020 fiscal year.

Reserve requirements are set by the Board of Education policy at 17.3% of the current year's operating expenditure budget. These reserves include a 13.5% operating reserve maintained to cover cash flow needs during the first half of the fiscal year and the stabilization reserve of 3.8% of operating expenditures to cover either an unexpected facilities issue or VST program funding issue. The facilities contingency is needed due to the age of District buildings and the documented list of deferred maintenance projects. In order to lessen our need for annual borrowing for Tax Anticipation Notes, the Board has established a policy that operating fund reserves are to grow by at least .75% every three year period.

Independent Audit

The revised statutes of the State of Missouri require that an independent audit be conducted on a biennial basis. The District policy, however, requires that an independent certified public accounting firm conduct an audit annually. This requirement has been satisfied and the opinion of Kerber, Eck & Braeckel, LLP is included in this report.

The District is also required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards, and independent auditors' reports on the internal control over financial reporting and compliance with applicable laws and regulations is included in a separate single audit report and is available at the School District's Administrative Offices for inspection.

Acknowledgments

It is our desire that this report contain the necessary information and data that will provide a better understanding of the operations of the District to the District's Board of Education, outside investors and interested local constituents. It is further hoped that this report has been produced in a manner that all readers will obtain a clear and concise picture of the District's financial condition to enhance our accountability to the public.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been achieved without the efficiency and dedication of the District's Finance Department. Each member of the Finance Department has our sincerest appreciation for their efforts that contributed to the quality of this report. All contributed significantly toward this project and should be very proud of the final product.

We would also like to express our appreciation to the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectively submitted,

PARKWAY C-2 SCHOOL DISTRICT

Dr. Keith Marty
Superintendent

Patricia Bedborough
Chief Financial Officer

Brian Whittle
Director of Finance

COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

PARKWAY C-2 SCHOOL DISTRICT
455 NORTH WOODS MILL ROAD
CHESTERFIELD, MISSOURI 63017
314-415-8100

BOARD OF EDUCATION

Mr. Jeff Todd	President
Ms. Deborah Hopper	Vice-President
Ms. Pam Hill	Director
Ms. Kristy Klein Davis	Director
Dr. Sam Sciortino	Director
Mr. Matthew Schindler	Director
Mr. Kevin Seltzer	Director

GENERAL ADMINISTRATION

Dr. Keith Marty	Superintendent
Dr. Chelsea Watson	Deputy Superintendent
Mr. Kevin Beckner	Assistant Superintendent, Teaching, Learning and Accountability
Dr. Gregory Mathison	Assistant Superintendent, Student Services
Mr. Paul Tandy	Chief Communications Officer
Ms. Amy Joyce	Chief Human Resources Officer

FINANCIAL ADMINISTRATION

Ms. Patty Bedborough	Chief Financial Officer

PARKWAY SCHOOLS
HIGHER EXPECTATIONS. BRIGHTER FUTURES.

Parkway Students /Parents/Community/Schools/Staff

Board of Education

Project Parkway Steering Committee

Admin. Asst./BOE/Superintendent
Nikki Stover

Superintendent
Dr. Keith Marty

Deputy Superintendent
Dr. Chelsea Watson

Assistant Superintendent of Teaching, Learning, and Accountability
Dr. Kevin Beckner

Assistant Superintendent of Student Services
Dr. Gregory Mathison

Chief Financial Officer
Patty Bedborough

Chief Human Resources Officer
Amy Joyce

Chief Communications & Emergency Management Officer
Paul Tandy

Project Parkway Goals and Focus

Elementary and Secondary School (K-12)
Principals
Assistant Principals

Athletics and Activities
Director

Project Parkway Coordination

Program Evaluation Coordination

Curriculum/Related Arts
Curriculum Coordinators
Early Learning (Pre-K)
Director

Professional Learning & Innovation Team
Choice Programs, Director
CTE & World Languages Programs, Coordinator
Fern Ridge & Missouri Options, Coordinator
Talent Development
Coordinator
Technology Integration, Information & Library Media, Coordinator
Technology & Innovation
Director

Customized Learning Team
Coordinators

Student Assessment
Coordinator

CSIP/MSIP
Federal Programs/ Grants/Title
Program Evaluation
Professional Learning Community Coordination

Data Management & Research & Student Registration
Director
Health Services
Director
Pupil Personnel & Diversity
Director
Special Education
Director
Alliance for Healthy Communities
Director
Social Emotional Support Services
Director
Counseling, Guidance and Character Education
Coordinator
Special Services - 504
Coordinator
Student Discipline and Alternative Programs
Coordinator

Budget and Fund Balance Management
Finance
Director
Accounts Payable
Payroll
Financial Reporting
Facilities
Director
Project Planning
Maintenance
Custodial
Food and Nutritional Services
Director
Purchasing & Sustainability
Director
Better Building Challenge
Technology & Innovation
Director
Transportation
Director
Employee Benefits and Staff Wellness
Risk Management
Liability and Workers Comp
Grant Administration and Reporting

Human Resources
Director
Coordinators
Work Calendars
Employee Relations
Operations
Staff Development
Union Contracts
Core Data
Volunteers
Compliance Officer
FMLA
Extra Duty Contracts
Employment Verification of Employment
Parkway Cares
Certification
Student Teachers
Employee Evaluations

Communications & Community Relations
Director of Communications

News Media Relations
Coordinator of Communications

Safety & Emergency Management
Supervisor of Security

Alumni Association
Executive Director

Websites
Digital & Social Media
OASIS Program
Community Partnerships
Custodian of Records

FINANCIAL SECTION

KEB
Kerber, Eck & Braeckel LLP

CPAs and
Management Consultants

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

Independent Auditors' Report

Board of Education
Parkway C-2 School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Parkway C-2 School District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Parkway C-2 School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Parkway C-2 School District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parkway C-2 School District's basic financial statements. The introductory section, supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary 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. 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 introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated November 6, 2019 on our consideration of Parkway C-2 School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Parkway C-2 School District's internal control over financial reporting and compliance.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
November 6, 2019

The Management's Discussion and Analysis (MD&A) of the Parkway C-2 School District's (District) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. The intent of this MD&A is to look at the District's financial performance. Readers should also review the Transmittal Letter, financial statements and the accompanying notes to the financial statements to enhance their understanding of the District's financial performance.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999, and implemented by the District in 2002. It is intended to better communicate the past and current financial position of the District.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2018-2019 include the following:

- Net position increased by $9,972,020 for the year ended June 30, 2019. The net increase was comprised of the following elements:

	Increase (Decrease)
Net investment in capital assets	$ 9,199,396
Restricted for:	
Debt service	(840,558)
Certificated employees' compensation and benefits	659,057
Unrestricted	954,125
Net increase	$ 9,972,020

"Unrestricted net position" increased $954,125 mostly due to operating revenues exceeding operating expenses by $1,936,733 and the proprietary fund increasing by $4,443,059. Those changes were partially offset by an increase in pension expense of $4,455,889 and an increase in other post-employment benefits (OPEB) expense of $1,374,539. Other changes in compensated absences, early retirement payable and postemployment benefits also led to the net change in unrestricted net position.

The amount, "Net investment in capital assets" increased mostly as a result of an increase in assets and a decrease in debt related to capital assets. Capital assets, net of accumulated depreciation increased $5,702,599 while long-term debt related to capital assets less unspent bond funds, increased $38,815,000, unspent bond funds increased by $38,656,339, and small changes in the capital lease obligations and deferred charges on refunding led to a net increase in net investment in capital assets of $9,199,396.

FINANCIAL HIGHLIGHTS (continued)

"Net position restricted for debt service" decreased $840,558 primarily as a result of debt payments exceeding dedicated debt revenue by $558,766. This decrease is part of the long term debt payment plan for the District.

- Total assets and deferred outflows increased by $49,728,629 attributed to the following elements:

	Increase (Decrease)
Cash and investments - restricted and unrestricted	$ 47,640,196
Receivables	1,337,020
Prepaid expenses and inventory items	(963,463)
Capital assets, net of depreciation	5,702,598
Deferred charge on refunding	(907,207)
Deferred OPEB outflows	(1,024,540)
Deferred pension contributions	(2,055,975)
Net decrease	$ 49,728,629

The increase in cash and investments is a result of a few different elements. The biggest contributor to the increase was $59.9 million in general obligation debt issued during the year for capital projects. Approximately $25 million was spent from the capital project fund for bond projects in the current year. That spending was partially offset by a property tax issued for capital projects, as a result, cash at year-end in the capital project fund increased $43.3 million. Cash from the proprietary fund used to account for the District's self-funded medical plan increased $4.5 million. The remainder of the increase is mostly from the operating fund cash and less than $100,000 from the debt service fund.

There was a net increase in capital assets of $5,702,599. This is primarily made up of current year additions of $23,189,857 mainly due to the capital projects activity noted above less $15,974,216 in depreciation. There was an increase in receivables of $1,337,020 this is primarily due to early collection of grant funds in fiscal year 2018 compared to fiscal year 2019.

FINANCIAL HIGHLIGHTS (continued)

- Total liabilities and deferred inflows of resources decreased by $39,756,609 due to the following items:

	Increase (Decrease)
Accounts payable, salaries and other payables	$ (3,526,312)
Claims payable	(337,584)
Unearned revenue	81,022
Interest payable	281,792
Net pension liability	6,043,658
Other postemployment obligation	(2,092,595)
Liabilities due within one year	25,069,101
Liabilities due in more than one year	15,438,677
Pension deferrals	(3,643,744)
OPEB deferrals	2,442,594
Net decrease	$ 39,756,609

The overall increase in liabilities and deferred outflows is primarily a result of the general bond obligation debt issued in 2019. Liabilities due within one year increased due to a $25 million crossover bond refunding payment due next year. Net pension liabilities increase primarily as a result in a change of assumptions. Deferred outflows related to other postemployment obligations increased primarily as a result of changes in assumptions. Deferred outflows related to pension deferrals decreased primarily as a result of changes in assumptions. The changes in assumptions are detailed in Note G and Note H in the notes to the financial statements.

Other financial highlights are as follows:

- The largest source of revenue for the District continues to be locally assessed property taxes. In fiscal year 2019, the assessed valuation decreased $20,304,000 (0.4%) to $4,684,978,070 from the prior year. The collection rate, on a full accrual basis of accounting, decreased to 5.6% from 96.24% in the prior year. The collection rate is lower than our historic collection of around 97.0%. The collection rate remains low due to the settlement of protested taxes. Total property tax revenue received amounted to $198,898,176.

- Other local Ad Valorem tax revenues, such as county stock insurance, M&M surtax, financial institution taxes and locally assessed railroad and utility taxes are collected and distributed by the St. Louis County Department of Revenue. These taxes accounted for $16,235,972 in general revenues. This was an increase of $1,712,569 from the prior year. The increase was primarily a result of an increase in financial institution taxes.

FINANCIAL HIGHLIGHTS (concluded)

- State aid is generated from the State of Missouri's School Foundation Formula and is distributed based on a modified per pupil basis. The District is considered a hold harmless district which means that local proceeds mainly support the District's operations. Hold harmless districts receive a minimum per pupil allocation from the State of Missouri. The per weighted average daily attendance rate for fiscal year 2019 was $562.83. Actual formula funding received was $8,847,452 or $261,364 less than prior year. The decrease is primarily a result of a prior year adjustment reconciling estimated average daily attendance (ADA) used for the 2018 fiscal year payments to actual ADA for the year.

- Total interest income generated in fiscal year 2019 was $2,586,215 or $756,101 higher than prior year. Interest income was higher than the previous year primarily due to a higher interest rate on our depository accounts and higher cash balances due to the bond issue and fund balance growth.

- Charges for services are considered program revenue. The largest revenue source of charges for services is the tuition reimbursement for students living in the City of St. Louis and attending the District. The District received $7,635,466 in tuition revenue from this source, which is a decrease of $255,466 from the prior year. This revenue source is projected to continue to decrease due to the program reducing new entrants. The child nutrition program also was a large contributor to this revenue category. Fees charged for the nutrition program accounted for $4,016,924 in revenue, a decrease of $192,090 from the prior year. Other large sources of program revenues include student activity receipts of $3,720,575. The total increase in charges for services revenue was $1,915,978 from the prior year. The increase is primarily a result of classifying transportation reimbursements from other school districts as charges for services. In prior years, the payments were considered operating grants and contributions.

- Grants and contributions account for $8,445,042 in program revenues. The four largest sources of revenue within this category are the adult education and literacy program, $1,612,474; federally funded child nutrition program, $2,146,245; state reimbursed transportation aid, $1,230,079; the federally funded Title programs, $1,773,165. These four sources generated $6,761,963 in program revenue. Total grants and contributions are $3,369,124 lower than the prior year. The decrease is mostly a result of the classification change for transportation reimbursements and lower federal Title grant awards.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The District uses the Comprehensive Annual Financial Report (CAFR) format to report financial information. This document consists of a series of financial statements and associated notes to those statements. These statements are organized so the reader can understand the District's financial standing. The "Government-wide Financial Statements" Section, consisting of the Statement of Net Position and the Statement of Activities provide highly consolidated financial information and render a government-wide perspective of the District's financial position. The "Fund Financial Statements" Section that follows provides increasingly more detailed information on specific financial activities.

THE DISTRICT AS A WHOLE

The Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities present an aggregate view of the District's financial standing. It also provides a more in depth view of the District's current financial standing than would normally be seen in the Governmental Fund Type statements. These statements include all assets and liabilities using the full accrual basis of accounting. Accrual basis of accounting factors when the funds are used regardless of when the District receives funds or when the District pays for services.

These two statements report the District's net position and changes in that net position. By showing the change in net position, the readers can determine whether the financial condition of the District improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, student enrollment, facility conditions and required educational programs for which little or no funding is provided.

Fund Financial Statements

The District's major funds financial statements provide more in depth information about the District's financial position and results of operations. The District's major funds are the General Fund, Special Revenue Fund, Capital Projects Fund and the Debt Service Fund. These fund statements report governmental activities on a current or short-term basis.

THE DISTRICT AS A WHOLE (continued)

Fund Financial Statements(continued)

Most of the District's activities are reported in governmental funds format. This format focuses on how money flows in and out of these funds and shows the reader the remaining balances left at end of the fiscal year. These funds are reported using the modified accrual basis of accounting. The statements measure cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a short-term view of the District's general governmental operations and the basic services the District provides. Governmental fund information helps the reader determine the changes in financial resources in order to understand what can be spent in the near future. The relationship between governmental activities (as reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities because the District attempts to recover costs through charges to the user. An example of a proprietary fund would be the Internal Service Fund (Self-Funded Health Insurance Plans).

Governmental Activities

As reported in the Statement of Activities on page 19, the cost of the District's governmental activities for the year ended June 30, 2019 was $232,655,544. The Statement of Activities shows the cost of program services, the charges for services and the operating grants and contributions offsetting some of these services. Grants and contributions totaled $8,445,042 and helped pay for certain programs. Charges for services include the following activities; tuition reimbursement, activity fees, fees for school lunches and facility use charges, contributed $21,819,145 towards these programs. The remaining amount was financed primarily by the taxpayers of the District through ad valorem, and property tax revenue totaling $231,193,897. Investment earnings contributed $2,586,215. State aid and unrestricted grants and contributions accounted for $8,847,452. The "net cost" statement, on the following page, determines the remaining cost of the various categories and informs the reader how much each program is funded by proceeds other than charges for services and operating grants and contributions.

THE DISTRICT AS A WHOLE (continued)

Governmental Activities (continued)

Table I compares the Total and Net Costs of Governmental Activities for Fiscal Year ended June 30, 2019 to June 30, 2018.

Table I
Total and Net Costs of Governmental Activities
(in millions)
Year ended June 30,

	2019		2018	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Instructional programs	$ 139.982	$ 130.135	$ 137.113	$ 125.983
Student activities	4.163	0.443	4.421	0.451
Attendance	0.602	0.602	0.646	0.646
Guidance	8.274	8.274	7.755	7.755
Health services	3.029	2.930	2.999	2.973
Improvements of instruction	6.643	6.643	8.083	8.083
Professional development	0.051	0.051	0.027	0.027
Media services	4.570	4.570	4.380	4.380
Board of education	0.403	0.403	0.308	0.308
Executive administration	2.422	2.422	2.377	2.377
Building level administration	18.522	18.522	18.455	18.455
Operation of plant	13.503	13.466	11.901	11.869
Pupil transportation	25.752	24.706	25.757	25.111
Food services	1.413	1.413	1.257	1.257
Business and central services	12.115	8.247	12.185	7.842
Security services	6.297	0.134	6.511	0.117
Adult education	1.553	(0.059)	2.423	0.921
Community services	5.471	1.599	4.376	0.702
Interest and other expenses on long-term debt	8.154	8.154	8.200	8.200
Total	$ 262.919	$ 232.655	$ 259.174	$ 227.457

Note: Net Cost of Services is computed by taking the Total Cost of Services and subtracting Charges for Services and Grants and Contributions.

THE DISTRICT AS A WHOLE (continued)

Governmental Activities (continued)

Table II compares the District's Net Position as of June 30, 2019 to June 30, 2018.

Table II
Condensed Statements of Net Position
(in millions)
June 30,

	2019	2018
ASSETS		
Current and other assets	$ 175.257	$ 127.244
Capital assets	253.002	247.299
Total assets	428.259	374.543
DEFFERRED OUTFLOWS OF RESOURCES	77.793	81.780
LIABILITIES		
Other liabilities	263.979	263.529
Noncurrent liabilities	260.476	219.969
Total liabilities	524.455	483.498
DEFFERED INFLOWS OF RESOURCES	12.983	14.184
NET POSITION		
Net investment in capital assets	86.997	77.797
Restricted	10.026	10.207
Unrestricted	(128.409)	(129.363)
Total net position	$ (31.386)	$ (41.359)

THE DISTRICT AS A WHOLE (concluded)

Governmental Activities (concluded)

Table III compares the Changes in Net Position for fiscal year ended June 30, 2019 to June 30, 2018.

Table III
Changes in Net Position for Government-Wide Activities
(in millions)
Year ended June 30,

	2019	2018
Program revenues		
Charges for services	$ 21.819	$ 19.903
Operating grants and contributions	8.445	11.814
General revenue		
Property taxes and other county taxes	215.134	207.174
Sales taxes	16.060	15.441
State aid	8.847	9.109
Loss on disposal of assets	-	(0.024)
Grants and contributions not restricted	-	0.004
Loss on extinguishment of debt	-	(0.216)
Investment earnings	2.587	1.830
Total revenue	272.892	265.035
Program expenses		
Instructional programs	139.982	137.113
Student activities	4.163	4.421
Attendance	0.602	0.646
Guidance	8.274	7.755
Health	3.029	2.999
Improvements of instruction	6.643	8.083
Professional development	0.051	0.027
Media services	4.570	4.380
Board of education	0.403	0.308
Executive administration	2.422	2.377
Building level administration	18.522	18.455
Operation of plant	13.503	11.901
Pupil transportation	25.752	25.757
Food services	1.413	1.257
Business and central services	12.115	12.185
Security services	6.297	6.511
Adult education	1.553	2.423
Community services	5.471	4.376
Debt service	8.154	8.200
Total expense	262.919	259.174
CHANGE IN NET POSITION	$ 9.973	$ 5.861
Ending net position	$ (31.386)	$ (41.359)

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

District Funds

Total sources of revenue for all governmental funds were $272,891,751 while District expenditures were $285,457,114. As the District completed its fiscal year ended June 30, 2019, the governmental fund balance was $150,314,072 as compared to $102,960,505 on June 30, 2018. The increase was mostly as a result of $59,876,057 general obligation bonds issued in fiscal year 2019.

The General Fund actual revenues were higher than budget by $410,436 or 0.47%. Total actual expenditures for the General Fund were below the revised budget estimates by $1,879,664 or 2.17%. The fund balance of $44,296,815 is $1,277,676 higher than the prior year. The increase is due to the Districts plan to grow operating fund balances.

The Special Revenue Fund actual revenues were over the revised budget by $204,651. Total actual expenditures for the Special Revenue Fund were under revised projections by $471,394. The fund balance of $4,132,404 is $659,057 higher than the prior year. The District combines the General Fund and Special Revenue Fund balance to measure operating fund balances. This is a measure used by the State of Missouri as well. In total the two funds balances as a percent of expenditures grew to 19.82%, an increase of .64%. The District policy calls for growth in operating funds of at least .75% over three years.

The Debt Service Fund actual revenues and other sources of $23,603,601 and expenditures of $24,162,367 resulted in a decrease in the fund balance of $558,766. The District's long-term plans include general obligation bond debt issuance in the future, which will continue to spend down some of the fund balance.

The Capital Projects Fund actual revenues and other financing sources were $70,929,606 while expenditures were $24,954,006, increasing the fund balance by $45,975,600. The increase is a result of a general obligation bond issue for capital projects.

BUDGETING HIGHLIGHTS

The District's budget is prepared according to the Public School Laws of Missouri. During the course of the fiscal year, the School Board has the opportunity to approve budget adjustments on two separate occasions, once in the fall and again in the spring. Missouri Revised Statute 67.030 permits budget amendments to the expenditure budget as long as the changes do not exceed estimated revenues to be received during the year plus the unencumbered balance at the beginning of the fiscal year. The original budget for the School District was adopted June 18, 2018 with amendments being approved on November 14, 2018 and May 8, 2019.

BUDGETING HIGHLIGHTS – (concluded)

Statements showing the District's original and final budget compared with the actual operating results of the District are provided in this Comprehensive Annual Financial Report (CAFR) on pages 62, 63, 67, and 68. The School District's year-end results were slightly better than had been projected, as conservative budgetary practices are customary.

During the fall of each school year, budget amendments are presented to the Board of Education. The main objective of these adjustments is to refine the initial budget based on newly acquired information from the State of Missouri's Department of Elementary and Secondary Education for purposes of revenue projections along with local tax revenues based on projections following the setting of the tax rate. On the expenditure side, adjustments are made to the initial salary and benefit projections to reflect actual salary and staffing levels. In addition, school and program budgets are adjusted to include certain budget surpluses left unspent from the prior year. These amounts are not known at the time the initial budget is developed but have the Board of Education's approval to add them at a later date. Throughout the year, $22,132,437 was added to the budgets within the General, Special Revenue, and Capital Projects Funds. Of this amount, $18,557,755 for increased capital bond project spending as a result of the bond issue, $2,105,050 related to payments for the new general obligation bond issue and $1,469,632 in funds carried forward from the previous year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2019, the District had $519,786,443 invested in land, buildings, furniture, equipment, vehicles, buses and construction projects in process. Of this amount, $266,784,421 has been taken in depreciation. The District currently has a net book value of $253,002,022 or 48.67% of the all capital asset's original cost. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year and depreciation of assets for the year.

During the current year, additions of $23,189,857 of capital assets were capitalized while $7,083,085 were deleted or retired. Depreciation for the year ended June 30, 2019 was $15,974,216. Accumulated depreciation on the retired assets was $5,570,043.

CAPITAL ASSETS AND DEBT ADMINISTRATION – (concluded)

Table IV
Capital Assets
June 30,

	2019	2018
Land and land improvements	$ 34,796,385	$ 34,877,883
Buildings and building improvements	433,037,674	383,607,647
Vehicles and equipment	30,823,167	34,671,948
Construction in progress	21,129,217	50,522,193
Total	$ 519,786,443	$ 503,679,671

Debt Administration

On June 30, 2019, the District had $245,760,000 in outstanding general obligation bonds. These bonds were originally issued for the purpose of capital improvements, building additions, and technology system advancements.

Note: Other long-term obligations include accrued compensated absences, obligations under capital leases, other postemployment benefit obligations and early retirement incentives. More detailed information on capital assets and debt administration can be found in notes D and F of the notes to the basic financial statements beginning on pages 42 and 43, respectively.

Table V
Outstanding Debt
June 30,

	2019	2018
General obligation bonds		
Series 2019	$ 55,000,000	$ -
Series 2017	16,605,000	22,105,000
Series 2016	44,000,000	44,000,000
Series 2015A	21,080,000	22,080,000
Series 2015B	50,000,000	50,000,000
Series 2012	15,655,000	19,705,000
Series 2011	14,420,000	17,010,000
Series 2010	29,000,000	30,000,000
Total	$ 245,760,000	$ 206,945,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The operating budget (which excludes debt service and bond issue) presented to the Board of Education for approval for fiscal year 2019-2020 includes operating revenues of $244,451,374, operating expenditures of $240,732,494 and a transfer to the capital projects fund of $2,570,000. The result is an anticipated operating fund balance gain for fiscal year 2019-2020 of $1,148,880.

As part of the normal budgeting process, long-range projections are developed and continually updated. This process allows the District to determine how much of the available resources can be used for on-going projects, such as new programs or initiatives, versus one-time projects, such as facility repairs.

In addition to balancing the revenue and expenditure budgets, District policy sets two separate and distinct beginning of the fiscal year minimum cash requirements. The first is an operating reserve equal to 13.5% of the original combined operating expenditure budgets. Due to the cyclical nature of District revenues and expenditures, this reserve is designed to cover cash flow needs during the period of October thru December, just prior to the collection of the property tax revenues in late December and January. This reduces the need to do short-term borrowing to cover cash requirements.

The second of the minimum cash requirement reserves is for contingency planning. This reserve is equal to 3.8% of the combined operating expenditure budgets. Due to the age of the buildings within the district, the potential for emergency situations will continue to persist. The District fund balance policy also requires growth in the operating fund balance of .75% every three year period. This requirement is planned growth in the fund balance in order to eliminate the need for short-term borrowing in the future. In addition to emergency funding for facilities, there is also a need to continuously update our bus fleet. The District has been making transfer to the capital projects fund for these purchases as well levying a property tax in the capital projects fund.

There are a few revenue sources that face uncertainty. Those sources include state transportation funds which have been cut over the last few years. These cuts have led to the District using more local funds for transportation. In addition to transportation, the financial institution tax may decrease significantly. That tax will decrease by an unknown amount as ScottTrade left the District due to its purchase by TD Ameritrade. We are projecting a gradual decrease in the revenue received from the Voluntary Student Transfer Program as we are projecting a decrease in enrollment in the program. The ongoing taxpayer protests of their assessed valuation and the resulting reduction of revenues is anticipated to continue. The mechanism that we can use to partially recover these lost revenues is the recoupment process with using our tax rate levies and the calculation process provided by the Missouri State Auditor's Office. Additionally our Title I revenues decreased by almost $500,000 for the 2019 fiscal year and remained at the lower level for the 2020 fiscal year. This decrease in Title I funds is due to the poverty level in the District shrinking.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET – (concluded)

The District's largest expense is salaries and that is followed by benefits. Salary and benefits account for over 85% of the District operating expenditures. Those expenses are directly tied to enrollment which is gradually increasing. Growth in revenue is currently projected to keep up with the growth in expenditures. The District is not increasing the District paid portion of health and dental insurance in the 2020 fiscal year. The increase was not needed due to the positive performance of the self-funded insurance plan. Not increasing the contribution will save the District over $500,000 in fiscal year 2020.

This report is designed to provide our citizens, taxpayers, investors and creditors with a full and complete disclosure of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional copies, they can be obtained by contacting the following people:

Patricia Bedborough Chief Financial Officer	Brian Whittle Director of Finance

PARKWAY C-2 SCHOOL DISTRICT

STATEMENT OF NET POSITION
June 30, 2019

	Governmental activities
ASSETS	
Cash and investments	$ 80,448,057
Restricted cash and investments	85,581,062
Other receivables	
Local	2,699,953
State	2,791,924
Federal	811,728
Prepaid items	2,225,280
Inventories	699,285
Land	3,457,837
Construction in progress	21,129,217
Depreciable capital assets, net of accumulated depreciation	228,414,968
Total assets	**428,259,311**
DEFERRED OUTFLOWS OF RESOURCES	
Deferred OPEB related outflows	8,411,474
Deferred pension outflows	69,381,218
Total deferred outflows of resources	**77,792,692**
LIABILITIES	
Accounts payable	3,445,073
Salaries payable	3,017,284
Medical and dental benefits payable	1,994,265
Unearned revenue	2,185,220
Interest payable	2,860,637
Net pension liability	211,551,174
OPEB liability	38,925,589
Noncurrent liabilities	
Due within one year	43,969,274
Due in more than one year	216,507,168
Total liabilities	**524,455,684**
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	10,540,200
Deferred OPEB related inflows	2,442,594
Total deferred inflows of resources	**12,982,794**
NET POSITION	
Net investment in capital assets	86,996,815
Restricted for:	
Debt service	5,893,582
Certificated employees' compensation and benefits	4,132,404
Unrestricted	(128,409,276)
Total net position	**$ (31,386,475)**

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES
Year ended June 30, 2019

		Program revenues			Net (expense) revenue and changes in net position
Function/Program	**Expenses**	**Charges for services**	**Operating grants and contributions**	**Capital grants and contributions**	**Total Governmental activities**
Governmental activities					
Instruction	$ 139,981,862	$ 7,904,375	$ 1,942,035	$ -	$ (130,135,452)
Student activities	4,163,378	3,720,575	-	-	(442,803)
Attendance	601,932	-	-	-	(601,932)
Guidance	8,274,316	-	-	-	(8,274,316)
Health services	3,028,579	26,882	71,596	-	(2,930,101)
Improvement of instruction	6,642,597	-	-	-	(6,642,597)
Professional development	51,263	-	-	-	(51,263)
Media services	4,570,001	-	-	-	(4,570,001)
Board of Education services	402,685	-	-	-	(402,685)
Executive administration	2,421,702	-	-	-	(2,421,702)
Building level administration	18,522,172	-	-	-	(18,522,172)
Business and central services	13,502,424	36,206	-	-	(13,466,218)
Operation of plant	25,752,151	448,554	597,830	-	(24,705,767)
Security services	1,413,472	-	-	-	(1,413,472)
Pupil transportation	12,115,426	2,638,361	1,230,079	-	(8,246,986)
Food services	6,297,332	4,016,924	2,146,245	-	(134,163)
Adult basic education	1,553,378	-	1,612,474	-	59,096
Community services	5,470,746	3,027,268	844,783	-	(1,598,695)
Debt service					
Interest and other expenses	8,154,315	-	-	-	(8,154,315)
Total governmental activities	**$ 262,919,731**	**$ 21,819,145**	**$ 8,445,042**	**$ -**	**(232,655,544)**
General revenues					
Taxes					
Property and all other Ad Valorem taxes					215,134,148
Sales taxes					16,059,749
State aid					8,847,452
Investment earnings					2,586,215
Total general revenues					**242,627,564**
CHANGE IN NET POSITION					**9,972,020**
Net position at July 1, 2018					(41,358,495)
Net position at June 30, 2019					$ (31,386,475)

The accompanying notes are an integral part of this statement.

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and investments	$ 42,258,166	$ 1,957,545	$ 7,613,746	$ 10,334,211	$ 62,163,668
Restricted cash and investments	-	-	28,457,440	57,123,622	85,581,062
Other receivables					
Local	2,125,627	461,310	88,033	24,983	2,699,953
State	159,358	2,632,566	-	-	2,791,924
Federal	811,728	-	-	-	811,728
Prepaid items	2,225,280	-	-	-	2,225,280
Inventories	699,285	-	-	-	699,285
Total assets	**$ 48,279,444**	**$ 5,051,421**	**$ 36,159,219**	**$ 67,482,816**	**$ 156,972,900**
LIABILITIES					
Accounts payable	$ 1,606,232	$ 263	$ -	$ 1,757,182	$ 3,363,677
Salaries payable	2,098,530	918,754	-	-	3,017,284
Unearned revenue	277,867	-	-	-	277,867
Total liabilities	**3,982,629**	**919,017**	**-**	**1,757,182**	**6,658,828**
FUND BALANCES					
Non-spendable					
Prepaid items	2,225,280	-	-	-	2,225,280
Inventory	699,285	-	-	-	699,285
Restricted					
Teachers' salaries and benefits	-	4,132,404	-	-	4,132,404
Debt service	-	-	36,159,219	-	36,159,219
Capital improvements	-	-	-	56,152,760	56,152,760
Assigned					
Other capital projects	-	-	-	9,572,874	9,572,874
Student activities	1,431,068	-	-	-	1,431,068
Unassigned	39,941,182	-	-	-	39,941,182
Total fund balances	**44,296,815**	**4,132,404**	**36,159,219**	**65,725,634**	**150,314,072**
Total liabilities and fund balances	**$ 48,279,444**	**$ 5,051,421**	**$ 36,159,219**	**$ 67,482,816**	**$ 156,972,900**

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION
June 30, 2019

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

Total fund balance - governmental funds		**$**	**150,314,072**
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $519,786,443 and the accumulated depreciation is $266,784,421			253,002,022
To recognize interest accrued on general obligation bonds and obligations under capital leases			(2,860,637)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position			14,301,375
Certain deferred outflows and inflows represent a consumption or acquisition of net position in a future period and, therefore, are not reported in the governmental funds.			
Deferred pension outflows			69,381,218
Deferred OPEB related outflows			8,411,474
Deferred pension inflows			(10,540,200)
Deferred OPEB related inflows			(2,442,594)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds as follows:			
General obligation bonds, net	(257,750,317)		
Share of state net pension obligation	(211,551,174)		
Compensated absences	(1,135,585)		
Early retirement payable	(205,016)		
OPEB obligation	(38,925,589)		
Capital lease obligation	(1,385,524)		(510,953,205)
Total			
Total net position - governmental activities		**$**	**(31,386,475)**

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended June 30, 2019

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
Revenues					
Local	$ 73,978,999	$ 134,280,775	$ 22,214,648	$ 7,568,253	$ 238,042,675
County	1,149,342	2,274,297	641,617	146,897	4,212,153
State	2,743,802	9,139,065	-	-	11,882,867
Federal	3,761,100	1,050,698	-	-	4,811,798
Interest	1,284,393	34,005	747,336	520,482	2,586,216
Other - student activities	3,402,659	-	-	317,917	3,720,576
VICC - cost reimbursement	2,290,640	5,344,826	-	-	7,635,466
Total revenues	**88,610,935**	**152,123,666**	**23,603,601**	**8,553,549**	**272,891,751**
Expenditures					
Current					
Instruction	8,729,850	121,045,689	-	326,507	130,102,046
Student activities	3,611,944	182,236	-	133,710	3,927,890
Attendance	420,555	180,570	-	-	601,125
Guidance	1,099,340	7,163,867	-	-	8,263,207
Health services	2,889,738	130,169	-	4,606	3,024,513
Improvement of instruction	1,630,495	4,789,579	-	45,336	6,465,410
Professional development	51,135	128	-	-	51,263
Media services	683,559	3,874,277	-	6,030	4,563,866
Board of Education services	402,685	-	-	-	402,685
Executive administration	1,682,843	732,856	-	1,416	2,417,115
Building level administration	7,272,613	11,141,254	-	36,641	18,450,508
Business and central services	10,300,820	415,556	-	1,843,759	12,560,135
Operation of plant	23,235,859	-	-	1,068,634	24,304,493
Security services	1,411,574	-	-	-	1,411,574
Pupil transportation	10,170,674	-	-	1,322,159	11,492,833
Food services	6,235,024	-	-	-	6,235,024
Adult basic education	1,534,898	-	-	-	1,534,898
Community services	3,471,311	1,808,428	-	94,621	5,374,360
Capital outlay	-	-	-	19,429,528	19,429,528
Debt service					
Principal retirement	-	-	16,185,000	-	16,185,000
Interest	41,215	-	7,972,135	36,856	8,050,206
Other	-	-	5,232	604,203	609,435
Total expenditures	**84,876,132**	**151,464,609**	**24,162,367**	**24,954,006**	**285,457,114**
Excess of revenues over (under) expenditures	**3,734,803**	**659,057**	**(558,766)**	**(16,400,457)**	**(12,565,363)**
Other financing sources (uses)					
Transfers	(2,500,000)	-	-	2,500,000	-
Sale of general obligation bonds	-	-	-	55,000,000	55,000,000
Premium on issuance of bonds	-	-	-	4,876,057	4,876,057
Proceeds from sale of other property	42,873	-	-	-	42,873
Total other financing sources (uses)	(2,457,127)	-	-	62,376,057	59,918,930
NET CHANGE IN FUND BALANCE	**1,277,676**	**659,057**	**(558,766)**	**45,975,600**	**47,353,567**
Fund balances at July 1, 2018	43,019,139	3,473,347	36,717,985	19,750,034	102,960,505
Fund balances at June 30, 2019	$ 44,296,815	$ 4,132,404	$ 36,159,219	$ 65,725,634	$ 150,314,072

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES
Year ended June 30, 2019

Net change in fund balances - total governmental funds		**$ 47,353,567**
Capital outlays are reported as expenditures in the governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital asset purchases	23,189,857	
Depreciation expense	(15,974,216)	
		7,215,641
The governmental funds report debt (e.g. bonds) proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items is as follows:		
Proceeds from bond issue	(55,000,000)	
Repayment of bond principal	16,185,000	
Repayment of capital lease obligation	425,136	
Bond issuance premium	(4,876,057)	
Amortization on bond premium	1,694,325	
Total		(41,571,596)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:		
Decrease in compensated absences		366,666
Decrease in early retirement		697,152
Net increase in accrued interest		(281,792)
Pension expense		(4,455,889)
Deferred charge on refunding		(907,207)
OPEB expense		(1,374,539)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		4,443,059
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these assets.		
Loss on disposal of capital assets		(1,513,042)
Change in net position of governmental activities		**$ 9,972,020**

The accompanying notes are an integral part of this statement.

STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2019

		Governmental Activities - Internal Service Fund
CURRENT ASSETS		
Cash	**$**	**18,284,389**
CURRENT LIABILITIES		
Accounts payable		81,396
Medical and dental benefits payable		1,994,265
Unearned revenue		1,907,353
Total liabilities		**3,983,014**
NET POSITION		
Unrestricted	**$**	**14,301,375**

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND
Year ended June 30, 2019

	Governmental Activities - Internal Service Fund
Operating revenues	
Contributions by employees	$ 8,825,775
Contributions by employer	25,735,047
Other income	2,286,791
Total operating revenues	**36,847,613**
Operating expenses	
Claims	29,504,219
Excess loss insurance	928,385
Administrative	1,708,028
Other	263,922
Total operating expenses	**32,404,554**
CHANGE IN NET POSITION	**4,443,059**
Net position at July 1, 2018	9,858,316
Net position at June 30, 2019	$ 14,301,375

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS - PROPRIETARY FUND
Year ended June 30, 2019

		Governmental Activities - Internal Service Fund
Cash flows from operating activities		
Cash received from employer contributions	$	8,878,675
Cash received from employee contributions		25,835,783
Cash received from insurance		2,286,791
Cash payments to suppliers for claims and services		(32,680,742)
NET CASH PROVIDED BY OPERATING ACTIVITIES AND INCREASE IN CASH		**4,320,507**
Cash at July 1, 2018		13,963,882
Cash at June 30, 2019	**$**	**18,284,389**
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$	4,443,059
Change in accounts payable		61,396
Change in medical and dental benefits payable		(337,584)
Change in unearned revenue		153,636
Net cash provided by operating activities	**$**	**4,320,507**

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Parkway C-2 School District (the "District") is a political subdivision of the State of Missouri and operates under the regulations pursuant to Section 162.092 RSMo of the Public School Laws of Missouri, which designates a Board of Education to act as the governing authority. The District provides educational services to primarily prekindergarten through high school residents.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

1. Principles Determining the Scope of Reporting Entity

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

2. Fund Accounting

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

2. Fund Accounting (continued)

Governmental Funds

Governmental funds are those through which most functions of the District are financed. The District's expendable financial resources (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds. The measurement focus is based upon determination of changes in the financial position rather than upon net income determination. Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's governmental funds, each of which the District considers to be a major fund:

General (Incidental) Fund

This fund is the general operating fund of the District and accounts for expenditures for noncertified employees, pupil transportation costs, operation of plant, fringe benefits, student body activities, community services, the food service program, and any expenditure not required or permitted to be accounted for in other funds.

Special Revenue (Teachers') Fund

The Special Revenue (Teachers') Fund is a special revenue fund which accounts for expenditures for certified employees involved in administration and instruction, and includes revenues restricted, committed or assigned for the payment of teachers' salaries and certain benefits.

Debt Service Fund

This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest and fiscal charges on certain long-term debt.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

2. Fund Accounting (concluded)

Capital Projects Fund

This fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

Proprietary Funds

The Proprietary Fund is used to account for the District's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The District's Proprietary Fund is:

Internal Service Fund

This fund accounts for the proceeds from contributions for the payment of claims and the liabilities associated with the District's self-insurance activities (primarily medical and dental benefits). Expenses include claims paid, direct insurance payments and administrative fees. A liability for estimated claims incurred but not reported is recorded in this fund.

3. Fund Balances – Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to limitations imposed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through ordinances approved by the Board. The District does not have any committed fund balances.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

3. Fund Balances – Governmental Funds (concluded)

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's adopted policy, amounts may be assigned by the Chief Financial Officer.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, a negative unassigned fund balance may be reported. The District's policy requires a minimum unassigned fund balance of 17.3% of total operating expenditures in order to cover unexpected expenditures and revenue shortfalls.

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

The details of the fund balances are included in the Balance Sheet – Governmental Funds.

4. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

4. Basis of Presentation (concluded)

Government-Wide Financial Statements (concluded)

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

Fund Financial Statements

The fund financial statements provide detailed information about the District's funds. The emphasis of fund financial statements is on *major* governmental funds. Each fund is displayed in a separate column. The internal service fund total is presented in a single column on the face of the proprietary fund statement.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are the balance sheet, which generally include only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

5. Basis of Accounting

Basis of accounting determines when transactions are reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting at the fund level. Proprietary funds also use the accrual basis of accounting at both reporting levels.

Revenues – Exchange and Non-Exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, sales tax, interest, tuition, grants, student fees and rentals.

Unearned Revenue – unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received, (i.e., cash advances) before eligibility requirements are met are recorded as unearned revenues.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

5. Basis of Accounting (concluded)

***Expenses/Expenditures* –** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds at the fund reporting level.

6. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and are payable by December 31. The County collects the property tax and remits it to the District. An allowance for uncollectible taxes has been provided for delinquent taxes.

At the fund reporting level, property tax revenues are recognized when they become measurable and available. Available includes those property tax receivables expected to be collected within sixty (60) days after year end. Revenue recognition of delinquent property taxes not collected within sixty (60) days of fiscal year end is deferred.

The District also receives sales tax collected by the State and remitted based on prior year weighted average daily attendance. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The voters in the District approved a waiver of this tax rollback.

The assessed valuations of the tangible taxable property for the calendar years 2019 and 2018 for purposes of local taxation were $4,684,978,070 and $4,705,282,070, respectively.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

6. Property Taxes (concluded)

The tax levy per $100 of assessed valuation of tangible taxable property for the calendar years 2018 and 2017 for purposes of local taxation were:

	December 31,	
	2019	2018
General Fund	$ 1.3116	$ 1.3003
Special Revenue Fund	2.4359	2.4146
Debt Service Fund	0.4900	0.4900
Capital Projects Fund	0.1497	0.0500
Total	$ 4.3872	$ 4.2549

The receipts of current property taxes during the fiscal year ended June 30, 2019, aggregated approximately 95.6% of the current assessment computed on the basis of the levy as shown above.

7. Pooled Cash and Temporary Investments

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

The District may invest in bonds of the State of Missouri, of the United States, or any wholly-owned corporation of the United States; or in other short-term obligations of the United States.

Investments in external investment pools are stated at amortized cost, which approximates fair value.

Interest income earned is allocated to contributing funds based on each funds' proportionate share of funds invested.

For purposes of the statement of cash flows, the District's internal service fund considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

8. Restricted Cash and Investments

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

9. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2019, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

10. Inventory

Inventories are stated at cost, on a first-in, first-out (FIFO) basis, and are expensed when used.

11. Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of one thousand dollars for each individual asset for inventory control purposes and five thousand dollars for financial reporting purposes.

The cost of normal maintenance and repairs that do not add value to the asset or materially extend the asset's life are not capitalized.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

11. Capital Assets (concluded)

Major outlays for capital assets and improvements are capitalized as projects are constructed and placed in service. Improvements are depreciated over the remaining useful lives of the related capital assets. Except for land and construction in progress, all reported capital assets are depreciated. Depreciation is calculated using the straight-line method over the following useful lives:

Land Improvements	20 years
Buildings and improvements	20 - 50 years
Vehicles and equipment	7 - 20 years

12. Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statements of net position. The District reported two deferred outflows of resources in this year's financial statements. The two are deferred outflows of resources for contributions made to the District's defined benefit pension plans and the OPEB plan between the measurement date of the net liabilities from those plans and the end of the District's fiscal year. Additionally, the net difference between projected and actual earnings and changes in assumptions in the plans are required to be reported as deferred outflows of resources. No deferred outflows of resources affect the governmental funds financial statements in the current year.

13. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for this amount is reported in governmental funds only after they become payable, for example, as a result of employee resignations and retirements.

14. Accrued Liabilities, Early Retirement, and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Accrued Liabilities, Early Retirement, and Long-Term Obligations (concluded)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, special termination benefits, claims and judgments, and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds, capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Individuals who retire with thirty years in the Missouri Public School Retirement System are entitled to a fixed retirement bonus if they provide certain nominal services over the first four to five years of their retirement. The liability for those benefits in the government-wide financial statements is recorded at the time of retirement.

15. Deferred Inflows of Resources

The District's statements of net position and its governmental fund balance sheet report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). Deferred inflows of resources are reported in the District's statement of net position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense and changes in assumptions for the OPEB plan. This deferred inflow of resources is attributed to pension and OPEB expense over multiple years, including the current year. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

16. Net Position

Net position is displayed in three components. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition, construction or improvement of those assets, net of any unspent bond proceeds, plus deferred amounts on refundings resulting from advance refundings. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by regulators, grantors or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first.

17. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the goods and services that are the primary activity of the fund. All revenues and expenses not meeting this definition are recorded as nonoperating revenues and expenses.

18. Interfund Activity

Interfund transfers are reported as other financing sources (uses) in governmental funds. The District transferred $2,500,000 to the Capital Projects Fund from the General Fund during year ended June 30, 2019. The purpose of the transfer is to build the capital projects fund balance in order to fund future capital needs such as new buses.

19. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from these estimates.

NOTE B – CASH AND INVESTMENTS

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

NOTE B – CASH AND INVESTMENTS (continued)

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2019, the carrying amount of the deposits under District control was $117,686,029 and the bank balance was $120,634,591. All of the District's deposits were covered by federal depository insurance or collateral held by the District or by its agent in the name of the District.

Investments

The District may purchase any investments allowed by the State Treasurer. 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. As of June 30, 2019, the District had the following investments and maturities.

	Fair	Investment Maturities	
Type	Value	0 to 1 year	1 to 3 years
External investment pools -MOSIP	$ 8,011	$ 8,011	$ -
U.S. Government and agency securities	28,457,441	28,457,441	-
Commercial Paper	19,873,458	19,873,458	-
	$ 48,338,910	$ 48,338,910	$ -

Investments in external investment pools are stated at amortized cost, which approximates fair value. A separate financial report for the MOSIP external investment pool program can be obtained from PFM Asset Management LLC, 77 West Port Plaza Drive, Suite 220, St. Louis, Missouri 63146. The MOSIP program is exempt from regulatory oversight as it is a local Government Investment Pool.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The fair market value of U.S. Government and agency securities is valued using level 1 inputs and commercial paper is valued using Level 2 inputs.

NOTE B – CASH AND INVESTMENTS (continued)

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in U.S. government agency securities were rated Aaa (long-term) or Aa2 by Moody's Investors Service. The District's investment in MOSIP is rated AAAm and the District's investments in Commercial Paper was rated A1 by Moody's Investors Service.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of the total investments (excluding investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investment pools and other pooled investments). At June 30, 2019, the District has the following concentrations of credit risk required to be disclosed:

Issuer	Investment Type	Fair Value	Percentage
Banco Santander SA/NY	Commercial Paper	$ 4,968,250	10%
Natixis NY Branch	Commercial Paper	$ 4,968,782	10%
MUFG Bank Ltd/NY	Commercial Paper	$ 4,968,024	10%
Bennington Stark Cap Co	Commercial Paper	$ 4,968,403	10%

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy regarding the custody of its cash and investments. As of June 30, 2019, the District's investments were held by the investment's counterparty.

NOTE B – CASH AND INVESTMENTS (concluded)

Summary

The cash deposits and investments are summarized and presented in the financial statements as follows as of June 30, 2019:

Cash on hand	$ 4,180
Carrying amount of deposits	117,686,029
Investments	48,338,910
	$ 166,029,119
Cash and investments - governmental funds	$ 62,163,668
Restricted cash and investments - governmental funds	85,581,062
Cash - proprietary funds	18,284,389
Total reporting entity	$ 166,029,119

The District has funds invested in MOSIP. All funds in this program are invested in accordance with Section 165.061 RSMo. Each school district owns a pro rata share of each investment, which is held in the name of the Fund.

NOTE C – TAXES RECEIVABLE

The District had no property taxes receivable as of June 30, 2019.

NOTE D – CAPITAL ASSETS

The following is a summary of changes occurring in capital assets for the year ended June 30, 2019:

	Balance July 1, 2018	Transfers	Additions	Deletions	Balance June 30, 2019
Governmental activities					
Capital assets that are not depreciated					
Land	$ 3,457,837	$ -	$ -	$ -	$ 3,457,837
Construction in progress	50,522,193	(49,612,160)	21,614,075	1,394,891	21,129,217
Capital assets that are depreciated					
Land improvements	31,420,046	7,011	32,891	121,400	31,338,548
Buildings	164,857,542	-	-	-	164,857,542
Building improvements	218,750,105	49,605,149	-	175,122	268,180,132
Vehicles and equipment	34,671,948	-	1,542,891	5,391,672	30,823,167
Totals at estimated historical cost	503,679,671	-	23,189,857	7,083,085	519,786,443
Accumulated depreciation					
Land improvements	14,348,037	-	1,469,017	107,236	15,709,818
Buildings	115,068,402	-	1,456,363	-	116,524,765
Building improvements	105,422,864	-	10,494,911	113,673	115,804,102
Vehicles and equipment	21,540,945	-	2,553,925	5,349,134	18,745,736
Total accumulated depreciation	256,380,248	-	15,974,216	5,570,043	266,784,421
Governmental activities capital assets, net	$ 247,299,423	$ -	$ 7,215,641	$ 1,513,042	$ 253,002,022

Depreciation was charged to functions of the District at follows:

Instruction	$ 9,702,837
Student activities	230,208
Improvement of instruction	168,496
Executive administration	1,338
Building level administration	46,860
Business services	925,404
Operation of plant	3,835,664
Transportation	901,762
Food service	53,926
Community services	107,721
	$ 15,974,216

No interest was capitalized during 2019; interest incurred and charged to expenses totaled $8,050,206.

NOTE E – TAX ANITICIPATION NOTE

The District issues tax anticipation notes to provide funds for the use of operations due to timing of property tax collections. The District issued and redeemed $19,000,000 in a tax anticipation note during the year ended June 30, 2019.

NOTE F – CHANGES IN LONG-TERM LIABILITIES

The following is a summary of changes occurring in long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts due within one year
Governmental activities					
Bonds payable					
General obligation bonds	$ 206,945,000	$ 55,000,000	$ (16,185,000)	$ 245,760,000	$ 42,325,000
Deferred amounts for issuance premium	8,808,585	4,876,057	(1,694,325)	11,990,317	-
Total bonds payable, net	215,753,585	59,876,057	(17,879,325)	257,750,317	42,325,000
Obligations under capital leases	1,810,660	-	(425,136)	1,385,524	366,688
Compensated absences	1,502,251	2,236,298	(2,602,964)	1,135,585	1,135,585
Early retirement payable	902,168	90,993	(788,145)	205,016	142,001
Total governmental activity long-term liabilities	$ 219,968,664	$ 62,203,348	$ (21,695,570)	$ 260,476,442	$ 43,969,274

Payments on the general obligation bonds are made by the Debt Service Fund. The obligations under capital leases are paid by the General Fund or the Capital Projects Fund. The compensated absences and early retirement will be liquidated by the fund in which the employee's salary was charged.

NOTE F – CHANGES IN LONG-TERM LIABILITIES (continued)

Bonds Payable

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

Bonds payable consist of the following at June 30, 2019:

Date Issued	Maturity Date	Rate of Interest	Original Issue Amount	Balance at June 30, 2019
11/10/10	3/1/2020	2.50% - 5.35%	$ 34,000,000	$ 29,000,000
9/21/11	3/1/2024	2.00% - 4.00%	27,120,000	14,420,000
3/14/12	3/1/2022	2.00% - 5.00%	25,220,000	14,965,000
9/6/12	3/1/2020	1.00% - 3.00%	6,250,000	690,000
3/4/15	3/1/2025	1.50% - 5.00%	27,080,000	21,080,000
3/25/15	3/1/2035	3.00% - 4.00%	50,000,000	50,000,000
10/12/16	3/1/2036	2.125% - 3.00%	44,000,000	44,000,000
10/11/17	3/1/2023	2.00% - 5.00%	27,405,000	16,605,000
4/9/19	3/1/2039	3.00% - 5.00%	55,000,000	55,000,000
			$ 296,075,000	$245,760,000

The annual requirements to amortize bonded debt outstanding as of June 30, 2019, are as follows:

	Principal	Interest	Total
Year ending June 30,			
2020	$ 42,325,000	$ 9,293,129	$ 51,618,129
2021	14,670,000	7,447,750	22,117,750
2022	13,800,000	6,742,775	20,542,775
2023	11,940,000	6,081,615	18,021,615
2024	9,655,000	5,579,775	15,234,775
2025-2029	30,080,000	21,931,776	52,011,776
2030-2034	61,150,000	15,835,858	76,985,858
2035-2039	62,140,000	5,558,583	67,698,583
	$ 245,760,000	$ 78,471,261	$ 324,231,261

NOTE F – CHANGES IN LONG-TERM LIABILITIES (continued)

Early Extinguishment and Advanced Refundings

In prior years, the District defeased certain general obligation bonds by placing the proceeds of the new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the District's financial statements. As of June 30, 2019, the total debt outstanding that is considered to be defeased is $35,810,000.

Cross Over Refunding

On October 11, 2017, the District issued general obligation refunding bonds in the amount of $27,405,000. The proceeds of the bond issue will be used to refund part of the District's Series 2010 Build America Bonds. The District will refund $28,000,000 on March 1, 2020.

Legal Debt Margin

Article VI, Section 26(b), Constitution of Missouri, limits the outstanding amount of authorized general obligation bonds of a District to fifteen (15%) percent of the assessed valuation of the District (including State assessed railroad and utility). The legal debt margin, computed excluding the assessed valuation of State assessed railroad and utilities, of the District at June 30, 2019, was:

Constitutional debt limit	$ 702,746,711
General obligation bonds payable	(245,760,000)
Amount available in Debt Service Fund	36,159,219
Legal debt margin	$ 493,145,930

NOTE F – CHANGES IN LONG-TERM LIABILITIES (concluded)

Capital Lease Payable

The District leases certain equipment under agreements classified as capital leases. The cost for such equipment as of June 30, 2019 was $4,213,952 and the accumulated depreciation was $2,366,035.

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2019.

Year ending June 30,	
2020	$ 395,305
2021	328,981
2022	328,981
2023	284,419
2024	119,928
Total future minimum lease payments	1,457,614
Less amount representing interest	71,729
Present value of future minimum lease payments	$ 1,385,885

NOTE G – RETIREMENT PLAN

Public School and Education Employee Retirement Systems of Missouri

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

Plan Description

PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of 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.

NOTE G – RETIREMENT PLAN (continued)

Plan Description (concluded)

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.

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

Benefits Provided

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of 5 years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Beginning July 1, 2001, and ending July 1, 2014, a 2.55% benefit factor is used to calculate benefits for members who have 31 or more years of service. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

NOTE G – RETIREMENT PLAN (continued)

Benefits Provided (concluded)

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.

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

Cost-of-Living Adjustments ("COLA")

If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. If the CPI decreases, no COLA is provided. For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2017, 2018 and 2019. 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.

NOTE G – RETIREMENT PLAN (continued)

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2017, 2018, and 2019. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were $18,403,716 and $2,706,540, respectively, for the year ended June 30, 2019.

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

At June 30, 2019, the District recorded a liability of $193,124,303 for its proportionate share of PSRS' net pension liability and $18,426,871 for its proportionate share of PEERS' net pension liability. In total, the District recorded net pension liabilities of $211,551,174. The net pension liability for the plans in total was measured as of June 30, 2018 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $18,091,793 and $2,721,961, respectively, for the year ended June 30, 2018, relative to the actual contributions of $697,214,371 for PSRS and $114,141,743 for PEERS from all participating employers. At June 30, 2018, the District's proportionate share was 2.5949% for PSRS and 2.3847% for PEERS.

For the year ended June 30, 2019, the District recognized pension expense of $21,961,125 for PSRS and $3,605,022 for PEERS, its proportionate share of the total pension expense.

NOTE G – RETIREMENT PLAN (continued)

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

At June 30, 2019, the District reported deferred outflows of resources from the following sources related to PSRS and PEERS pension benefits:

	Deferred Outflows of Resources		
Balance of Deferred Outflows due to:	PSRS	PEERS	District Total
Differences between expected and actual experience	$ 10,059,986	$ 26,373	$ 10,086,359
Changes in assumptions	35,246,668	2,839,456	38,086,124
Net difference between projected and actual earnings on pension plan investments	(1,626,947)	(249,949)	(1,876,896)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,973,262	2,113	1,975,375
Employer contributions subsequent to the measurement date	18,403,716	2,706,540	21,110,256
Total	$ 64,056,685	$ 5,324,533	$ 69,381,218

At June 30, 2019, the District reported deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	Deferred Inflows of Resources		
Balance of Deferred Inflows due to:	PSRS	PEERS	District Total
Differences between expected and actual experience	$ 9,110,890	$ 431,673	$ 9,542,563
Changes in proportion and differences between Employer contributions and proportionate share of contributions	671,140	326,497	997,637
Total	$ 9,782,030	$ 758,170	$ 10,540,200

NOTE G – RETIREMENT PLAN (continued)

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

Deferred outflows of resources to PSRS and PEERS resulting from contributions subsequent to the measurement date of June 30, 2018 will be recognized as a reduction to the net pension liability in the year ended June 30, 2020.

Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized annually in pension expense as follows for the year ending June 30,:

	PSRS	PEERS	District Total
2020	$ 17,527,016	$ 1,980,344	$ 19,507,360
2021	10,646,658	969,742	11,616,400
2022	(2,163,804)	(873,251)	(3,037,055)
2023	6,119,041	(217,013)	5,902,028
2024	3,603,162	-	3,603,162
Thereafter	138,865	-	138,865
	$ 35,870,938	$ 1,859,822	$ 37,730,760

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about the probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.6% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.60% to 7.50%. Significant actuarial assumption and methods, including changes from the prior year, are detailed below. For additional information please refer to the Systems' Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2021.

NOTE G – RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

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

Measurement Date – June 30, 2018

Valuation Date – June 30, 2018

Expected Return on Investments – 7.50% net of investment expenses and including 2.25% inflation.

Inflation – 2.25%

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

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

Future Salary Increases PSRS – 3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of health care costs in pension earnings, and .25% of real wage growth due to productivity.

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

Cost-of-Living Increases PSRS & PEERS – The annual COLA assumed in the valuation increases from 1.25% to 1.65% over eight years, beginning January 1, 2020. The COLA reflected for January 1, 2019 is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.85% to a normative inflation assumption of 2.25% over eight years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

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

NOTE G – RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

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

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

- If the CPI decreases, no COLA is provided.

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

Morality Assumption –

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

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

Nondisabled Retirees, Beneficiaries and Survivors PSRS - RP 2006 White Collar Employee Mortality Table, with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

Nondisabled Retirees, Beneficiaries and Survivors PEERS - RP 2006 Total Dataset Employee Mortality Table, with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

Disabled Retirees - RP 2006 Disabled Retiree Mortality Table with static projection to 2028 using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods PSRS and PEERS – The investment return assumption was lowered from 7.60% to 7.50% per year at the October 29, 2018 meeting.

NOTE G – RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

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

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2018 are summarized below along with the long-term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminated the effects created by cash flows.

Asset Class	Target Asset Allocation	Long-term Expected Real Return Arithmetic Basis	Weighted Long-Term Expected Real Return Arithmetic Basis
U.S. Public Equity	27.00%	5.16%	1.39%
Public Credit	7.00%	2.17%	0.15%
Hedged Assets	6.00%	4.42%	0.27%
Non-U.S. Public Equity	15.00%	6.01%	0.90%
U.S. Treasuries	16.00%	0.96%	0.15%
U.S. TIPS	4.00%	0.80%	0.03%
Private Credit	4.00%	5.60%	0.22%
Private Equity	12.00%	9.86%	1.18%
Private Real Estate	9.00%	3.56%	0.32%
Total	100.00%		4.61%
		Inflation	2.25%
		Long Term arithmetical nominal return	6.86%
		effect of covariance matrix	0.64%
		Long term expected geometric return	7.50%

NOTE G – RETIREMENT PLAN (concluded)

Actuarial Assumptions (continued)

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.5% as of June 30, 2018, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.6% effective with the June 30, 2017 valuation, and to 7.5% effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarial accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The sensitivity of the District's net pension liability to changes in the discount rate is presented below. The District's net pension liability calculated using the discount rate of 7.50% is presented as well as the net pension liability using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

	1% Decrease	Current Rate	1% Increase
Discount Rate	6.50%	7.50%	8.50%
Proportionate Share of the Net Position Liability			
PSRS	$ 346,189,748	$ 193,124,303	$ 65,910,952
PEERS	$ 34,699,890	$ 18,426,871	$ 4,778,754

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

In addition to providing the pension benefits described above, the District provides continuation of medical, dental and vision insurance coverage, including prescription drugs to employees who are eligible for normal or early retirement under PSRS or PEERS under a single employer plan. Retirees may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death. The District does not have a trust for this plan, and the plan does not issue a standalone report. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since the retirees pay the premium for each year, the District's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. Administrators who are eligible for normal or early retirement receive a subsidy for the employee portion of their premium depending on years of service with the District. The administrative retirees with 10 to 15 years of service receive the subsidy for one year, those with 15-25 years receive the subsidy for two years and those with more than 25 years receive the subsidy for 3 years.

Employees covered by benefit terms at January 1, 2019:

Participants as of January 1, 2019

	Number	Average Age	Average Service
Actives	2,377	45.2	10.3
Inactive Plan Participants	680	68.4	
Total	3,057		

Contributions

The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis. The implicit rate is the difference between the calculated claims cost and the premiums paid by retirees. The District determines contribution requirements and may be amended by the District. For fiscal year 2019, claims paid for retirees totaled $5,239,563. Retirees contributed $3,526,894 through premiums, the remaining $1,712,669 was paid by the District.

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Total OPEB Liability

The District's total OPEB liability of $38,925,589 was measured as of December 31, 2018, and the total liability used to calculate the total OPEB was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Inflation – 2.50% long-term inflation, 1.00% real GDP growth and 1.00% medical technology

Discount Rate – 4.09% for determining June 30, 2019 disclosure and estimated fiscal 2020 expense; 3.16% for determining June 30, 2018 liability and fiscal 2019 expense.

Salary Increase Rate – 3.0%, based on actual and anticipated experience.

Healthcare cost trend rates – 7.50% for medical in 2019 decreasing to an ultimate rate of 4.50% for 2038 and beyond. Dental at 5.00%. Vision at 3.00%

Mortality rates – RP-2014 Combined Mortality Table backed off to 2006 and projected generationally with scale MP-2018.

Participation - It is assumed that 45% of employees who retire prior to age 65 will elect medical coverage upon retirement and 50% will elect dental and vision coverage.

Actuarial cost method – Entry age normal

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Changes in Total OPEB Liability

The components of the total OPEB liability of the District at June 30, 2019 are as follows:

	Total OPEB Liability
Balances at July 1, 2018	$ 41,018,184
Service cost	1,242,800
Interest	1,308,387
Employee contributions	3,526,894
Benefits paid	(5,239,563)
Changes in assumptions	(2,931,113)
Balances at June 30. 2019	$ 38,925,589

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

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

	1% Decrease 3.09%	Current Rate 4.09%	1% Increase 5.09%
Total OPEB liability	$ 43,865,526	$ 38,925,589	$ 34,759,898

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

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

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Total OPEB liability	$ 34,010,115	$ 38,925,589	$ 44,872,838

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (concluded)

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of $1,374,539. At June 30, 2019, the District reported deferred outflows of resources related to OPEB of $5,968,880 related to changes in assumptions.

Amounts reports as deferred outflows of resources, net of deferred inflows, related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30	Net Outflows of Resources
2020	$ 536,021
2021	536,021
2022	536,021
2023	536,021
2024	536,022
Thereafter	3,288,774
Total	$ 5,968,880

NOTE I – RISK MANAGEMENT

District Health Insurance Plan – The District utilizes an internal service fund to account for the risks associated with the employees' health insurance plan. A premium is charged to each fund that accounts for employees' salaries based upon past trends in claims experience. Provisions are also made for unexpected and unusual claims.

Liabilities of the fund are recorded when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated based upon recent claim settlement trends. Settlements have not exceeded coverage for each of the past three fiscal years.

NOTE I – RISK MANAGEMENT (concluded)

Changes in the balance of claims liabilities are as follows for the year ended June 30,:

	2019	2018
Unpaid claims, beginning of year	$ 2,331,849	$ 1,948,052
Incurred claims (including IBNRs)	29,166,635	30,629,731
Claim payments	(29,504,219)	(30,245,934)
Unpaid claims, end of year	$ 1,994,265	$ 2,331,849

The District purchases specific reinsurance with an attachment point of $325,000 annually, per employee, to limit its exposure to catastrophic claims. There have not been any significant reductions in insurance coverage from the prior year.

District's Other Risk – The District is exposed to various risks of loss related to theft, damage to and destruction of assets; errors and omissions; injuries to employees and natural disaster. To cover these risks, the District is a participant in the Missouri United School Insurance Council (the "Council") which is a Protected Self-Insurance Program of Missouri Public School Districts with 400 members. The District pays an assessment to the Council. Part of the assessment then goes to buy excess insurance contracts for the group as a whole. Should the contributions received by the Council not be sufficient, special assessments can be made to the member Districts.

NOTE J – COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2019.

Litigation

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

NOTE J – COMMITMENTS AND CONTINGENCIES (concluded)

Contracts

The District has entered into various contracts for building and grounds renovations and improvements which are included in the amount restricted for capital improvement in the fund financial statements.

Capital Commitments

The District's remaining commitment for uncompleted work under its construction contracts totaled approximately $14.76 million as of June 30, 2019.

NOTE K – TAX ABATEMENT DISCLOSURES

The District is subject to tax abatement agreements granted by St. Louis County and municipalities within the District. District property tax revenues were reduced by $2,403,259, as a result of these abatements for year ended June 30, 2019. These tax abatements are considered immaterial to the overall financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND - UNAUDITED
Year ended June 30, 2019

	Budgeted amounts			Variance with final budget positive
	Original	Final	Actual	(negative)
Revenues				
Local	$ 73,672,990	$ 73,994,968	$ 73,978,999	$ (15,969)
County	991,317	1,111,781	1,149,342	37,561
State	2,494,989	2,513,027	2,743,802	230,775
Federal	3,726,957	3,996,318	3,761,100	(235,218)
Interest	763,261	855,000	1,284,393	429,393
Other - student activities	3,500,000	3,500,000	3,402,659	(97,341)
VICC - cost reimbursement	2,208,405	2,229,405	2,290,640	61,235
Total revenues	**87,357,919**	**88,200,499**	**88,610,935**	**410,436**
Expenditures				
Current				
Instruction	8,243,994	8,817,316	8,729,850	87,466
Student activities	3,500,000	3,700,000	3,611,944	88,056
Attendance	453,737	470,447	420,555	49,892
Guidance	976,301	1,112,256	1,099,340	12,916
Health services	2,793,662	2,896,547	2,889,738	6,809
Improvement of instruction	2,499,688	1,891,747	1,681,630	210,117
Media services	596,992	718,978	683,559	35,419
Board of Education services	301,811	412,926	402,685	10,241
Executive administration	1,617,001	1,688,552	1,682,843	5,709
Building level administration	7,437,990	7,711,917	7,272,613	439,304
Business and central services	9,933,756	10,305,598	10,300,820	4,778
Operation of plant	22,930,654	23,775,148	23,235,859	539,289
Security services	1,223,188	1,428,236	1,411,574	16,662
Pupil transportation	9,948,356	10,314,736	10,170,674	144,062
Food services	6,173,012	6,400,353	6,235,024	165,329
Adult basic education	1,508,910	1,564,480	1,534,898	29,582
Community services	2,346,473	3,495,920	3,471,311	24,609
Debt service				
Interest	50,639	50,639	41,215	9,424
Total expenditures	**82,536,164**	**86,755,796**	**84,876,132**	**1,879,664**
EXCESS OF REVENUES OVER EXPENDITURES	**4,821,755**	**1,444,703**	**3,734,803**	**2,290,100**
Other financing sources (uses)				
Transfer to capital projects fund	(1,225,000)	(3,000,000)	(2,500,000)	500,000
Sale of other property	29,959	29,529	42,873	13,344
Total other financing sources (uses)	(1,195,041)	(2,970,471)	(2,457,127)	513,344
NET CHANGE IN FUND BALANCE	**$ 3,626,714**	**$ (1,525,768)**	1,277,676	**$ 2,803,444**
Fund balance at July 1, 2018			43,019,139	
Fund balance at June 30, 2019			$ 44,296,815	

PARKWAY C-2 SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - UNAUDITED
Year ended June 30, 2019

	Budgeted amounts			Variance with final budget positive (negative)
	Original	Final	Actual	
Revenues				
Local	$ 134,097,792	$ 133,918,023	$ 134,280,775	$ 362,752
County	2,171,996	2,204,473	2,274,297	69,824
State	9,238,992	9,150,651	9,139,065	(11,586)
Federal	1,420,534	1,404,017	1,050,698	(353,319)
Interest	20,568	39,906	34,005	(5,901)
VICC - Cost reimbursement	5,152,945	5,201,945	5,344,826	142,881
Total revenues	**152,102,827**	**151,919,015**	**152,123,666**	**204,651**
Expenditures				
Current				
Instruction	123,712,244	121,316,643	121,045,689	270,954
Student activities	191,209	191,552	182,236	9,316
Attendance	184,717	185,048	180,570	4,478
Guidance	6,949,628	7,182,103	7,163,867	18,236
Health services	130,954	131,189	130,169	1,020
Improvement of instruction	5,497,937	4,857,806	4,789,579	68,227
Professional development	565	566	128	438
Media services	3,861,169	3,883,100	3,874,277	8,823
Executive administration	733,843	735,160	732,856	2,304
Building level administration	11,183,560	11,203,636	11,141,254	62,382
Business and central services	413,454	419,197	415,556	3,641
Community services	1,827,263	1,830,543	1,808,428	22,115
Total expenditures	**154,686,543**	**151,936,543**	**151,464,609**	**471,934**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**$ (2,583,716)**	**$ (17,528)**	**659,057**	**$ 676,585**
Fund balance at July 1, 2018			3,473,347	
Fund balance at June 30, 2019			$ 4,132,404	

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

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

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

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

6. Budgets are presented on the modified accrual basis of accounting for all governmental funds.

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND EMPLOYER CONTRIBTUTIONS- UNAUDITED
Year ended June 30, 2019

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

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2015	2.5468%	$104,484,390	$113,918,340	91.72%	89.34%
6/30/2016	2.5546%	147,473,484	116,481,879	126.61%	85.78%
6/30/2017	2.5504%	189,766,308	118,578,027	160.03%	82.18%
6/30/2018	2.5910%	187,109,719	123,019,129	152.10%	83.77%
6/30/2019	2.5949%	193,124,303	125,593,894	153.77%	84.06%

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

Year Ended	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/2015	2.5181%	$9,195,244	$36,719,724	25.04%	91.33%
6/30/2016	2.5327%	13,395,606	37,976,766	35.27%	88.28%
6/30/2017	2.4602%	19,739,053	37,990,743	51.96%	83.32%
6/30/2018	2.4114%	18,397,797	38,752,166	47.48%	85.35%
6/30/2019	2.3847%	18,426,871	39,678,733	46.44%	86.06%

Schedule of Employer Contributions – PSRS

Year Ended	Contractually Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	$16,249,325	$16,249,325	$ -	$112,997,382	14.38%
6/30/2014	16,400,693	16,400,693	-	113,918,340	14.40%
6/30/2015	16,773,087	16,773,087	-	116,481,879	14.40%
6/30/2016	17,084,375	17,084,375	-	118,578,027	14.41%
6/30/2017	17,724,887	17,724,887	-	123,019,129	14.41%
6/30/2018	18,091,793	18,091,793	-	125,593,894	14.40%

Schedule of Employer Contributions – PEERS

Year Ended	Contractually Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/2013	$2,538,978	$2,538,978	$ -	$37,011,337	6.86%
6/30/2014	2,518,972	2,518,972	-	36,719,724	6.86%
6/30/2015	2,605,206	2,605,206	-	37,976,766	6.86%
6/30/2016	2,606,166	2,606,166	-	37,990,743	6.86%
6/30/2017	2,658,401	2,658,401	-	38,752,166	6.86%
6/30/2018	2,721,961	2,721,961	-	39,678,733	6.86%

Note: These schedules are intended to show information for ten years. Additional years will be displayed as they become available.
*The data provided is based as of the measurement date of PSRS' and PEERS' net pension liability, which is as of the beginning of the District's fiscal year.

OTHER POSTEMPLOYMENT BENEFIT OBLIGATION - UNAUDITED
Year ended June 30, 2019

Schedule of Changes in Total OPEB Liability

	2019
Total OPEB liability	
Service cost	$ 1,242,800
Interest cost	1,308,387
Changes in assumptions	(2,931,113)
Employee contributions	3,526,894
Benefit payments	(5,239,563)
Net change in total OPEB liability	(2,092,595)
Total OPEB liability at beginning of year	41,018,184
Total OPEB liability at end of year	$ 38,925,589
Covered payroll (for fiscal year 2017)	$ 144,739,089
Total OPEB liability as a percentage of covered payroll	26.89%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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

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

SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - DEBT SERVICE FUND
Year ended June 30, 2019

	Budgeted amounts			Variance with final budget positive
	Original	Final	Actual	(negative)
Revenues				
Local	$ 22,685,250	$ 22,178,803	$ 22,214,648	$ 35,845
County	552,490	615,886	641,617	25,731
Interest	505,192	505,192	747,336	242,144
Total revenues	**23,742,932**	**23,299,881**	**23,603,601**	**303,720**
Expenditures				
Debt service				
Principal retirement	16,185,000	16,185,000	16,185,000	-
Interest	8,138,598	10,243,648	7,972,135	2,271,513
Other	60,000	60,000	5,232	54,768
Total expenditures	**24,383,598**	**26,488,648**	**24,162,367**	**2,326,281**
NET CHANGE IN FUND BALANCE	**$ (640,666)**	**$ (3,188,767)**	**(558,766)**	**$ 2,630,001**
Fund balance at July 1, 2018			36,717,985	
Fund balance at June 30, 2019			$ 36,159,219	

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
Year ended June 30, 2019

	Budgeted amounts			Variance with final budget positive
	Original	Final	Actual	(negative)
Revenues				
Local	$ 2,389,472	$ 7,287,029	$ 7,568,253	$ 281,224
County	-	121,561	146,897	25,336
Other - student activities	300,000	350,000	317,917	(32,083)
Interest	10,000	15,234	520,482	505,248
Total revenues	**2,699,472**	**7,773,824**	**8,553,549**	**779,725**
Expenditures				
Capital outlay	13,406,396	31,354,151	24,312,947	7,041,204
Debt service				
Interest	40,000	40,000	36,856	3,144
Other	-	610,000	604,203	5,797
Total expenditures	**13,446,396**	**32,004,151**	**24,954,006**	**7,050,145**
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	**(10,746,924)**	**(24,230,327)**	**(16,400,457)**	**7,829,870**
Other financing sources				
Sale of general obligation bonds	-	55,000,000	55,000,000	-
Premium on issuance of bonds	-	4,877,000	4,876,057	(943)
Transfer from general fund	1,225,000	3,000,000	2,500,000	(500,000)
Total other financing sources (uses)	1,225,000	62,877,000	62,376,057	(500,943)
NET CHANGE IN FUND BALANCE	**$ (9,521,924)**	**$ 38,646,673**	45,975,600	**$ 7,328,927**
Fund balance at July 1, 2018			19,750,034	
Fund balance at June 30, 2019			$ 65,725,634	

STATISTICAL SECTION

SUMMARY OF STATISTICAL INFORMATION

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the financial information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

PARKWAY C-2 SCHOOL DISTRICT

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014-as restricted	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital assets	$ 85,602,907	$ 82,176,049	$ 82,993,630	$ 75,946,520	$ 73,255,061	$ 69,719,235	$ 71,557,667	$ 66,291,913	$ 77,797,419	$ 86,996,815
Restricted for:										
Capital projects	13,726,669	16,871,309	12,543,962	11,855,865	-	-	-	-	-	-
Debt Service	7,722,154	6,604,125	3,597,449	3,919,725	3,092,725	4,137,058	8,779,831	13,657,187	6,734,140	5,893,582
Certificated employees' compensation and benefits	1,818,724	2,718,463	2,760,038	10,415,599	8,128,641	5,907,208	5,921,230	925,146	3,473,347	4,132,404
Unrestricted	45,444,795	30,871,731	16,547,999	12,091,474	(137,710,136)	(119,166,269)	(102,100,339)	(106,689,732)	(129,363,401)	(128,409,276)
Total net position	$ 154,315,249	$ 139,241,677	$ 118,443,078	$ 114,229,183	$ (53,233,709)	$ (39,402,768)	$ (15,841,611)	$ (25,815,486)	$ (41,358,495)	$ (31,386,475)

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
Instruction	$ 120,026,174	$ 122,029,859	$ 130,009,443	$ 123,661,522	$ 125,584,139	$ 117,419,935	$ 125,442,045	$ 137,321,600	$ 137,113,065	$ 139,981,862
Student activities	3,900,719	3,736,873	3,966,728	3,609,406	3,852,639	4,223,712	4,955,335	4,917,661	4,421,230	4,163,378
Attendance	650,152	593,816	570,127	556,748	511,726	509,567	524,130	616,445	645,840	601,932
Guidance	6,460,908	6,518,698	6,418,774	6,514,602	6,898,120	6,203,939	6,708,591	7,591,500	7,754,796	8,274,316
Health services	2,173,494	2,262,503	2,419,250	2,460,337	2,532,294	2,507,675	2,610,245	2,795,830	2,998,818	3,028,579
Improvement of Instruction	6,327,627	6,499,570	6,888,113	7,234,987	6,689,045	6,040,942	6,778,701	8,251,830	8,083,012	6,642,597
Professional development	122,904	87,054	45,685	25,077	20,000	25,000	27,796	26,093	27,084	51,263
Media Services	3,640,805	3,584,568	3,742,730	3,585,461	3,776,908	3,310,475	3,789,457	4,153,826	4,380,178	4,570,001
Board of Education services	351,664	483,315	505,827	439,673	413,484	556,555	264,232	283,120	307,945	402,685
Executive administration	2,197,000	2,201,745	2,299,609	2,170,332	2,138,034	2,067,720	2,323,079	2,407,260	2,376,932	2,421,702
Building level administration	18,170,997	19,773,760	20,991,475	19,506,447	20,444,894	17,575,520	17,057,694	18,418,206	18,454,743	18,522,172
Operation of plant	22,989,369	25,712,489	24,397,041	23,103,017	25,787,236	25,579,658	10,376,299	25,693,591	25,756,638	24,281,982
Pupil transportation	9,030,267	9,459,635	10,275,583	9,551,436	9,775,217	9,084,146	24,718,581	10,199,069	12,184,788	12,115,426
Food services	6,082,553	6,361,047	6,614,064	6,272,818	5,936,786	5,953,779	1,188,243	6,470,989	6,510,660	6,297,332
Business and central services	11,580,655	13,584,781	11,067,084	11,958,863	10,946,917	12,604,100	9,153,179	12,625,805	11,901,273	13,502,424
Security services	1,119,123	1,183,617	1,085,827	1,011,960	1,097,429	1,116,659	5,683,921	1,289,203	1,257,314	1,413,472
Adult basic education	841,527	954,540	932,559	947,725	1,055,151	994,518	980,430	1,003,984	1,566,125	1,553,378
Adult continuing education	1,051,002	897,718	975,018	990,365	992,809	753,273	598,978	743,125	856,818	-
Community services	3,218,247	3,198,401	3,412,854	3,361,226	3,464,868	3,241,924	3,536,280	4,230,297	4,376,422	5,470,746
Facilities	4,145,737	-	-	-	-	-	-	-	-	-
Interest and other expenses on long-term debt	8,318,232	7,677,747	8,500,097	8,571,132	8,357,837	5,173,860	6,442,766	6,860,381	8,200,468	8,154,315
Total governmental activities	232,399,156	236,801,736	245,117,888	235,533,134	240,275,533	224,942,957	233,159,982	255,899,815	259,174,149	261,449,562
Program revenues										
Governmental activities:										
Charges for services:										
Instruction	12,008,255	10,737,708	7,639,845	7,041,429	8,648,983	8,440,789	8,032,181	8,288,247	8,327,655	7,904,375
Student activities	3,156,117	3,136,061	3,297,956	3,332,439	3,246,828	3,549,655	3,784,750	3,868,974	3,970,112	3,720,575
Health Services	-	-	-	-	-	-	-	-	-	26,882
Operation of plant	-	-	130,177	91,698	167,604	254,553	355,734	351,729	351,814	448,554
Pupil Transportation	-	-	-	-	-	-	-	-	-	2,638,361
Food services	4,491,029	4,141,392	4,333,278	4,102,670	3,916,787	3,841,316	3,897,398	4,066,763	4,209,014	4,016,924
Business and central services	104,617	181,162	27,044	23,364	21,050	20,614	21,018	19,218	32,476	36,206
Community services	1,855,973	1,637,554	1,745,691	1,953,462	2,126,675	1,970,342	2,013,148	2,725,820	3,012,096	3,027,268
Facilities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	11,350,240	9,074,705	11,670,128	9,725,456	10,199,060	10,269,142	10,820,449	10,595,573	11,814,166	8,445,042
Capital grants and contributions	-	-	-	-	1,532,000	-	-	-	-	-
Total government program revenues	32,966,231	28,908,582	28,844,119	26,270,518	29,858,987	28,346,411	28,924,678	29,916,324	31,717,333	30,264,187
Net (expense)/revenue										
Total government net expense	$ (199,432,925)	$ (207,893,154)	$ (216,273,769)	$ (209,262,616)	$ (210,416,546)	$ (196,596,546)	$ (204,235,304)	$ (225,983,491)	$ (227,456,816)	$ (231,185,375)

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (expense)/revenue										
Total primary government net expense	$ (199,432,925)	$ (207,893,154)	$ (216,273,769)	$ (209,262,616)	$ (210,416,546)	$ (196,596,546)	$ (204,235,304)	$ (225,983,491)	$ (227,456,816)	$ (231,185,375)
General revenues and otherchanges in net position										
Governmental activities:										
Taxes										
Property taxes and all other Ad Valorem taxes	164,993,061	168,980,812	171,338,491	181,035,962	182,737,147	187,449,160	202,662,578	190,242,012	207,172,893	215,134,148
Sales Tax	11,552,283	11,703,147	12,868,762	13,273,151	14,003,311	14,133,967	15,176,728	15,339,451	15,440,981	16,059,749
Grants and contributions not restricted to specific programs	1,044,372	2,015,644	1,144,654	384,209	335,968	115,222	39,396	41,128	3,973	-
State Aid	7,221,966	8,258,430	8,048,341	8,429,377	8,181,968	8,365,479	8,766,258	9,019,499	9,108,816	8,847,452
Loss on disposal of assets	-	-	-	-	-	-	-	-	(23,662)	(1,470,169)
Loss on extinguishment of debt	-	-	-	-	-	-	-	-	(216,517)	-
Investment earnings	1,324,711	1,861,549	2,074,922	1,926,022	1,009,308	363,659	1,151,501	1,367,526	1,830,114	2,586,215
Total general revenues	186,136,393	192,819,582	195,475,170	205,048,721	206,267,702	210,427,487	227,796,461	216,009,616	233,316,598	241,157,395
Changes in net position	$ (13,296,532)	$ (15,073,572)	$ (20,798,599)	$ (4,213,895)	$ (4,148,844)	$ 13,830,941	$ 23,561,157	$ (9,973,875)	$ 5,859,782	$ 9,972,020

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	$ 3,185,541									
Unreserved	45,413,226									
Total General fund	48,598,767									
All other governmental funds										
Reserved	33,805,316									
Unreserved, reported in:										
Capital projects funds	13,604,067									
Special revenue funds	349,340									
Debt service funds	11,142,512									
Total all other governmental funds	58,901,235									
Total fund balances	$ 107,500,002									
General Fund										
Nonspendable										
Prepaid Items		$ 1,003,915	$ 1,135,083	$ 1,202,733	$ 1,098,423	$ 1,491,678	$ 1,370,048	$ 1,531,803	$ 1,702,965	$ 2,225,280
Inventory		692,049	753,558	679,587	746,788	633,453	661,929	1,685,038	1,184,967	699,285
Assigned-Student Activities		3,213,129	3,373,479	2,941,510	2,891,235	2,793,102	2,474,298	1,901,386	1,640,353	1,431,068
Unassigned		30,517,746	19,898,691	13,749,123	19,764,629	26,537,171	36,214,159	38,371,809	38,490,854	39,941,182
Total General Fund		35,426,839	25,160,811	18,572,953	24,501,075	31,455,404	40,720,434	43,490,036	43,019,139	44,296,815
All Other Governmental Funds										
Nonspendable										
Prepaid Items		-	-	-	-	2,682	-	-	1,000,096	-
Restricted										
Teachers Salaries and Benefits		1,814,336	1,660,658	9,316,219	6,504,193	3,742,352	2,219,018	925,146	3,473,347	4,132,404
Debt Service		10,278,376	7,407,100	7,339,380	6,626,452	6,103,666	10,106,755	13,767,360	36,717,985	36,159,219
Capital Projects		36,263,638	16,080,166	4,209,727	-	43,782,954	27,187,026	37,106,048	-	56,152,760
Assigned-other capital projects		16,835,317	12,547,707	11,859,609	8,795,536	5,574,328	357,156	1,626,386	18,749,938	9,572,874
Total all other governmental funds		65,191,667	37,695,631	32,724,935	21,926,181	59,205,982	39,869,955	53,424,940	59,941,366	106,017,257
Total fund balances		$ 100,618,506	$ 62,856,442	$ 51,297,888	$ 46,427,256	$ 90,661,386	$ 80,590,389	$ 96,914,976	$ 102,960,505	$ 150,314,072

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Federal sources:										
Federal grants	$ 2,240,345	$ 2,268,982	$ 3,133,013	$ 2,426,671	$ 2,441,585	$ 2,519,199	$ 3,030,557	$ 2,709,703	$ 2,571,602	$ 1,839,628
Food services	1,769,416	1,556,864	1,825,670	1,793,618	2,019,512	1,945,471	1,981,208	2,146,136	2,145,449	2,108,374
Other federal revenue	2,350,768	2,039,733	1,549,985	949,001	2,134,169	858,042	922,640	991,098	710,358	863,796
Total federal sources	6,360,529	5,865,579	6,508,668	5,169,290	6,595,266	5,322,712	5,934,405	5,846,937	5,427,409	4,811,798
State sources:										
State education finance program	8,775,984	8,400,318	9,440,473	9,678,046	9,541,767	9,821,384	9,961,750	10,053,206	10,295,209	10,095,786
Food services	24,119	29,885	32,210	42,798	38,618	36,829	37,586	38,640	39,607	37,871
State grants	908,384	678,084	1,352,651	957,510	1,230,429	916,115	1,178,473	1,029,317	1,937,685	1,749,210
Other state revenue	-	11,000	3,360	13,653	33,657	88,507	257	73,462	3,213	-
Total state sources	9,708,487	9,119,287	10,828,694	10,692,007	10,844,471	10,862,835	11,178,066	11,194,625	12,275,714	11,882,867
Local sources:										
Ad valorem taxes	161,812,634	166,146,717	162,771,247	168,958,934	169,666,953	165,033,942	188,479,373	186,066,318	199,549,780	208,863,940
Sales taxes	11,552,283	11,703,147	12,868,762	13,273,151	14,003,311	14,133,967	15,176,728	15,339,451	15,440,981	16,059,749
Other taxes	4,894,154	5,064,534	8,483,395	7,925,047	9,077,909	8,717,677	9,443,105	9,030,723	5,490,786	11,986,303
Food service sales	4,491,029	4,141,392	4,333,278	4,102,670	3,916,788	3,841,316	3,897,398	4,066,763	4,209,014	4,016,924
Interest income	1,115,517	2,167,637	1,669,891	1,270,350	1,009,308	4,887,791	1,151,501	2,041,106	4,106,542	2,586,215
Desegregation Aid	10,243,191	9,168,396	7,410,589	6,925,267	7,371,277	7,694,360	7,733,242	7,824,350	7,890,932	7,635,466
Amounts received from other LEA's	2,458,958	2,366,249	2,582,036	2,300,883	2,431,447	2,391,324	2,293,952	2,466,492	2,884,503	299,184
Other local revenues	4,309,306	3,556,848	3,646,724	5,622,934	5,952,711	11,805,356	4,316,412	4,344,562	4,002,588	537,153
Total local sources	200,877,072	204,314,920	203,765,922	210,379,236	213,429,704	218,505,733	232,491,711	231,179,765	243,575,126	251,984,934
County sources:										
State assessed utilities	2,130,384	1,716,890	2,840,476	2,435,065	2,555,766	2,649,930	2,939,248	2,839,138	3,023,453	3,117,174
Other county revenues	1,166,833	1,074,355	960,338	1,161,748	1,495,193	1,409,247	1,280,023	1,259,260	972,409	1,094,978
Total county sources	3,297,217	2,791,245	3,800,814	3,596,813	4,050,959	4,059,177	4,219,271	4,098,398	3,995,862	4,212,152
Total revenues	$ 220,243,305	$ 222,091,031	$ 224,904,098	$ 229,837,346	$ 234,920,400	$ 238,750,457	$ 253,823,453	$ 252,319,725	$ 265,274,111	$ 272,891,751

Sources:
Annual Secretary to the Board Report
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction	$ 110,117,572	$ 111,931,476	$ 119,495,234	$ 113,832,841	$ 115,666,526	$ 117,175,106	$ 123,560,230	$ 125,654,750	$ 128,027,526	$ 130,102,046
Student activities	3,900,719	3,735,872	3,968,004	3,604,499	3,853,964	4,253,069	5,186,091	4,753,114	4,166,051	3,927,890
Attendance	640,062	595,380	567,776	559,636	513,208	541,869	551,101	600,908	641,081	601,125
Guidance	6,450,948	6,506,278	6,385,597	6,596,288	6,867,751	7,026,544	7,053,805	7,400,154	7,697,653	8,263,207
Health services	2,180,241	2,250,548	2,394,781	2,500,652	2,521,553	2,658,874	2,744,564	2,725,360	2,976,721	3,024,513
Improvement of Instruction	6,140,927	6,268,650	6,670,352	7,051,033	6,476,646	6,452,342	6,924,964	7,856,784	7,833,241	6,465,410
Professional development	122,904	87,054	40,670	25,077	20,000	25,000	27,796	26,093	27,084	51,263
Media Services	3,626,659	3,575,311	3,724,674	3,632,017	3,757,034	3,704,162	3,982,614	4,049,128	4,347,902	4,563,866
Board of Education services	340,522	492,351	501,876	445,058	420,332	556,555	264,232	283,120	307,945	402,685
Executive administration	2,194,723	2,210,187	2,328,767	2,173,991	2,137,173	2,219,580	2,440,665	2,343,467	2,357,627	2,417,115
Building level administration	17,013,690	18,746,737	19,237,152	18,841,684	19,554,208	19,087,152	17,716,897	17,958,587	18,426,288	18,450,508
Operation of plant	22,171,803	23,024,725	23,538,663	22,510,599	21,909,730	22,700,957	22,362,669	22,665,203	24,014,501	24,304,493
Pupil transportation	8,312,423	8,807,719	9,510,997	9,013,820	9,110,827	8,812,486	8,959,210	9,393,482	11,503,014	11,492,833
Food services	5,987,440	6,264,325	6,493,473	6,318,594	5,867,691	6,072,444	5,945,569	6,275,002	6,435,235	6,235,024
Business and central services	11,036,157	13,121,023	11,296,614	11,621,235	11,185,836	11,975,535	10,517,277	11,875,060	10,913,623	12,560,135
Security services	1,116,808	1,182,223	1,085,322	1,018,749	1,098,132	1,144,679	1,249,388	1,256,709	1,248,049	1,411,574
Adult basic education	840,285	951,508	955,640	956,063	1,040,255	1,067,682	1,030,881	978,678	1,554,584	1,534,898
Adult continuing education	1,051,604	899,882	972,938	986,803	991,888	785,905	629,800	724,394	850,504	-
Community services	3,127,706	3,104,186	3,300,000	3,300,197	3,368,052	3,400,915	3,622,191	4,033,334	4,237,794	5,374,360
Capital Outlay	17,928,692	33,940,041	21,060,107	11,206,586	10,522,677	9,209,510	21,194,358	31,195,502	20,902,626	19,429,528
Debt service:										
Principal retirement	9,394,780	10,420,090	11,453,424	9,267,711	8,492,252	9,164,235	11,099,359	11,300,786	15,690,000	16,185,000
Interest	7,641,450	7,336,949	6,879,174	6,747,604	6,607,080	6,500,963	6,843,684	7,202,892	8,039,968	8,050,206
Other expense	382,851	79,195	310,005	102,192	6,492	1,056,503	17,064	149,731	139,695	609,435
Total Expenditures	$ 241,720,966	$ 265,531,710	$ 262,171,240	$ 242,312,929	$ 241,989,307	$ 245,592,067	$ 263,924,409	$ 280,702,238	$ 282,338,712	$ 285,457,114
Debt service as a percentage of noncapital expenditures	8.44%	8.34%	8.38%	7.50%	6.98%	7.61%	7.99%	8.08%	10.05%	10.30%

Sources:
Annual Secretary to the Board Report
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess of revenues over (under) expenditures	$ (21,477,661)	$ (43,440,679)	$ (37,267,142)	$ (12,475,583)	$ (7,068,907)	$ (6,841,610)	$ (10,100,956)	$ (28,382,513)	$ (17,064,601)	$ (12,565,363)
Other financing sources (uses)										
Issuance of general obligation bonds	-	34,000,000	52,340,000	6,250,000	-	77,080,000	-	44,000,000	27,405,000	55,000,000
Payment to refunded bond escrow agent	-	-	(59,276,479)	(6,637,463)	-	(30,708,828)	-	-	(6,606,518)	-
Premium on issuance of bonds	-	485,400	6,420,458	459,325	-	4,653,700	-	673,579	2,276,429	4,876,057
Sale of other property	40,031	-	21,099	50,257	58,856	50,868	29,959	33,521	35,219	42,873
Proceeds from capital lease	644,849	2,073,783	-	794,910	2,139,420	-	-	-	-	-
Total other financing sources(uses)	684,880	36,559,183	(494,922)	917,029	2,198,276	51,075,740	29,959	44,707,100	23,110,130	59,918,930
Net change in fund balances	$ (20,792,781)	$ (6,881,496)	$ (37,762,064)	$ (11,558,554)	$ (4,870,631)	$ 44,234,130	$ (10,070,997)	$ 16,324,587	$ 6,045,529	$ 47,353,567

Sources:
Annual Secretary to the Board Report
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Actual Value				Total	Total
Fiscal Year	Residential Property	Agricultural Property	Commercial Property	Personal Property	Taxable Value	Direct Rate
2010*	$ 2,715,056,490	$ 1,534,500	$ 1,134,555,310	$ 596,858,410	$ 4,448,004,710	3.624
2011	2,721,569,570	4,286,670	1,138,879,980	550,634,280	4,415,370,500	3.757
2012*	2,656,692,460	673,970	1,063,244,550	520,270,710	4,240,881,690	3.905
2013	2,659,506,980	687,270	1,063,641,920	533,187,550	4,257,023,720	4.108
2014*	2,575,731,880	657,910	1,028,617,830	530,509,640	4,135,517,260	4.279
2015	2,585,648,810	587,850	1,031,162,640	541,145,370	4,158,544,670	4.298
2016*	2,699,945,500	777,090	1,100,564,190	535,320,980	4,336,607,760	4.488
2017	2,709,242,350	778,860	1,105,349,770	555,289,350	4,370,660,330	4.350
2018*	2,986,427,610	1,625,570	1,165,892,910	551,335,980	4,705,282,070	4.255
2019	3,002,746,860	1,627,220	1,105,532,790	575,071,200	4,684,978,070	4.387

NOTE:
Valuations are determined as of December 31 preceding the tax collection year less Tax Increment Financing(TIF)

* Represents a reassessment year

Sources:
Annual Secretary to the Board Report
Annual Report of the County Clerk to State Board of Education

PARKWAY C-2 SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

		Overlapping Rates								
Fiscal Year	Parkway	St Louis County	City of Chesterfield	City of Creve Coeur	City of Kirkwood	City of Manchester	Fire District Metro West	Fire District Monarch	Fire District Creve Coeur	Fire District West County EMS
2009										
Res	3.4100	0.1900	0.0300	0.8000	0.6150	0.2430	0.9770	0.8260	0.8810	0.7190
Agr	4.0434	0.1900	0.0300	0.1000	0.0000	0.0000	1.1640	0.0863	0.8200	0.8290
Com	3.8832	0.1900	0.0300	0.0700	0.6280	0.2380	1.0160	0.9300	0.8820	0.6310
Per Prop	4.0779	0.1900	0.0300	0.0000	0.6680	0.2430	1.1310	1.0130	0.9100	0.8200
2010										
Res	3.5672	0.2000	0.0300	0.0860	0.6150	0.2380	1.0120	0.8650	0.8850	0.9130
Agr	3.0900	0.2000	0.0300	0.0910	0.0000	0.0000	1.1880	0.8070	0.8500	0.9990
Com	4.0523	0.2000	0.0300	0.0830	0.6280	0.2380	1.0440	1.0190	0.8910	0.9090
Per Prop	4.0779	0.2000	0.0300	0.0000	0.6680	0.2430	1.1550	1.0440	0.9100	0.9900
2011										
Res	3.6761	0.2000	0.0300	0.0840	0.6030	0.2060	1.0300	0.8420	0.8930	0.8980
Agr	5.4600	0.2000	0.0300	0.0910	0.0000	0.0000	1.1880	0.7830	0.8950	0.9740
Com	4.3860	0.2000	0.0300	0.0790	0.6160	0.2060	1.0910	0.9960	0.8950	0.9220
Per Prop	4.0779	0.2000	0.0300	0.0000	0.6560	0.2110	1.1550	1.0210	0.9100	0.9650
2012										
Res	3.9361	0.2000	0.0300	0.0700	0.6130	0.1190	1.0290	0.8290	0.8970	0.8960
Agr	5.4598	0.2000	0.0300	0.0750	0.0000	0.0000	1.1880	0.7700	0.8610	0.9710
Com	4.5515	0.2000	0.0300	0.0750	0.6600	0.1190	1.1090	0.9830	0.9020	0.9190
Per Prop	4.0779	0.2000	0.0300	0.0000	0.6270	0.1240	1.1550	1.0080	0.9100	0.9620
2013										
Res	4.0743	0.2000	0.0300	0.0720	0.6140	0.2380	1.0640	0.8290	0.9040	0.9610
Agr	5.4600	0.2000	0.0300	0.0920	0.0000	0.0000	1.1880	0.7700	0.8950	1.0090
Com	4.8924	0.2000	0.0300	0.0770	0.6540	0.2380	1.1370	0.9830	0.9090	0.9810
Per Prop	4.0779	0.2000	0.0300	0.0000	0.6270	0.2430	1.1550	1.0080	0.9100	1.0000
2014										
Res	4.0743	0.2090	0.0300	0.0720	0.6140	0.2380	1.0570	0.8290	1.1875	0.9620
Agr	5.4600	0.2090	0.0300	0.0920	0.0000	0.0000	1.1820	0.7700	1.1775	1.0090
Com	4.9466	0.2090	0.0300	0.0790	0.6540	0.2380	1.1310	0.9830	1.1925	0.9900
Per Prop	4.1279	0.2090	0.0300	0.0000	0.6220	0.2430	1.1490	1.0080	1.1925	1.0000
2015										
Res	4.4617	0.2060	0.0000	0.0690	0.6000	0.2370	1.0130	0.8060	1.1550	1.2740
Agr	4.3817	0.1790	0.0000	0.0590	0.0000	0.0000	1.0260	0.6940	1.1800	1.3030
Com	4.6796	0.2050	0.0000	0.0740	0.6160	0.2340	1.0720	0.9420	1.1280	1.2940
Per Prop	4.2279	0.2090	0.0000	0.0000	0.6240	0.2430	1.1370	1.0080	1.1950	1.3250
2016										
Res	4.2163	0.2060	0.0000	0.0680	0.6130	0.2380	1.0110	0.8050	1.1790	1.2710

PARKWAY C-2 SCHOOL DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES - CONTINUED
LAST TEN FISCAL YEARS

		Overlapping Rates									
Fiscal Year	Parkway	St Louis County	City of Chesterfield	City of Creve Coeur	City of Kirkwood	City of Manchester	Fire District Metro West	Fire District Monarch	Fire District Creve Coeur	Fire District West County EMS
Agr	4.4129	0.1790	0.0000	0.0590	0.0000	0.0000	1.0240	0.6940	0.0000	1.3030
Com	4.7419	0.2050	0.0000	0.0760	0.6370	0.2380	1.0920	0.9420	1.1590	1.2920
Per Prop	4.2258	0.2090	0.0000	0.0000	0.6210	0.2430	1.1370	1.0080	1.2200	1.3250
2017										
Res	3.9857	0.1950	0.0000	0.1450	0.5920	0.0660	0.9680	0.7630	1.1260	1.1900
Agr	2.2709	0.1570	0.0000	0.1160	0.0000	0.0000	0.9940	0.5830	0.0000	1.3200
Com	4.8958	0.1980	0.0000	0.1580	0.6170	0.0690	1.0190	0.8990	1.1770	1.2450
Per Prop	4.3589	0.2090	0.0000	0.0820	0.6340	0.0740	1.1480	1.0080	1.2380	1.3250
2018										
Res	4.0640	0.1950	0.0000	0.1650	0.6200	0.3210	1.1010	0.8800	1.0920	1.1900
Agr	2.2559	0.1570	0.0000	0.1160	0.0000	0.0000	1.1000	0.8660	0.0000	1.3180
Com	5.2247	0.1980	0.0000	0.1650	0.6480	0.3210	1.2090	0.9400	1.1690	1.2490
Per Prop	4.3874	0.2090	0.0000	0.0820	0.6410	0.3300	1.2850	1.0080	1.2020	1.3250

Source:
St. Louis County Department of Revenue website

2019 tax rate figures are currently not available

PARKWAY C-2 SCHOOL DISTRICT

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Principal Taxpayers	2019 Taxable Assessed Value	Percentage of Total Taxable Value	2010 Taxable Assessed Value	Percentage of Total Taxable Value
Chapter 100 St Louis County	$ 50,303,410	1.07%	$ -	0.00%
RNSI City Place Owner LLC (formerly Conerstone Opportunity Ventures LLC)	37,538,350	0.80%	32,756,730	0.74%
Emerson Rd LLC	22,413,360	0.48%	-	0.00%
Chapter 100 St. Louis Co. Port Authority	13,558,720	0.28%	-	0.00%
Ramco Gershenson Properties LP	17,797,180	0.38%	-	0.00%
St Louis County Missouri	14,775,030	0.32%	-	0.00%
Missouri American Water Company	20,725,740	0.44%	-	0.00%
Ameren UE	11,510,230	0.24%	-	0.00%
Chesterfield Mall LLC	-	0.00%	28,974,300	0.65%
Pfizer, Inc	-	0.00%	40,546,970	0.91%
Duke Weeks Realty Limited Partnership	-	0.00%	42,508,110	0.96%
I & G Direct Real Estate	-	0.00%	20,099,550	0.45%
Edward D. Jones & Co.	-	0.00%	26,170,680	0.59%
US Reif Westport Plaza Fee LLC	-	0.00%	21,945,530	0.49%
Scott Properties	-	0.00%	18,185,180	0.41%
Scottrade Financial Services Inc.	14,456,510	0.31%	17,566,200	0.40%
Monsanto Company	19,938,210	0.42%	36,219,990	0.81%
Total	$ 223,016,740	4.74%	$ 284,973,240	6.41%

Sources:
St. Louis County Assessor's Office
Basic Financial Documents

PARKWAY C-2 SCHOOL DISTRICT

PROPERY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010*	$ 161,195,691	$ 156,455,450	97.06%	$ 1,952,058	$ 158,407,508	98.27%
2011	165,903,131	161,479,241	97.33%	1,281,154	162,760,395	98.11%
2012*	165,593,707	161,008,043	97.23%	-	161,008,043	97.23%
2013	174,878,534	169,734,753	97.06%	-	169,734,753	97.06%
2014*	176,936,717	168,557,361	95.26%	-	168,557,361	95.26%
2015	178,738,408	174,262,717	97.50%	700,215	174,962,932	97.89%
2016*	194,310,332	186,108,212	95.78%	-	186,108,212	95.78%
2017	190,141,207	183,452,796	96.48%	-	183,452,796	96.48%
2018*	200,205,047	192,649,490	96.23%	-	192,649,490	96.23%
2019	208,152,234	200,745,151	96.44%	(1,846,975)	198,898,176	95.55%

NOTE: Valuations are determined as of December 31 preceding the tax collection year less TIF

* Reassessment Year

Source:
Annual Secretary to the Board Report

PARKWAY C-2 SCHOOL DISTRICT

OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Capital leases	$ 2,605,584	$ 3,486,132	$ 1,922,248	$ 1,897,737	$ 3,215,053	$ 3,098,912	$ 2,635,121	$ 2,227,015	$ 1,810,660	$ 1,385,524
General obligation bonds	141,881,194	166,847,217	155,497,217	147,033,678	145,296,147	189,647,590	177,493,275	209,692,816	215,753,585	245,760,000
DNR note	369,942	177,065	-	-	-	-	-	-	-	-
Total primary government	$ 144,856,720	$ 170,510,414	$ 157,419,465	$ 148,931,415	$ 148,511,200	$ 192,746,502	$ 180,128,396	$ 211,919,831	$ 217,564,245	$ 247,145,524
Estimated actual value of taxable property	$ 4,448,004,710	$ 4,415,370,500	$ 4,240,881,690	$ 4,257,023,720	$ 4,135,517,260	$ 4,158,544,670	$ 4,336,607,760	$ 4,370,660,330	$ 4,705,282,070	$ 4,684,978,070
% of general bonded debt to estimated actual value of taxable property	3.19%	3.78%	3.67%	3.45%	3.51%	4.56%	4.09%	4.80%	4.59%	5.25%
Personal Income	7,363,882,979	7,585,977,689	7,814,770,777	8,050,464,263	8,293,266,265	8,543,391,176	8,801,059,853	9,066,499,819	9,339,945,454	9,621,638,208
% of Personal Income	1.9671%	2.2477%	2.0144%	1.8500%	1.7907%	2.2561%	2.0467%	2.3374%	2.3294%	2.5686%
Population	146,852	147,312	141,555	141,998	142,442	142,888	143,336	143,784	144,234	144,685
Per Capita	$ 986	$ 1,157	$ 1,112	$ 1,049	$ 1,043	$ 1,349	$ 1,257	$ 1,474	$ 1,508	$ 1,708

NOTE: Valuations are determined as of December 31 preceding the tax collection year less TIF

Sources:
Annual Secretary to the Board Report
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019

Taxing Body	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct			
Parkway School District	$ 245,760,000	100.00%	$ 245,760,000
Overlapping			
St. Louis County	97,401,000	17%	16,558,224
City of Chesterfield	1,925,000	47%	912,180
City of Kirkwood	525,000	21%	109,008
City of Manchester	9,000,000	9%	825,867
Fire District-Metro West	3,500,000	47%	1,628,979
Fire District-West County EMS	14,405,000	20%	2,878,318
Subtotal of Overlapping Debt	$ 126,756,000		$ 22,912,576
Total	$ 372,516,000		$ 268,672,576

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is endured by the residents and businesses of the District. Percentage of overlap is calculated by the Collector of Revenue's office as follows: For the purpose of determining the appropriate composite property tax rates, all properties are within areas defined by what are called school district sub-codes. Each sub-code accounts for what taxing districts have jurisdiction over a particular parcel, or property. Periodic ledgers comprising the total assessed values for each sub-code area are generated by County Revenue. Appropriate percentage overlap values have been selected from the appropriate ledger.

Sources:
Annual Secretary to the Board Report
All municipalities and fire districts
St. Louis County websites

PARKWAY C-2 SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	$ 4,684,978,070
Debt limit (15% of assessed value)	702,746,711
Debt applicable to limit	(245,760,000)
Amount available in Debt Service Fund	36,159,219
Legal debt margin	$ 493,145,930

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	$ 667,200,707	$ 662,305,575	$ 636,132,254	$ 638,553,558	$ 620,327,589	$ 623,781,701	$ 650,491,164	$ 655,599,050	$ 705,792,311	$ 702,746,711
Total net debt applicable to limit	130,738,682	156,568,839	148,090,117	139,694,547	131,915,222	173,631,583	158,688,494	187,852,640	170,227,015	209,600,781
Legal debt margin	$ 536,462,025	$ 505,736,736	$ 488,042,137	$ 498,859,011	$ 488,412,367	$ 450,150,118	$ 491,802,670	$ 467,746,410	$ 535,565,296	$ 493,145,930
Total net debt applicable to the limit as a percentage of debt limit	19.60%	23.64%	23.28%	21.88%	21.27%	27.84%	24.40%	28.65%	24.12%	29.83%

Note:
Legal debt limit is 15% of assessed value

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate(1)
2010	146,394	$ 7,363,882,979	$ 50,302	9.30%
2011	146,852	7,585,977,689	51,657	8.90%
2012	141,555	7,814,770,777	55,207	6.80%
2013	141,998	8,050,464,263	56,694	7.30%
2014	142,442	8,293,266,265	58,222	6.50%
2015	142,888	8,543,391,176	59,791	5.80%
2016	143,336	8,801,059,854	61,402	4.60%
2017	143,784	9,066,499,819	63,056	3.90%
2018	144,234	9,339,945,454	64,756	3.40%
2019	144,685	9,621,638,208	66,501	3.40%

(1) St. Louis only

Sources:
Fred Economic Data
Missouri Census Data Center Demographic Profile
Missouri Economic Research and Information Center (MERIC)

PARKWAY C-2 SCHOOL DISTRICT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2019		2010	
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Parkway School District	2,610	0.48%	2,477	0.46%
Schnucks Markets, Inc.	10,702	1.98%	10,750	1.99%
St. John's Mercy Medical Center (Mercy Health System)	23,011	4.26%	5,971	1.10%
Bayer Monsanto	5,400	1.00%	3,000	0.55%
St. Luke's Health Corporation	4,667	0.86%	2,300	0.43%
Dierberg's Markets, Inc.	4,000	0.74%	5,000	0.92%
Spectrum	4,000	0.74%	2,500	0.46%
Solutia Inc	3,400	0.63%	3,700	0.68%
Missouri Baptist Medical Center	2,700	0.50%	2,878	0.53%
Total	60,490	11.19%	38,576	7.12%

Sources:
Basic Financial Statements
Economic Research Federal Reserve Bank of St. Louis
Sorkins Directory of Business & Government
Dun & Bradstreet Million Dollar Directory
Book of Lists

PARKWAY C-2 SCHOOL DISTRICT

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Supervisory										
Instructional administrators	9	9	10	10	10	6	7	7	7	8
Non-instructional administrators	8	8	7	7	5	8	12	12	14	14
Consultants/supervisors of instruction	20	19	19	18	18	32	34	21	22	21
Principals	28	28	28	28	28	28	27	28	22	27
Assistant principals	35	36	39	38	40	38	39	47	48	48
Total Supervisory	100	100	103	101	101	112	119	115	113	118
Instruction										
Elementary teachers	494	503	495	522	528	468	524	512	517	514
Middle school teachers	255	259	261	256	267	275	280	284	287	282
High school teachers	394	398	390	361	365	359	351	362	354	362
ESL teachers	22	23	22	22	22	24	24	26	30	30
Other instructional teachers	118	118	124	87	78	148	114	118	115	118
Aides	69	74	83	73	66	121	133	117	108	100
Total Instruction	1,352	1,375	1,375	1,321	1,326	1,395	1,426	1,419	1,411	1,406
Student Services										
Guidance counselors	70	70	68	70	70	70	71	73	70	72
Social workers/Behavioral Support Specialists	8	8	6	6	6	12	8	14	16	20
Librarians	31	31	31	31	31	31	31	31	31	31
Nursing Staff	38	38	39	39	38	38	38	40	40	40
Total Student Services	147	147	144	146	145	151	148	158	157	163
Support and Administration										
Managers	6	6	6	6	6	5	4	5	9	10
Clerical Support	99	99	97	91	88	41	37	19	17	18
Secretarial Staff	227	227	224	208	185	193	196	191	178	174
Service workers	250	250	247	240	233	325	340	334	333	334
Skilled crafts	49	49	48	47	44	44	46	40	37	37
Mechanical/Transportation	168	165	172	172	172	178	174	168	169	168
Other Support Staff	82	93	69	68	66	92	90	114	110	109
Total support and administration	881	889	863	832	794	878	887	871	853	850
Total	2,480	2,511	2,485	2,400	2,366	2,536	2,580	2,563	2,534	2,537

Source:
Basic Personnel Staffing Budgets

PARKWAY C-2 SCHOOL DISTRICT

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Government Wide Expenses	Cost Per Pupil	Percentage Change	Certificated Instructional Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
2010	17,370	$ 188,782,385	$ 10,868	2.99%	$ 241,720,966	$ 13,916	5.42%	1,315	13.21	18.60%
2011	17,234	195,849,665	11,364	4.56%	236,801,736	13,740	-1.26%	1,407	12.25	20.00%
2012	17,156	220,338,529	12,843	13.02%	245,117,888	14,288	3.98%	1,443	11.89	21.30%
2013	17,104	212,097,237	12,400	-3.45%	235,533,134	13,771	-3.62%	1,334	12.82	20.30%
2014	17,231	197,973,460	11,489	-7.35%	241,245,785	14,001	1.67%	1,311	13.15	20.60%
2015	17,279	202,015,622	11,691	1.76%	224,942,957	13,018	-7.02%	1,399	12.35	20.10%
2016	17,314	205,828,265	11,888	1.68%	233,159,982	13,467	3.44%	1,375	12.59	19.40%
2017	17,498	228,099,184	13,036	9.65%	255,899,815	14,625	8.60%	1,379	12.69	20.00%
2018	17,928	214,456,535	11,962	-8.24%	259,174,149	14,456	-1.15%	1,388	12.92	18.70%
2019	17,928	217,014,547	12,105	1.19%	262,844,453	14,661	1.42%	1,385	12.94	19.20%

Sources:
Core Data Report
Annual Secretary of the Board Report
Annual Report of School Data (DESE website)
Historical Information from Budget Report
Basic Financial Statements

NOTE: Operating Expenditures exclude Debt Service, Bond Issue and Student Activity Expenditures. Debt Service, Bond Issue and Student Activity expenditures are unrelated to the education of the pupils and for the most part, out of the control of the District.

PARKWAY C-2 SCHOOL DISTRICT

TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Fiscal Year	Minimum Salary	Maximum Salary	County Average Salary	Statewide Average Salary
2010	$ 37,000	$ 83,743	$ 55,743	$ 45,148
2011	37,000	85,050	55,999	45,312
2012	39,000	87,300	56,929	45,709
2013	40,500	89,100	57,717	46,234
2014	41,500	91,000	53,229	46,756
2015	41,500	92,200	57,001	47,393
2016	41,800	93,400	59,753	47,955
2017	42,400	95,400	60,461	48,619
2018	42,600	95,650	60,901	49,300
2019	42,800	97,200	61,692	n/a

n/a - information not available

Sources:
Annual Report of School Data (DESE website)
Cooperating School District Core Data Reports
District salary schedules
District Profile reports

PARKWAY C-2 SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools:										
Barretts(1895)										
Square Feet	75,072	75,072	68,587	67,208	68,587	68,587	68,204	68,204	68,204	68,204
Capacity	516	516	516	516	516	516	516	516	719	719
Enrollment	402	397	387	361	383	364	400	403	377	371
Bellerive(1968)										
Square Feet	67,623	67,623	61,260	67,553	61,260	61,260	61,260	61,260	61,260	61,260
Capacity	450	450	450	450	450	450	450	450	423	423
Enrollment	410	400	384	365	378	366	391	388	402	375
Carman Trails(1977)										
Square Feet	65,252	65,252	65,949	65,949	65,949	65,949	65,952	65,952	65,952	65,952
Capacity	472	472	472	472	472	472	472	472	508	508
Enrollment	425	432	432	445	433	457	455	455	445	407
Claymont(1962)										
Square Feet	65,716	65,716	65,716	65,716	67,458	67,458	67,580	67,580	67,580	67,580
Capacity	500	500	500	500	500	500	500	500	601	601
Enrollment	449	442	462	469	481	511	496	499	502	511
Craig(1966)										
Square Feet	50,215	50,215	50,215	50,215	50,215	50,215	50,225	50,225	50,225	50,225
Capacity	530	530	530	530	530	530	530	530	508	508
Enrollment	499	543	475	454	472	452	441	438	488	471
Green Trails(1965)										
Square Feet	59,196	59,196	59,193	59,193	59,193	59,193	59,174	59,174	59,174	59,174
Capacity	500	500	500	500	500	500	500	500	465	465
Enrollment	418	394	420	411	419	415	431	441	414	411
Hanna Woods(1970)										
Square Feet	57,242	57,242	57,242	57,242	57,242	57,242	58,019	58,019	58,019	58,019
Capacity	413	413	413	413	413	413	413	413	465	465
Enrollment	379	354	379	391	400	448	444	448	458	461
Henry(1967)										
Square Feet	91,443	91,443	55,631	55,634	55,631	55,631	63,286	63,286	63,286	63,286
Capacity	460	460	460	460	460	460	460	460	592	592
Enrollment	412	412	429	434	486	517	531	530	604	602

Capacity was evaluated in 2018 by school. This evaluation changed the number used for capacity at some schools. The capacity number does not include space for special learning opportunities like english as a second language, special school district and intervention.

SCHOOL BUILDING INFORMATION - CONTINUED
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools(con't):										
Highcroft Ridge(1977)										
Square Feet	65,252	65,252	66,022	65,252	66,022	66,022	66,175	66,175	66,175	66,175
Capacity	600	600	600	600	600	600	600	600	381	381
Enrollment	327	331	312	314	327	322	331	325	353	357
Mason Ridge(1948)										
Square Feet	65,982	65,982	64,650	63,544	64,650	64,650	63,573	63,573	63,573	63,573
Capacity	500	500	500	500	500	500	500	500	508	508
Enrollment	387	374	393	390	426	427	491	489	468	465
McKelvey(1966)										
Square Feet	64,765	64,765	64,765	64,765	64,765	64,765	64,922	64,922	68,564	68,564
Capacity	700	700	700	700	700	700	700	700	677	677
Enrollment	557	612	510	485	508	542	597	597	653	680
Oak Brook(1989)										
Square Feet	69,480	69,480	67,812	69,480	67,812	67,812	67,812	67,812	67,812	67,812
Capacity	600	600	600	600	600	600	600	600	550	550
Enrollment	488	488	495	490	516	499	500	500	493	483
Pierremont(1966)										
Square Feet	64,458	64,458	57,657	64,459	57,657	57,657	57,650	57,650	57,650	57,650
Capacity	500	500	500	500	500	500	500	500	529	529
Enrollment	378	397	400	411	407	433	447	449	448	453
River Bend(1968)										
Square Feet	51,818	51,818	51,272	51,818	51,272	51,272	51,623	51,623	51,623	51,623
Capacity	550	550	550	550	550	550	550	550	465	465
Enrollment	246	243	400	413	411	410	410	417	445	468
Ross(1962)										
Square Feet	54,773	54,773	54,773	54,773	54,773	54,773	54,775	54,775	54,775	54,775
Capacity	556	556	556	556	556	556	556	556	402	402
Enrollment	441	438	437	416	413	409	392	385	385	375
Shenandoah Valley(1974)										
Square Feet	64,620	64,620	64,620	64,620	64,620	64,620	64,970	64,970	64,970	64,970
Capacity	500	500	500	500	500	500	500	500	465	465
Enrollment	410	418	473	439	441	467	459	448	484	502

Capacity was evaluated in 2018 by school. This evaluation changed the number used for capacity at some schools. The capacity number does not include space for special learning opportunities like english as a second language, special school district and intervention.

PARKWAY C-2 SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION - CONTINUED
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Elementary Schools(con't)										
Sorrento Springs(1972)										
Square Feet	57,907	57,907	57,908	57,908	57,908	57,908	58,202	58,202	58,202	58,202
Capacity	560	560	560	560	560	560	560	560	474	474
Enrollment	385	356	360	352	350	329	316	310	261	250
Wren Hollow(1974)										
Square Feet	68,248	68,248	68,248	68,248	68,248	68,248	68,248	68,248	68,248	68,248
Capacity	600	600	600	600	600	600	600	600	550	550
Enrollment	403	411	412	405	426	405	417	418	412	430
Middle Schools:										
Central Middle(1956)										
Square Feet	146,153	146,153	156,153	160,153	156,153	156,153	160,209	160,209	160,209	160,209
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	897	848	840	873	920	946	903	910	902	891
Northeast Middle(1971)										
Square Feet	156,013	156,013	156,038	154,967	156,038	156,038	159,851	159,851	159,851	159,851
Capacity	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,009	929	936	901	870	815	818	821	868	853
South Middle(1962)										
Square Feet	127,470	127,470	127,470	127,470	127,470	127,470	127,518	127,518	127,518	127,518
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	579	604	610	608	593	574	582	579	585	587
Southwest Middle(1994)										
Square Feet	147,212	147,212	147,212	147,212	147,212	147,212	147,212	147,212	147,212	147,212
Capacity	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Enrollment	653	642	649	668	665	687	695	697	673	632
West Middle(1969)										
Square Feet	173,172	173,172	173,172	173,172	173,172	173,172	171,510	171,510	171,510	171,510
Capacity	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598	1,598
Enrollment	825	877	933	954	987	1,016	1,033	1,039	1,058	1,064

Capacity was evaluated in 2018 by school. This evaluation changed the number used for capacity at some schools. The capacity number does not include space for special learning opportunities like english as a second language, special school district and intervention.

PARKWAY C-2 SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION - CONTINUED
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
High Schools:										
Central High(1960)										
Square Feet	263,533	263,533	296,621	296,621	296,621	296,621	298,694	298,694	298,694	298,694
Capacity	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,264	1,285	1,279	1,287	1,316	1,252	1,220	1,218	1,274	1,253
Fern Ridge High(1949)										
Square Feet	44,088	44,088	23,065	23,065	23,065	23,065	23,067	23,067	23,067	23,067
Capacity	150	150	150	150	150	150	150	150	162	162
Enrollment	92	110	92	63	83	81	81	51	81	83
North High(1971)										
Square Feet	255,451	255,451	251,539	255,451	254,739	254,739	257,916	257,916	268,886	268,886
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,505	1,540	1,479	1,388	1,311	1,208	1,149	1,154	1,093	1,121
South High(1975)										
Square Feet	325,896	325,896	340,615	335,915	340,615	340,615	336,931	336,931	336,931	336,931
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,948	1,913	1,803	1,740	1,727	1,716	1,766	1,766	1,690	1,676
West High(1967)										
Square Feet	386,981	386,981	315,625	316,981	315,625	315,625	321,098	321,098	321,098	321,098
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,307	1,232	1,261	1,252	1,208	1,263	1,354	1,345	1,420	1,437
Preschools:										
Early Childhood Center(1970)										
Square Feet	52,114	52,114	52,204	52,114	52,204	52,204	52,390	52,390	52,390	55,257
Capacity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	454	454
Enrollment	79	67	84	97	86	98	115	122	136	104
Instructional Services Center(1968)(1)										
Square Feet	19,464	19,464	30,943	32,563	30,943	30,943	32,123	32,123	14,802	14,802
Capacity	170	170	170	170	170	170	170	170	54	54
Enrollment	81	81	81	85	98	50	51	67	59	50
Pre-School North(2015)										
Square Feet	-	-	-	-	-	7,171	7,170	7,170	7,170	36,786
Capacity	-	-	-	-	-	96	96	96	90	90
Enrollment	-	-	-	-	-	81	82	85	89	62

Capacity was evaluated in 2018 by school. This evaluation changed the number used for capacity at some schools. The capacity number does not include space for special learning opportunities like english as a second language, special school district and intervention.

SCHOOL BUILDING INFORMATION - CONCLUDED
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Buildings:										
Administration(1963)										
Square Feet	18,061	18,061	18,061	18,061	18,061	18,061	18,062	18,062	18,062	18,062
Facilities/Operations(1966)										
Square Feet	35,494	35,494	35,494	48,955	35,494	35,494	35,869	35,869	35,869	35,869
Fern Ridge Grounds Storage										
Square Feet	-	-	21,218	21,218	21,218	21,218	21,218	21,218	21,218	23,067
Instructional Services Center(1968)(1)										
Square Feet	34,808	34,808	20,629	21,709	20,629	20,629	19,465	19,465	19,465	36,786
Transportation(1961)										
Square Feet	12,880	12,880	13,838	13,838	13,838	13,838	12,013	12,013	12,013	12,013
Service Bays	7	7	7	7	7	7	7	7	7	7
Buses	148	148	148	148	148	148	148	149	149	149
The Nines Building (2019)										
Square Feet	-	-	-	-	-	-	-	-	-	10,708
Athletics:										
Football Fields	17	17	17	17	17	17	17	17	17	17
Soccer Fields	24	24	24	29	29	29	29	29	29	29
Running Tracks	12	12	12	22	22	22	22	22	22	22
Baseball/Softball	36	36	36	35	35	35	35	35	35	35
Swimming Pools	4	4	4	4	4	4	4	4	4	4
Playgrounds	44	44	44	44	44	44	44	44	44	44

(1) The Instructional Services Center is used for both administrative offices and instructional. The square footage for this site was based upon space dedicated for instructional purposes.

Sources:
DESE Annual Report of School Data
District Blueprints
District Archives
District report "Confronting Parkway's Space & Enrollment issues"

Capacity was evaluated in 2018 by school. This evaluation changed the number used for capacity at some schools. The capacity number does not include space for special learning opportunities like english as a second language, special school district and intervention.

THIS PAGE INTENTIONALLY

LEFT BLANK

APPENDIX C

FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS PAGE INTENTIONALLY

LEFT BLANK

CONTINUING DISCLOSURE UNDERTAKING

Dated as of October 1, 2020

by the

PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI

$55,000,000
Parkway C-2 School District, St. Louis County, Missouri
General Obligation Bonds
Series 2020

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of October 1, 2020 (this *"Undertaking"*) is executed and delivered by the **PARKWAY C-2 SCHOOL DISTRICT, ST. LOUIS COUNTY, MISSOURI** (the *"Issuer"*).

RECITALS

1. This Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **$55,000,000 General Obligation Bonds, Series 2020** (the *"Bonds"*), pursuant to a resolution adopted by the governing body of the Issuer on September 16, 2020 (the *"Resolution"*).

2. The Issuer is entering into this Undertaking for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the *"Rule"*). The Issuer is the only "obligated person" (as defined by the Rule) with responsibility for continuing disclosure hereunder.

In consideration of the foregoing, the Issuer covenants and agrees as follows:

Section 1. Definitions.

In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report filed by the Issuer pursuant to, and as described in, **Section 2** hereof.

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

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office or designated payment office of the trustee, any paying agent or the Dissemination Agent, as applicable, is located are required or authorized by law to remain closed or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"Dissemination Agent" means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Undertaking and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

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

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

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

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

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

Section 2. Provision of Annual Reports.

(a) The Issuer shall not later than **180 days** after the end of the Issuer's Fiscal Year, commencing with the Fiscal Year ended June 30, 2020, file with the MSRB, through EMMA, the following financial information and operating data (the *"Annual Report"*):

(1) The audited financial statements of the Issuer for the prior Fiscal Year prepared in accordance with the accounting principles described in the notes to the financial statements included as **Appendix B** to the final 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 this Section, the Annual Report shall contain unaudited financial statements in a format similar to the audited financial information contained in the final Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data related to the Bonds, as described in **Exhibit A** hereto, with such modifications to the formatting and general presentation thereof as deemed appropriate by the Issuer; provided, any substantive change to information provided shall be effected only in accordance with **Section 6** hereof.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3** hereof.

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

Section 3. Reporting of Material Events.

No later than **10** Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given, to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds (*"Material Events"*):

(a) principal and interest payment delinquencies;
(b) non-payment related defaults, if material;
(c) unscheduled draws on debt service reserves reflecting financial difficulties;
(d) unscheduled draws on credit enhancements reflecting financial difficulties;
(e) substitution of credit or liquidity providers, or their failure to perform;
(f) adverse tax opinions; the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
(g) modifications to rights of bondholders, if material;
(h) bond calls, if material, and tender offers;
(i) defeasances;
(j) release, substitution or sale of property securing repayment of the Bonds, if material;
(k) rating changes;
(l) bankruptcy, insolvency, receivership or similar event of the Issuer (which shall be deemed to occur as provided in the Rule);
(m) the consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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;
(n) appointment of a successor or additional trustee or the change of name of the trustee, if material;
(o) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and
(p) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)** hereof, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation.

The Issuer's obligations under this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Undertaking are assumed in full by some other entity, such entity shall be responsible for compliance with this Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such assumption occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such assumption in the same manner as for a Material Event under **Section 3** hereof.

Section 5. Dissemination Agent.

The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Undertaking and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Undertaking.

Section 6. Amendment; Waiver.

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

In the event of any amendment or waiver of a provision of this Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (a) notice of such change shall be given in the same manner as for a Material Event under **Section 3** hereof, and (b) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information.

Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this

Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default.

If the Issuer fails to comply with any provision of this Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Undertaking if there is any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 9. Beneficiaries.

This Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter and the Beneficial Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 10. Severability.

If any provision in this Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Undertaking shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions.

The arrangement described herein may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law.

This Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer has caused this Undertaking to be executed as of the day and year first above written.

PARKWAY C-2 SCHOOL DISTRICT,
ST. LOUIS COUNTY, MISSOURI

By: ____________________________________
Title: President of the Board of Education

EXHIBIT A
TO CONTINUING DISCLOSURE UNDERTAKING

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

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

1. **"THE DISTRICT – History of Enrollment."**

2. **"DEBT STRUCTURE OF THE DISTRICT – Debt Ratios and Related Information," "– General Obligation Indebtedness"** and **"– Debt Service Requirements for General Obligation Bonds Outstanding."**

3. **"PROPERTY TAX INFORMATION – Property Valuations – *History of Property Valuations*," "– Tax Rates – *Tax Rates – Allocation by Fund,*" "– Tax Collections – *Tax Collection Record*"** and **"– Major Property Taxpayers."**