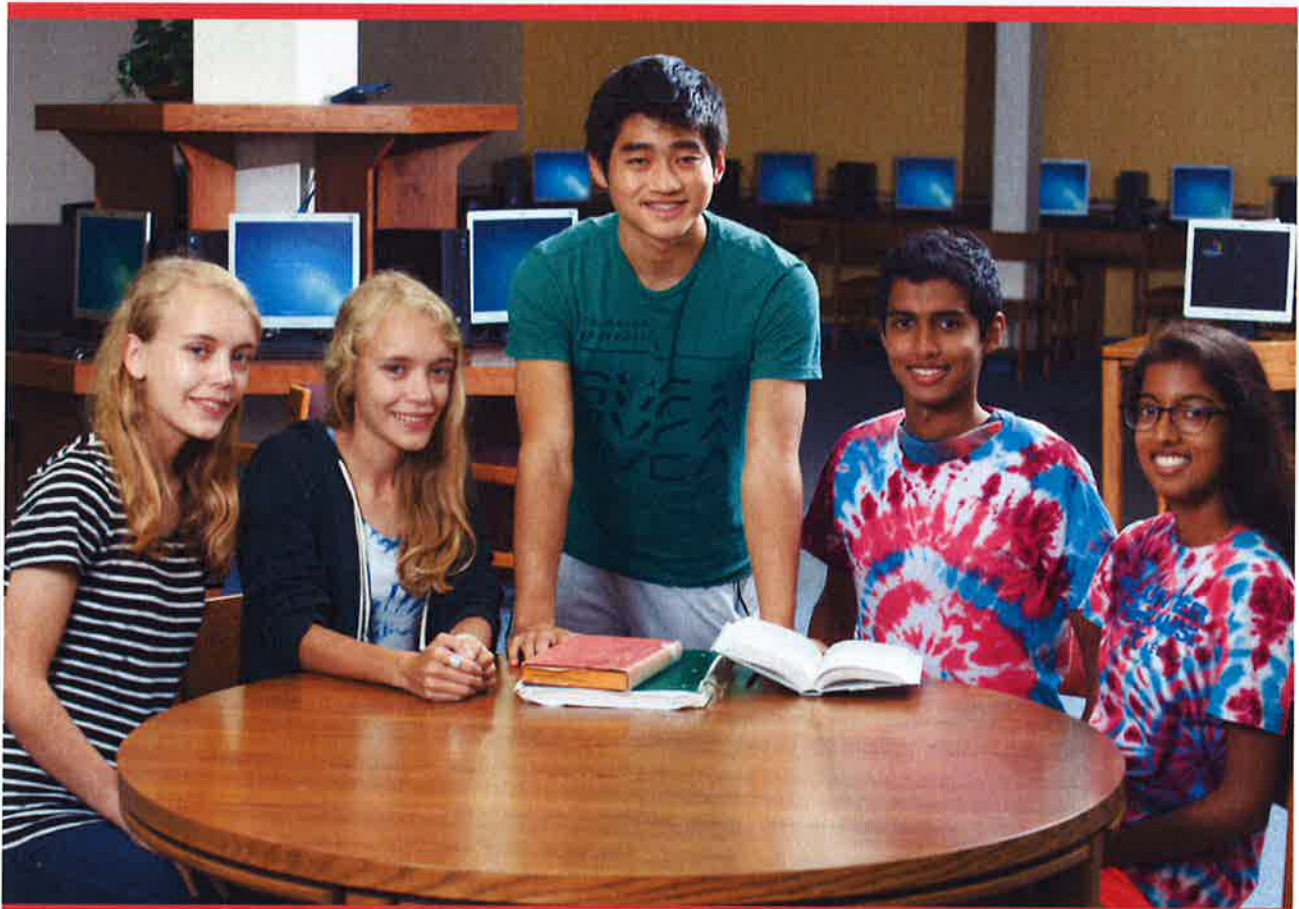


Comprehensive Annual

Financial Report



Parkway School District • C2 • Chesterfield, Missouri
For the Fiscal Year Ended June 30, 2015



PARKWAY C- 2 SCHOOL DISTRICT

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PARKWAY C- 2 SCHOOL DISTRICT

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PARKWAY C- 2 SCHOOL DISTRICT

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**PARKWAY C-2 SCHOOL DISTRICT
CHESTERFIELD, MISSOURI**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

Prepared by the Chief Financial Officer's Division

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND
INDEPENDENT AUDITORS' REPORT

PARKWAY C-2 SCHOOL DISTRICT

June 30, 2015

**INTRODUCTORY
SECTION**



December 3, 2015

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, 2015, 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 Finalists** - Thirty-six Parkway students were named National Merit Semifinalists or Commended in the National Merit Scholarship program.
- **America’s Best High Schools** – All four traditional Parkway high schools - Central, North, South and West made the *Daily Beast* list of America’s Best High Schools
- **National Schools of Character** – Ross Elementary and McKelvey Elementary are National Schools of Character. The award comes from the Character Education Partnership in Washington D.C.
- **Missouri State Champions** – Parkway athletics programs won 12 conference championships, eight district championships and three individual state championships (in swimming). Parkway also won two state titles in co-ed water polo (West High) and boys volleyball (Central High).
- **College attendance** – 89% of Parkway graduates go on to attend college.
- **Top Test Scores in Missouri** – Parkway earned a 96.4 on the state report card, ranking among the top 10 percent of school districts in the state.
- **Financials** – Parkway has consistently earned a Certificate of Excellence in Financial Reporting from the Association of School Business Officials International. Parkway's residential tax rate in the third lowest among 23 county districts. 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 10 workplace in St. Louis by *The St. Louis Post-Dispatch* based on surveys of employees.

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 17,279 students for Fiscal Year 2014-2015. 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 an Early Childhood Education center, 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 seventh largest in Missouri. Today, the District includes five high schools, five middle schools, 18 elementary schools and one Early Childhood Development Center. 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 141,998. There were 17,279 children that attended school during the 2014-2015 academic year. The District employed the following full time equivalent staff; 1,398.97 certificated instructional staff. The current certified staffing created a certified staff to student ratio of 12.35:1 during the past academic year. The staffing ratio is expected to decrease slightly to 12.29:1 in 2015-2016 based on a projected student enrollment of 17,348 and instructional staffing of 1,412 FTE.

Major Initiatives

Current Year and Future Years

The District has spent the last three years working on and updating its five year strategic plan, Project Parkway, under which it will operate for fiscal years ending 2013 through 2017. 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 this plan, 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.

Cash Management

Funds not needed to meet current cash flow requirements are invested to meet the future needs of the District.

With over 72% of the District's revenue received in November, December and January of the academic year, strategic placement of these investments is made to maximize investment income. The District has a Competitive bidding process to achieve the highest total return for the District while keeping in mind that the District will need these funds during the fiscal year.

The District operates under the Revised Statutes of the State of Missouri as it pertains to the types of deposits and investments it holds. Missouri Statutes allow school districts to invest in the following instruments:

- Open time deposits,
- Certificates of deposit,
- Bonds of the state of Missouri, of the United States, or of any wholly-owned corporation of the United States,
- Other short-term obligations of the United States.

Interest accruing from these investments is credited to the funds from which the money was invested.

To fulfill short-term cash needs, deposits are maintained with the District's depository bank.

Debt Administration

As of June 30, 2015, long-term general obligation bonds totaled \$179,735,000. This is an increase of \$41,193,325 from the prior fiscal year. This increase is a result of issuance of \$50,000,000 in general obligation bonds for capital projects less the debt payments made during the year.

The District has remaining bonded debt capacity of \$450,150,367 on June 30, 2015.

Risk Management

The Board's administration is responsible for supervising the protection of the District's assets by implementing various risk management techniques and procedures. These measures are meant to reduce and minimize risk associated with errors and omissions, workers compensation injuries, and natural disasters. The District obtains its insurance coverage through the Missouri United School Insurance Council (MUSIC) which is a protected self-insurance program made up of 400 Missouri public schools. The District pays an annual assessment to be a member of this risk-sharing group.

The District operates a self-funded health insurance program that includes medical, dental and vision benefits. Each fall, the District appointed health insurance committee reviews the plan and makes recommendations to the District's health insurance programs for the next plan year. A 5.0% increase in District paid premiums were recommended and approved during the last fiscal year. During Fiscal Year 2014-2015, the plan recognized a \$232,623 in net position as compared to a \$1,095,357 decrease in Fiscal Year 2013-2014.

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 will cover 2014-2015, 2015-2016 and 2016-2017. The Communications Workers of America agreement covers 2015-2016, 2016-2017 and 2017-2018. The Parkway Registered Nurses' Agreement is a three year agreement covering the 2014-2015 and 2015-2016 fiscal years.

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.

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 Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. 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.

Awards

For the past twelve years, the District has received the Association of School Business Officials (ASBO) International, Certificate of Excellence in Financial Reporting Award. For the fiscal year ended June 30, 2015, the Comprehensive Annual Financial Report will be submitted again for the award.

Acknowledgments

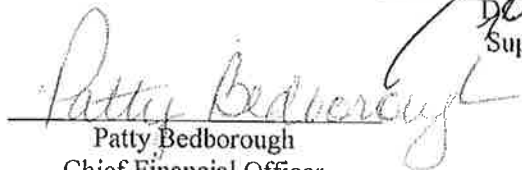
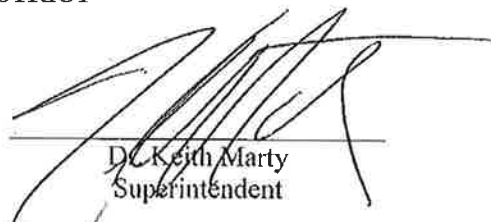
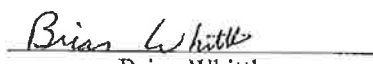
It is our desire that this report contain the necessary information and data that will provide a better understanding of the operations of the District to the District's Board of Education, outside investors and interested local constituents. It is further hoped that this report has been produced in 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

 Patty Bedborough Chief Financial Officer	 Dr. Keith Marty Superintendent	 Brian Whittle Director of Finance
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**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015**

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

BOARD OF EDUCATION

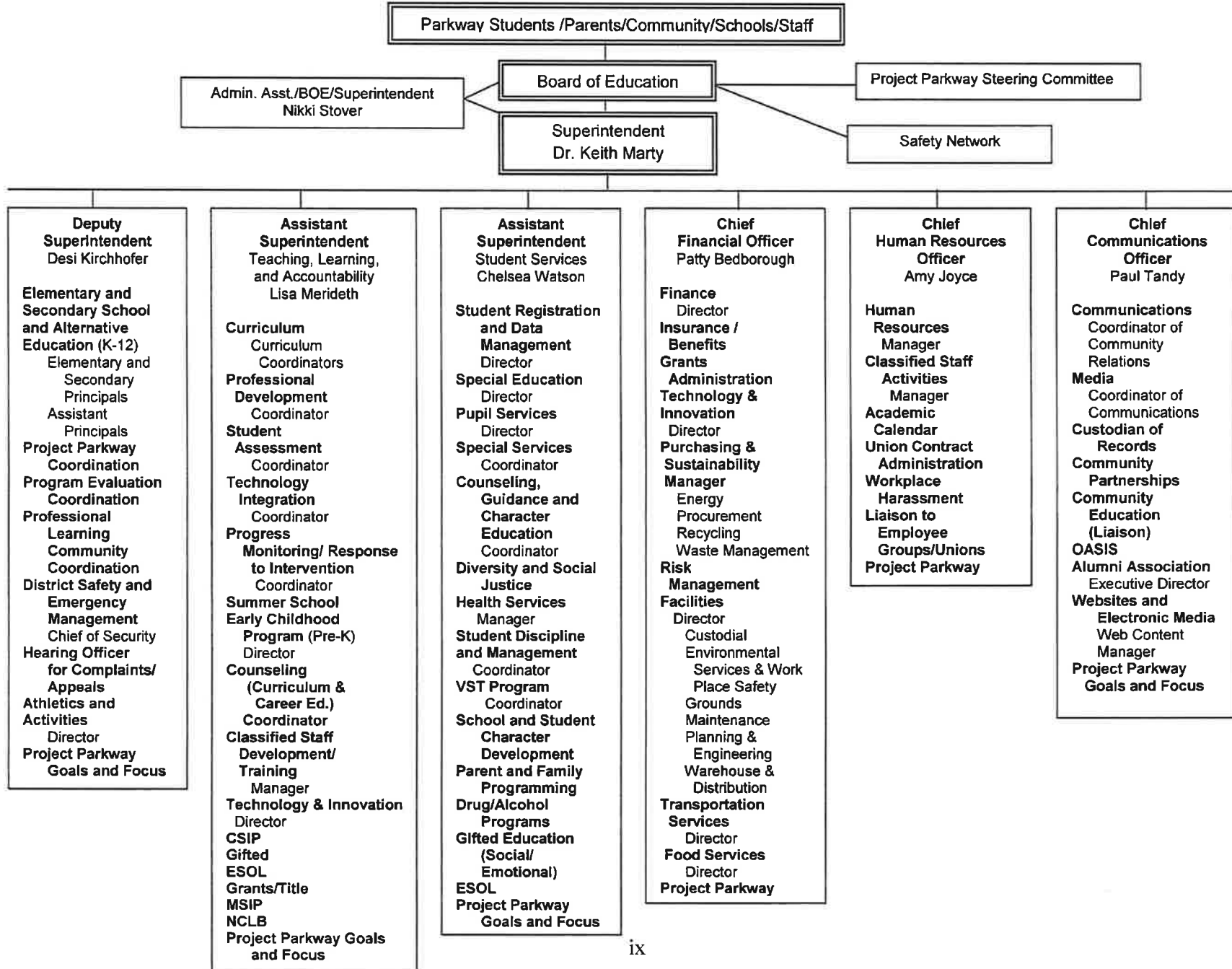
Mr. Chris Jacob	President
Ms. Dee Mogerma	Vice-President
Ms. Kim Appelbaum	Director
Mr. Tom Appelbaum	Director
Ms. Beth Feldman	Director
Ms. Deborah Hopper	Director
Mr. Sam Sciortino	Director

GENERAL ADMINISTRATION

Dr. Keith Marty	Superintendent
Mr. Desi Kirchofer	Deputy Superintendent
Dr. Lisa Merideth	Assistant Superintendent, Teaching, Learning and Accountability
Dr. Chelsea Watson	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
----------------------	-------------------------



Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Parkway C-2 School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director

**FINANCIAL
SECTION**



CPAs and
Management Consultants

One South Memorial Drive, Ste. 900
St. Louis, MO 63102-2439
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fax 314.880.9307

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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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note K to the financial statements, in 2015, the District adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as amended by GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No.68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information 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

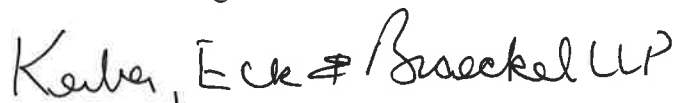
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parkway C-2 School District's basic financial statements. The introductory section, supplementary information and the statistical section are presented for purposes of additional analysis 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 December 3, 2015 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



St. Louis, Missouri
December 3, 2015

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

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, 2015. 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.

FINANCIAL HIGHLIGHTS

Key financial highlights for the Fiscal Year 2014-2015 include the following:

- Beginning Net Position was restated from \$110,080,339 to (\$53,233,709). The decrease was due to the implementation of GASB 68 and GASB 71 which required the recognition of the District's portion of the state-wide retirement system's liability.
- Net position increased by \$13,830,941 for the year ended June 30, 2015. The net increase (after restatement) was comprised of the following elements:

	<u>Increase (Decrease)</u>
Net investment in capital assets	\$ (3,535,826)
Restricted for:	
Debt service	1,044,333
Certificated employees' compensation and benefits	(2,221,433)
Unrestricted	<u>18,543,867</u>
Net increase	<u>\$ 13,830,941</u>

"Unrestricted net position" increased \$18,543,867 due to operating revenues exceeding operating expenditures by \$4,192,488. The increase in unrestricted funds is generally considered to be a positive reflection on operations and demonstrates the District's commitment to keep operating expenditures under operating revenues. The increase was also due to net decrease in the pension expense related to the state pension system by \$15,175,589.

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS (continued)

The amount, "Net investment in capital assets" decreased as a result of capital asset reductions and increase in deferred charge on refunding which resulted from an advance refunding bond issuance in the current year. Capital assets, net of accumulated depreciation decreased \$5,810,642 while deferred charge on refunding increased \$2,727,164 and a small change in the capital lease obligations. This led to a net decrease in net investment in capital assets of \$3,535,826.

"Net position restricted for debt service" increased \$1,044,333 primarily as a result of an decrease in accrued interest of \$1,664,688.

"Net position restricted for certificated employees' compensation and benefits" decreased \$2,221,433, as a result of spending down a \$9,000,000 transfer to the Special Revenue Fund from the General Fund in 2014.

- Total assets and deferred outflows increased by \$50,293,371 attributed to the following elements:

	Increase (Decrease)
Cash and investments - restricted and unrestricted	\$ 45,593,979
Receivables	2,173,905
Prepaid expenses and inventory items	282,602
Capital assets, net of depreciation	(5,810,642)
Deferred charge on refunding	2,727,164
Deferred pension contributions	5,326,363
	<hr/>
Net increase	\$ 50,293,371

The increase in cash and investments is comprised of two major elements. First, a general obligation bond in the amount of \$50,000,000 was issued for capital projects which lead to an increase of approximately \$43.8 million in the capital improvement funds. This increase coupled with an increase of approximately \$2 million in operating cash, a decrease in debt service cash of approximately \$700,000 and an increase of approximately \$650,000 in proprietary fund cash, which resulted in an increase of \$45,593,979 in cash and investments.

There was a net decrease in capital assets of \$5,810,642. This is primarily made up of current year depreciation expense of \$14,792,553 and current year additions of \$9,042,502. There was an increase in receivables of \$2,173,905, this is primarily due to an increase property taxes receivable which were lower in the prior year due to protested taxes.

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS (continued)

Deferred charge on refunding increased due to the current year general obligation bond refunding while the deferred pension contributions increased due to the change in contributions in 2015 compared to 2014 by \$458,628 and the difference between expected and actual experience of \$4,867,735 related to the District's share of the Missouri State Pension.

- Total liabilities and deferred inflows increased by \$36,462,602 due to the following items:

	<u>Increase (Decrease)</u>
Accounts payable, salaries and other payables	\$ 1,573,027
Claims payable	50,602
Unearned revenue	271,975
Net pension liability	(68,553,907)
Other postemployment obligation	1,115,800
Liabilities due within one year	1,943,859
Liabilities due in more than one year	41,356,393
Pension deferrals	<u>58,704,853</u>
Net increase	<u>\$ 36,462,602</u>

The overall increase in liabilities due within one year and liabilities due in more than a year is primarily a result of a debt issue of \$50,000,000 in general obligation debt less payments made on existing debt during the year. The change in the share of the Missouri State Pension Liability is primarily due to the net difference between the projected and actual investment earnings on the Plan assets. Accounts payable increased as a result of capital projects related to the debt issue.

Pension deferrals increased \$58,704,853 primarily due to the net difference between projected and actual investment earnings on pension plan investments related to the District's share of the Missouri State Pension. Such deferred inflow did not exist in 2014.

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS (continued)

Other financial highlights are as follows:

- The largest source of revenue for the District continues to be locally assessed property taxes. In fiscal year 2015, the assessed valuation, net of TIF, increased \$23,027,410 (0.6%) to \$4,158,544,670 from the prior year. The collection rate, on a full accrual basis of accounting, increased to 97.50% from 95.26% in the prior year. The collection rate increased due to fewer protested taxes paid out compared to the prior year. Total property tax revenue received amounted to \$174,962,932. Taking these factors into consideration, property taxes collected, exclusive of all other Ad Valorem taxes collected, were \$4,046,621 higher than the prior year.
- 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 \$12,486,228 in general revenues. This was an increase of \$665,392 from the prior year.
- 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. That per pupil rate for fiscal year 2015 was \$540.41. Actual formula funding received was \$8,365,479 or \$183,511 less than prior year.
- Total interest income generated in fiscal year 2015 was \$363,659 or \$645,649 less than prior year. Interest income was lower than the previous year primarily due to the spend down of restricted bond issue reserves.
- 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 \$7,694,360 in tuition revenue from this source, which is an increase of \$323,083 from the prior year. The child nutrition program also was a large contributor to this revenue category. Fees charged for the lunch program accounted for \$3,841,316 in revenue, a decrease of \$75,471 from the prior year. Other large sources of program revenues include student activity receipts of \$3,549,655. The total decrease in charges for services revenue was \$50,658 from the prior year.

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

FINANCIAL HIGHLIGHTS (concluded)

- Grants and contributions account for \$10,269,142 in program revenues. The five largest sources of revenue within this category are the adult education and literacy program, \$1,181,601; federally funded child nutrition program, \$1,947,411; state reimbursed transportation aid, \$1,435,292; the federally funded Title I program, \$1,341,178; and contracted educational transportation services, \$2,391,324. These five sources generated \$8,296,806 in program revenue. Total grants and contributions are \$1,461,918 lower than the prior year. This decrease is primarily as a result of one-time grant in fiscal year 2014 to purchase CNG busses in the amount of \$1,532,000.

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.

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

THE DISTRICT AS A WHOLE (continued)

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.

Governmental Funds

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 18, the cost of the District's governmental activities for the year ended June 30, 2015 was \$224,942,957. 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 \$10,269,142 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 \$18,077,269 towards these programs. The remaining amount was financed primarily by the taxpayers of the District through ad valorem, property tax and sales tax revenue totaling \$201,583,127. Investment earnings contributed \$363,659. State aid and unrestricted grants and contributions accounted for \$8,480,701. 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.

PARKWAY C-2 SCHOOL DISTRICT

**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
YEAR ENDED JUNE 30, 2015**

THE DISTRICT AS A WHOLE (continued)

Table I compares the Total and Net Costs of Governmental Activities for Fiscal Year ended June 30, 2015 to June 30, 2014.

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

	2015		2014	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Instructional programs	\$ 117.420	\$ 106.242	\$ 125.584	\$ 113.962
Student activities	4.224	0.674	3.853	0.606
Attendance	0.510	0.510	0.512	0.512
Guidance	6.204	6.204	6.898	6.898
Health services	2.508	2.450	2.532	2.435
Improvements of instruction	6.041	6.041	6.689	6.689
Professional development	0.025	0.025	0.020	0.020
Media services	3.310	3.310	3.777	3.777
Board of education	0.557	0.557	0.413	0.413
Executive administration	2.067	2.067	2.138	2.138
Building level administration	17.575	17.575	20.445	20.445
Operation of plant	25.580	25.325	25.787	25.620
Pupil transportation	9.084	5.257	9.775	4.496
Food services	5.954	0.128	5.937	(0.019)
Business and central services	12.604	12.583	10.947	10.926
Security services	1.117	1.117	1.097	1.097
Adult education	1.747	0.566	2.048	1.004
Community services	3.242	0.792	3.465	0.892
Interest and other expenses on long-term debt	5.174	5.174	8.358	8.358
Total	<u>\$ 224.943</u>	<u>\$ 196.597</u>	<u>\$ 240.275</u>	<u>\$ 210.269</u>

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

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

THE DISTRICT AS A WHOLE (continued)

Governmental Activities (continued)

Table II compares the District's Net Position as of June 30, 2015 to June 30, 2014 (restated).

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

	<u>2015</u>	<u>2014</u>
Assets		
Current and other assets	\$ 107.506	\$ 59.455
Capital assets	<u>214.947</u>	<u>220.757</u>
Total assets	322.453	280.212
Deferred outflows of resources	27.982	19.929
Liabilities		
Other liabilities	12.556	10.660
Noncurrent liabilities	<u>318.577</u>	<u>342.715</u>
Total liabilities	331.133	353.375
Deferred inflows of resources	58.705	-
Net position		
Net investment in capital assets	69.719	73.255
Restricted	10.044	11.217
Unrestricted	<u>(119.166)</u>	<u>(137.706)</u>
Total net position	<u>\$ (39.403)</u>	<u>\$ (53.234)</u>

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

THE DISTRICT AS A WHOLE (concluded)

Governmental Activities (concluded)

Table III compares the Changes in Net Position for fiscal years ended June 30, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Program revenues		
Charges for services	\$ 18.077	\$ 18.128
Operating grants and contributions	10.269	10.199
Capital grants and contributions	-	1.532
General revenue		
Property taxes and other county taxes	187.449	182.737
Sales taxes	14.134	14.003
State aid	8.365	8.182
Grants and contributions not restricted	0.115	0.336
Investment earnings	0.365	1.009
Total revenue	<u>238.774</u>	<u>236.126</u>
Program expenses		
Instructional programs	117.420	125.584
Student activities	4.224	3.853
Attendance	0.510	0.512
Guidance	6.204	6.898
Health	2.508	2.532
Improvements of instruction	6.041	6.689
Professional development	0.025	0.020
Media services	3.310	3.777
Board of education	0.557	0.413
Executive administration	2.067	2.138
Building level administration	17.575	20.445
Operation of plant	25.580	25.787
Pupil transportation	9.084	9.775
Food services	5.954	5.937
Business and central services	12.604	10.947
Security services	1.117	1.097
Adult education	1.747	2.048
Community services	3.242	3.465
Debt service	5.174	8.358
Total expense	<u>224.943</u>	<u>240.275</u>
Change in net position	<u>\$ 13.831</u>	<u>\$ (4.149)</u>
Ending net position	<u>\$ (39.403)</u>	<u>\$ (53.234)</u>

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

District Funds

Total sources of revenue for all governmental funds were \$238,750,457 while District expenditures were \$245,592,067. As the District completed its fiscal year ended June 30, 2015, the governmental fund balance was \$90,661,386 as compared to \$46,427,256 on June 30, 2014. The increase was mostly as a result of the \$50 million general obligation issue that had only been partially spent by year end. After factoring out the change in restricted bond issue and capital projects fund balance of \$40,041,642, the remaining fund balances increased \$4,192,488.

The General Fund actual revenues were over budget by \$1,294,773 or 1.47%. Total actual expenditures for the General Fund were below the revised budget estimates by \$5,553,821 or 6.32%. The fund balance of \$31,455,404 is \$6,954,329 higher than the prior year. The better than expected revenues and lower than expected expenditures are responsible for the increase.

The Special Revenue Fund actual revenues were over budget by \$4,516. Total actual expenditures for the Special Revenue Fund were below revised projections by \$111,410. The fund balance of \$3,742,352 is \$2,761,841 lower than the prior year.

The Debt Service Fund actual revenues and other financing sources of \$45,393,356 and expenditures and other financing uses of \$45,916,142 resulted in a reduction in the fund balance of \$522,786.

The Capital Projects Fund actual revenues and other financing sources were \$50,983,577 while expenditures were \$10,419,149, increasing the fund balance by \$40,564,428. This increase in fund balance was due to the issuance of general obligation bonds which had not been spent by the end of the fiscal year.

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 May 7, 2014 with amendments being approved on December 10, 2014 and April 22, 2015.

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 64, 65, 70, and 71. The School District's year-end results were slightly better than had been projected, as conservative budgetary practices are customary.

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

BUDGETING HIGHLIGHTS (concluded)

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. 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, \$42,631,615 was added to the budgets within the General, Special Revenue, Debt Service and Capital Projects Funds. Of this amount, \$30,852,458 to defease the 2009 general obligation bond issue and the premium on the refunding bond, \$9,321,576 for increased capital projects related to the bond issue and bond issue fees, and \$2,457,581 in funds carried forward from the previous year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

On June 30, 2015, the District had \$427,933,488 invested in land, buildings, furniture, equipment, vehicles, buses and construction projects in process. Of this amount, \$212,986,827 has been taken in depreciation. The District currently has a net book value of \$214,946,661 or 50.2% 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.

Table IV
Capital Assets
June 30,

	<u>2015</u>	<u>2014</u>
Land and land improvements	\$ 33,848,924	\$ 33,848,924
Buildings and building improvements	359,155,128	359,155,128
Vehicles and equipment	27,106,796	26,612,794
Construction in progress	<u>7,822,640</u>	<u>50,443</u>
Totals	<u>\$ 427,933,488</u>	<u>\$ 419,667,289</u>

PARKWAY C-2 SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED YEAR ENDED JUNE 30, 2015

CAPITAL ASSETS AND DEBT ADMINISTRATION – (concluded)

During the current year, additions of \$9,042,502 of capital assets were capitalized while \$776,303 were deleted or retired. Depreciation for the year ended June 30, 2015 was \$14,792,553. Accumulated depreciation on the retired assets was \$715,712.

Debt Administration

On June 30, 2015, the District had \$179,735,000 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, net pension liability 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 40 and 42, respectively.

Table V
Outstanding Debt
June 30,

	<u>2015</u>	<u>2014</u>
General obligation bonds		
Series 2015A	\$ 27,080,000	\$ -
Series 2015B	50,000,000	-
Series 2012	29,540,000	30,385,000
Series 2011	24,455,000	26,795,000
Series 2010	33,000,000	34,000,000
Series 2009	15,660,000	46,215,000
Series 2005	-	680,000
Series 2004	-	466,675
	<u> </u>	<u> </u>
Total	<u>\$ 179,735,000</u>	<u>\$ 138,541,675</u>

PARKWAY C-2 SCHOOL DISTRICT

**MANAGEMENT’S DISCUSSION AND ANALYSIS - UNAUDITED
YEAR ENDED JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The operating budget (which excludes student activities, debt service and bond issue) presented to the Board of Education for approval for fiscal year 2015-2016 includes revenues of \$226,557,981 and operating expenditures of \$226,036,177. The result is an anticipated operating gain for fiscal year 2015-2016 of \$521,804.

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.

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. In addition to emergency funding for facilities, there is a level of uncertainty tied to revenue received from the Voluntary Student Transfer Program. Should the number of students participating in the VST program significantly drop or cost reimbursements decrease, due to changes in State funding, then this reserve would allow the District to maintain its existing programs.

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:

Patty Bedborough
Chief Financial Officer
314-415-8060

Brian Whittle
Director of Finance
314-415-8060

PARKWAY C-2 SCHOOL DISTRICT

STATEMENT OF NET POSITION

June 30, 2015

	<u>Governmental activities</u>
ASSETS	
Cash and investments	\$ 53,488,458
Restricted cash and investments	43,782,954
Property taxes receivable - net of allowance for uncollectibles of \$2,168,689	3,434,652
Other receivables	
Local	650,250
State	2,444,599
Federal	1,576,889
Prepaid items	1,494,360
Inventories	633,453
Land	3,457,837
Construction in Progress	7,822,640
Depreciable capital assets, net of accumulated depreciation	<u>203,666,184</u>
Total assets	322,452,276
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	3,736,122
Deferred pension contributions	<u>24,246,028</u>
Total deferred outflows of resources	27,982,150
LIABILITIES	
Accounts payable	4,555,567
Salaries payable	1,642,876
Medical and dental benefits payable	2,300,384
Unearned revenue	1,813,566
Interest payable	2,243,166
Net pension liability	113,679,634
Other postemployment obligation	6,736,300
Noncurrent liabilities	
Due within one year	14,760,594
Due in more than one year	<u>183,400,254</u>
Total liabilities	331,132,341
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	<u>58,704,853</u>
NET POSITION	
Net investment in capital assets	69,719,235
Restricted for:	
Debt service	4,137,058
Certificated employees' compensation and benefits	5,907,208
Unrestricted	<u>(119,166,269)</u>
Total net position	\$ (39,402,768)

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
Year ended June 30, 2015

Function/Program	Expenses	Program revenues			Net (expense)
		Charges for services	Operating grants and contributions	Capital grants and contributions	revenue and changes in net position
					Total Governmental activities
Governmental activities					
Instruction	\$ 117,419,935	\$ 8,440,789	\$ 2,738,868	\$ -	\$ (106,240,278)
Student activities	4,223,712	3,549,655	-	-	(674,057)
Attendance	509,567	-	-	-	(509,567)
Guidance	6,203,939	-	-	-	(6,203,939)
Health services	2,507,675	-	57,749	-	(2,449,926)
Improvement of instruction	6,040,942	-	-	-	(6,040,942)
Professional development	25,000	-	-	-	(25,000)
Media services	3,310,475	-	-	-	(3,310,475)
Board of Education services	556,555	-	-	-	(556,555)
Executive administration	2,067,720	-	-	-	(2,067,720)
Building level administration	17,575,520	-	-	-	(17,575,520)
Business and central services	12,604,100	20,614	-	-	(12,583,486)
Operation of plant	25,579,658	254,553	-	-	(25,325,105)
Security services	1,116,659	-	-	-	(1,116,659)
Pupil transportation	9,084,146	-	3,826,616	-	(5,257,530)
Food services	5,953,779	3,841,316	1,984,240	-	(128,223)
Adult basic education	994,518	-	1,181,601	-	187,083
Adult continuing education	753,273	-	-	-	(753,273)
Community services	3,241,924	1,970,342	480,068	-	(791,514)
Debt service					
Interest and other expenses	5,173,860	-	-	-	(5,173,860)
Total governmental activities	\$ 224,942,957	\$ 18,077,269	\$ 10,269,142	\$ -	(196,596,546)
General revenues					
Taxes					
Property and all other Ad Valorem taxes					187,449,160
Sales taxes					14,133,967
State aid					8,365,479
Grants and contributions not restricted to specific programs					115,222
Investment earnings					363,659
Total general revenues					210,427,487
Changes in net position					13,830,941
Net position at July 1, 2014, as restated					(53,233,709)
Net position at June 30, 2015					\$ (39,402,768)

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	General	Special Revenue	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and investments	\$ 30,320,220	\$ 1,540,000	\$ 6,105,762	\$ 8,691,094	\$ 46,657,076
Restricted cash and investments	-	-	-	43,782,954	43,782,954
Property taxes receivable - net of allowance for uncollectibles of \$2,168,689	1,106,038	2,054,152	274,462	-	3,434,652
Other receivables					
Local	543,499	64,770	-	41,981	650,250
State	860,045	1,584,554	-	-	2,444,599
Federal	873,010	663,732	-	40,147	1,576,889
Prepaid items	1,491,678	-	-	2,682	1,494,360
Inventories	633,453	-	-	-	633,453
Total assets	\$ 35,827,943	\$ 5,907,208	\$ 6,380,224	\$ 52,558,858	\$ 100,674,233
LIABILITIES					
Accounts payable	\$ 1,356,673	\$ -	\$ -	\$ 3,198,894	\$ 4,555,567
Salaries payable	1,642,876	-	-	-	1,642,876
Unearned revenue	318,305	-	-	-	318,305
Total liabilities	3,317,854	-	-	3,198,894	6,516,748
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	1,054,685	2,164,856	276,558	-	3,496,099
FUND BALANCES					
Non-spendable					
Prepaid Items	1,491,678	-	-	2,682	1,494,360
Inventory	633,453	-	-	-	633,453
Restricted					
Capital projects	-	-	-	43,782,954	43,782,954
Teachers' salaries and benefits	-	3,742,352	-	-	3,742,352
Debt service	-	-	6,103,666	-	6,103,666
Assigned					
Other capital projects	-	-	-	5,574,328	5,574,328
Student activities	2,793,102	-	-	-	2,793,102
Unassigned	26,537,171	-	-	-	26,537,171
Total fund balances	31,455,404	3,742,352	6,103,666	49,359,964	90,661,386
Total liabilities, deferred inflows of resources and fund balances	\$ 35,827,943	\$ 5,907,208	\$ 6,380,224	\$ 52,558,858	\$ 100,674,233

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION June 30, 2015

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

Total fund balance - governmental funds		\$ 90,661,386
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$427,933,488 and the accumulated depreciation is \$212,986,827		214,946,661
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds as follows:		
Deferred tax revenue		3,496,099
To recognize interest accrued on general obligation bonds and obligations under capital leases		(2,243,166)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statements of net position		3,035,737
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds		
Deferred charge on refunding		3,736,122
Deferred pension contributions		24,246,028
Deferred inflows of resources related to pension deferrals are not reported in governmental funds		(58,704,853)
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	(189,647,590)	
Net pension liability	(113,679,634)	
Compensated absences	(1,394,242)	
Early retirement payable	(4,020,104)	
Postemployment benefits other than pensions	(6,736,300)	
Capital lease obligation	(3,098,912)	
Total		<u>(318,576,782)</u>
Total net position - governmental activities		<u>\$ (39,402,768)</u>

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended June 30, 2015**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues					
Local	\$ 73,487,280	\$ 119,574,217	\$ 13,836,562	\$ -	\$ 206,898,059
County	1,195,604	2,411,911	451,662	-	4,059,177
State	4,904,355	5,958,480	-	-	10,862,835
Federal	3,735,831	1,546,734	-	40,147	5,322,712
Interest	32,268	16,529	252,674	62,188	363,659
Other - student activities	3,549,655	-	-	-	3,549,655
VICC - cost reimbursement	<u>2,308,308</u>	<u>5,386,052</u>	<u>-</u>	<u>-</u>	<u>7,694,360</u>
Total revenues	<u>89,213,301</u>	<u>134,893,923</u>	<u>14,540,898</u>	<u>102,335</u>	<u>238,750,457</u>
Expenditures					
Current					
Instruction	6,438,091	110,640,804	-	96,211	117,175,106
Student activities	3,994,710	171,115	-	87,244	4,253,069
Attendance	376,869	165,000	-	-	541,869
Guidance	620,702	6,405,842	-	-	7,026,544
Health services	2,550,663	108,211	-	-	2,658,874
Improvement of instruction	1,896,187	4,556,155	-	-	6,452,342
Professional development	25,000	-	-	-	25,000
Media services	655,263	3,048,899	-	-	3,704,162
Board of Education services	556,555	-	-	-	556,555
Executive administration	1,513,593	705,987	-	-	2,219,580
Building level administration	8,790,138	10,297,014	-	-	19,087,152
Business and central services	11,790,404	185,131	-	-	11,975,535
Operation of plant	22,700,957	-	-	-	22,700,957
Security services	1,144,679	-	-	-	1,144,679
Pupil transportation	8,812,486	-	-	-	8,812,486
Food services	6,072,444	-	-	-	6,072,444
Adult basic education	1,067,682	-	-	-	1,067,682
Adult continuing education	785,905	-	-	-	785,905
Community services	2,029,309	1,371,606	-	-	3,400,915
Capital outlay	-	-	-	9,209,510	9,209,510
Debt service					
Principal retirement	421,333	-	8,681,425	61,477	9,164,235
Interest	62,620	-	6,374,160	64,183	6,500,963
Other	4,250	-	151,729	900,524	1,056,503
Total expenditures	<u>82,309,840</u>	<u>137,655,764</u>	<u>15,207,314</u>	<u>10,419,149</u>	<u>245,592,067</u>
Excess of revenues over (under) expenditures	6,903,461	(2,761,841)	(666,416)	(10,316,814)	(6,841,610)
Other financing sources (uses)					
Sale of refunding bonds	-	-	27,080,000	-	27,080,000
Sale of general obligation bonds	-	-	-	50,000,000	50,000,000
Premium on issuance of bonds	-	-	3,772,458	881,242	4,653,700
Payments to refunded bond escrow agent	-	-	(30,708,828)	-	(30,708,828)
Sale of Other Property	50,868	-	-	-	50,868
Total other financing sources	<u>50,868</u>	<u>-</u>	<u>143,630</u>	<u>50,881,242</u>	<u>51,075,740</u>
NET CHANGE IN FUND BALANCE	6,954,329	(2,761,841)	(522,786)	40,564,428	44,234,130
Fund balances at July 1, 2014	<u>24,501,075</u>	<u>6,504,193</u>	<u>6,626,452</u>	<u>8,795,536</u>	<u>46,427,256</u>
Fund balances at June 30, 2015	<u>\$ 31,455,404</u>	<u>\$ 3,742,352</u>	<u>\$ 6,103,666</u>	<u>\$ 49,359,964</u>	<u>\$ 90,661,386</u>

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES
Year ended June 30, 2015**

Net change in fund balances - total governmental funds		\$ 44,234,130
<p>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:</p>		
Capital asset purchases	9,042,502	
Depreciation expense	<u>(14,792,553)</u>	(5,750,051)
<p>Revenue in the Statement of Activities that does not provide current financial resources are not reported as revenues in the governmental funds. These amounts consist of:</p>		
Increase in deferred tax revenue		23,441
Increase in OPEB Liability		(1,115,800)
<p>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 issuance costs and 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:</p>		
Proceeds from bond issuance and bond refunding	(77,080,000)	
Repayment of bond principal	35,886,675	
Proceeds from capital lease obligation	(636,286)	
Repayment of capital lease obligation	752,427	
Bond issuance premium	(4,653,700)	
Amortization on bond premium	<u>1,495,582</u>	
Total		(44,235,302)
<p>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:</p>		
Decrease in compensated absences		26,083
Decrease in early retirement payable		908,967
Net decrease in accrued interest		1,664,688
Pension expense		15,175,589
Deferred charge on refunding		3,628,828
Amortization of deferred charge on refunding		(901,664)
<p>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.</p>		
		232,623
<p>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.</p>		
Loss on disposal of capital assets		<u>(60,591)</u>
Change in net position of governmental activities		<u>\$ 13,830,941</u>

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

STATEMENT OF NET POSITION - PROPRIETARY FUND

June 30, 2015

	Governmental Activities - Internal Service Fund
CURRENT ASSETS	
Cash	\$ 6,831,382
CURRENT LIABILITIES	
Medical and dental benefits payable	2,300,384
Unearned revenue	1,495,261
	<hr/>
Total liabilities	3,795,645
	<hr/>
NET POSITION	
Unrestricted	\$ 3,035,737
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

Year ended June 30, 2015

	Governmental Activities - Internal Service Fund
Operating revenues	
Contributions by employees	\$ 8,772,301
Contributions by employer	22,525,188
Other income	1,880,873
Total operating revenues	33,178,362
Operating expenses	
Claims	30,172,113
Excess loss insurance	576,752
Administrative	1,699,559
Other	497,315
Total operating expenses	32,945,739
CHANGE IN NET POSITION	232,623
Net position at July 1, 2014	2,803,114
Net position at June 30, 2015	\$ 3,035,737

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

Year ended June 30, 2015

	Governmental Activities - Internal Service Fund
	<u> </u>
Cash flows from operating activities	
Cash received from employer contributions	\$ 9,131,426
Cash received from employee contributions	22,525,188
Cash received from insurance	1,880,873
Cash payments to suppliers for claims and services	<u>(32,895,137)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES AND INCREASE IN CASH	 642,350
Cash at July 1, 2014	<u>6,189,032</u>
Cash at June 30, 2015	<u><u>\$ 6,831,382</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 232,623
Change in claims payable	50,602
Change in unearned revenues	<u>359,125</u>
Net cash provided by operating activities	<u><u>\$ 642,350</u></u>

The accompanying notes are an integral part of this statement.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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:

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 or committed for the payment of teacher 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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 organizations and 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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 General Fund 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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The voters in the District approved a waiver of this tax rollback.

The assessed valuations of the tangible taxable property for the calendar years 2014 and 2013 for purposes of local taxation were \$4,158,544,670 and \$4,135,517,260, respectively.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 2014 and 2013 for purposes of local taxation were:

	December 31,	
	2014	2013
General Fund	\$ 1.3853	\$ 1.3743
Special Revenue Fund	2.5728	2.5646
Debt Service Fund	0.3400	0.3400
Capital Projects Fund	-	-
Total	<u>\$ 4.2981</u>	<u>\$ 4.2789</u>

The receipts of current property taxes during the fiscal year ended June 30, 2015, aggregated approximately 97.50% 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 are stated at fair value, which is based on quoted market prices as of June 30, 2015.

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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 in conjunction with the Missouri School District Direct Deposit Program. The District did not utilize this program as of June 30, 2015.

9. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015, 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 fair market 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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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. 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.

13. Accrued Liabilities, Early Retirement, and Long-term Obligations

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

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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

13. Accrued Liabilities, Early Retirement, and Long-term Obligations (concluded)

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.

14. 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.

15. 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.

16. Interfund Activity

Interfund transfers, if applicable, are reported as other financing sources (uses) in governmental funds. There were no interfund transfers made during 2015.

17. 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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2015, the carrying amount of the deposits under District control was \$51,121,582 and the bank balance was \$52,699,759. Of the bank balance, \$2,737,367 was covered by federal depository insurance and \$49,962,392 was collateralized with securities 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, 2015 the District had the following investments and maturities.

Type	Fair Value	Investment Maturities	
		0 to 1 year	1 to 3 years
U.S. Government and agency securities	\$ 741,490	741,490	\$ -
Commercial paper	4,793,967	4,793,967	-
Certificates of deposit	31,777,742	31,777,742	-
Savings deposit	1,690,320	1,690,320	-
External investment pools - MOSIP	7,129,148	7,129,148	-
	<u>\$ 46,132,667</u>	<u>\$ 46,132,667</u>	<u>\$ -</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 Missouri Securities Investment Program is rated AAAM and its investments in commercial paper are rated A1 or A1+ by Standard and Poor's.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. There were no investments in any one issuer representing 5% of 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, 2015.

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, 2015, the District's investments were held by the investment's counterparty.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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, 2015:

Cash on hand	\$ 17,163
Carrying amount of deposits	51,121,582
Investments	<u>46,132,667</u>
	<u>\$ 97,271,412</u>
Cash and investments - governmental funds	\$ 46,657,076
Restricted cash and investments - governmental funds	43,782,954
Cash - proprietary funds	<u>6,831,382</u>
Total reporting entity	<u>\$ 97,271,412</u>

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

NOTE C – TAXES RECEIVABLE

Property taxes receivable at June 30, 2015 are reported net of allowance for uncollectible accounts as follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
Property taxes	\$1,805,986	\$3,354,104	\$ 443,251	\$ -	\$ 5,603,341
Less allowance for uncollectible accounts	<u>(699,948)</u>	<u>(1,299,952)</u>	<u>(168,789)</u>	<u>-</u>	<u>(2,168,689)</u>
Net property taxes	<u>\$1,106,038</u>	<u>\$2,054,152</u>	<u>\$ 274,462</u>	<u>\$ -</u>	<u>\$ 3,434,652</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE D - CAPITAL ASSETS

The following is a summary of changes occurring in capital assets for the year ended June 30, 2015:

	Balance July 1, 2014	Transfers	Additions	Deletions	Balance June 30, 2015
Governmental activities					
Capital assets that are not depreciated					
Land	\$ 3,457,837	\$ -	\$ -	\$ -	\$ 3,457,837
Construction in progress	50,443	-	7,772,197	-	7,822,640
Capital assets that are depreciated					
Land improvements	30,391,087	-	-	-	30,391,087
Buildings	164,857,542	-	-	-	164,857,542
Building improvements	194,297,586	-	-	-	194,297,586
Vehicles and equipment	26,612,794	-	1,270,305	776,303	27,106,796
Totals at estimated historical cost	419,667,289	-	9,042,502	776,303	427,933,488
Accumulated depreciation					
Land improvements	8,447,600	-	1,517,824	-	9,965,424
Buildings	107,322,098	-	2,043,399	-	109,365,497
Building improvements	68,011,607	-	9,336,880	-	77,348,487
Vehicles and equipment	15,128,681	-	1,894,450	715,712	16,307,419
Total accumulated depreciation	198,909,986	-	14,792,553	715,712	212,986,827
Governmental activities capital assets, net	\$ 220,757,303	\$ -	\$ (5,750,051)	\$ 60,591	\$ 214,946,661

Depreciation was charged to functions of the District as follows:

Instruction	\$ 9,423,707
Student Activities	21,796
Improvement of instruction	193,740
Media services	2,921
Executive administration	3,203
Building level administration	45,443
Business services	442,991
Operation of plant	3,582,525
Transportation	950,257
Food service	34,425
Community services	91,545
	<u>\$ 14,792,553</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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 \$25,000,000 in a tax anticipation note during the year ended June 30, 2015.

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, 2015:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts due within one year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 138,541,675	\$ 77,080,000	\$ (35,886,675)	\$ 179,735,000	\$ 10,940,000
Deferred amounts for issuance premium	6,754,472	4,653,700	(1,495,582)	9,912,590	-
Total bonds payable, net	145,296,147	81,733,700	(37,382,257)	189,647,590	10,940,000
Obligations under capital leases	3,215,053	636,286	(752,427)	3,098,912	463,794
Accrued vacation payable	1,420,325	2,419,159	(2,445,242)	1,394,242	1,394,242
Early retirement payable	4,929,071	1,960,023	(2,868,990)	4,020,104	1,962,558
Total governmental activity long-term liabilities	<u>\$ 154,860,596</u>	<u>\$ 86,749,168</u>	<u>\$ (43,448,916)</u>	<u>\$ 198,160,848</u>	<u>\$ 14,760,594</u>

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 accrued vacation, net pension liability, other postemployment benefit obligation and early retirement will be liquidated by the fund in which the employee's salary was charged.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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, 2015:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Original Issue Amount</u>	<u>Balance at June 30, 2015</u>
3/1/09	3/1/2025	2.125% - 3.75%	\$ 60,660,000	\$ 15,660,000
11/10/10	3/1/1930	2.50% - 5.35%	34,000,000	33,000,000
9/21/11	3/1/2024	2.00% - 4.00%	27,120,000	24,455,000
3/14/12	3/1/2022	2.00% - 5.00%	25,220,000	23,365,000
9/6/12	3/1/2020	1.00% - 3.00%	6,250,000	6,175,000
3/4/15	3/1/2025	1.50% - 5.00%	27,080,000	27,080,000
3/25/15	3/1/2035	3.00% - 4.00%	50,000,000	50,000,000
			<u>\$ 230,330,000</u>	<u>\$179,735,000</u>

The annual requirements to amortize bonded debt outstanding as of June 30, 2015, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 10,940,000	\$ 6,731,307	\$ 17,671,307
2017	11,175,000	6,518,104	17,693,104
2018	10,390,000	6,219,854	16,609,854
2019	10,685,000	5,911,704	16,596,704
2020	10,015,000	5,571,941	15,586,941
2021-2025	48,530,000	21,363,621	69,893,621
2026-2030	28,000,000	12,944,296	40,944,296
2031-2035	50,000,000	5,141,606	55,141,606
	<u>\$ 179,735,000</u>	<u>\$ 70,402,433</u>	<u>\$ 250,137,433</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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

Advanced Refunding

On March 4, 2015, the District issued \$27,080,000 in Series 2015A general obligation refunding bonds to advance refund and defease \$27,205,000 of outstanding Series 2009 general obligation bonds and pay certain costs of issuance. Net proceeds of \$30,708,828 were placed in irrevocable trust fund to purchase government obligations. The principal and interest to be earned on the government obligations will be in an amount sufficient for the payment of the principal and interest on the call date on March 1, 2019. The refunding was undertaken to reduce total debt service payments by \$3,512,183 which resulted in an economic gain of \$2,376,091 (the difference between the present value of the debt service payments on Series 2009 general obligation bonds and the refunding issue after the refunding date through March 1, 2025). As of June 30, 2015, the total debt outstanding from current and prior years that is considered to be defeased is \$34,105,000.

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, 2015, was:

Constitutional debt limit	\$ 623,781,701
General obligation bonds payable	(179,735,000)
Amount available in Debt Service Fund	<u>6,103,666</u>
Legal debt margin	<u><u>\$ 450,150,367</u></u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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, 2015 was \$9,101,360 and the accumulated depreciation was \$6,665,680.

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, 2015.

Year ending June 30,	
2016	\$ 525,402
2017	461,632
2018	461,632
2019	461,632
2020	395,306
2021-2024	<u>1,062,306</u>
Total future minimum lease payments	3,367,910
Less amount representing interest	<u>268,998</u>
Present value of future minimum lease payments	<u>\$3,098,912</u>

NOTE G - RETIREMENT PLAN

Public School Retirement System 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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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

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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org. Since the prior valuation date, the benefit provisions were amended to make permanent an early retirement benefit allowing members to retire at any age after 25 years of service.

Cost-of-Living Adjustments ("COLA")

The PSRS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Contributions

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal year 2015. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay. Contributions for employees of the State of Missouri were made by the state in accordance with the actuarially determined contribution rate needed to fund current costs and prior service costs of state employees as authorized in Section 104.342.8 RSMo.

The District's contributions to PSRS were \$16,773,087 for the year ended June 30, 2015.

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

At June 30, 2015, the District recorded a liability of \$104,484,390 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2014 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$16,400,693 paid to PSRS for the year ended June 30, 2014 relative to the actual contributions of \$643,964,894 from all participating employers. At June 30, 2014, the District's proportionate share was 2.5468%.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

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

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS pension benefits:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,867,735	\$ -
Net difference between projected and actual earnings on pension plan investments	-	50,249,553
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	2,132,017
Employer contributions subsequent to the measurement date	<u>16,773,087</u>	<u>-</u>
Total	<u>\$ 21,640,822</u>	<u>\$ 52,381,570</u>

Deferred outflows of resources to pensions in the amount of \$16,773,087 resulting from contributions subsequent to the measurement date of June 30, 2014, will be recognized as a reduction to the net pension liability in the year ended June 30, 2016.

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

Year ending June 30,	
2016	\$(12,054,834)
2017	(12,054,834)
2018	(12,054,834)
2019	(12,054,834)
2020	507,554
Thereafter	<u>197,946</u>
	<u>\$ (47,513,836)</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Actuarial Assumptions

Actuarial valuations of PSRS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

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

Measurement Date – June 30, 2014

Valuation Date – June 30, 2014

Expected Return on Investments – 8.00% net of investment expenses and including 2.5% inflation

Inflation – 2.50%

Total Payroll Growth – 3.50% per annum consisting of 2.5% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.

Future Salary Increases – 4.00% - 10.00%, depending on service and including 2.50% inflation, 0.50% additional inflation due to the inclusion of health care costs in pension earnings, and 1.00% to 7.00% of real wage growth.

Cost-of-Living Increases – 2.0% compounded annually, beginning on the second January after retirement and capped at 80% lifetime increase.

Mortality Assumption –

- Actives: RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
- Nondisabled Retirees, Beneficiaries and Survivors: RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
- Disabled retirees: RP 2000 Disabled Mortality Table

Changes in Actuarial Assumptions and Methods: There were no changes in actuarial assumptions or methods for the June 30, 2014 valuations.

Fiduciary Net Positions: PSRS issues a publicly available financial report that can be obtained at www.psr-peers.org

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

Expected Rate of Return

The long-term expected rate of return on PSRS' 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 PSRS' target allocation as of June 30, 2014, is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Return Arithmetic Basis</u>	<u>Weighted Long-Term Expected Real Return Arithmetic Basis</u>
U.S. Public Equity	27.00 %	5.85 %	1.58 %
Public Credit	12.00	2.44	0.29
Hedged Assets	6.00	5.22	0.31
Non-U.S. Public Equity	15.00	6.64	1.00
U.S. Treasuries	16.00	1.01	0.16
U.S. TIPS	4.00	1.12	0.04
Private Credit	2.00	7.61	0.15
Private Equity	10.50	8.61	0.90
Private Real Estate	7.50	4.60	0.35
Total	<u>100.00 %</u>		<u>4.78</u>
		Inflation	<u>2.50</u>
		Long-term arithmetical nominal return	7.28
		Effect of covariance matrix	<u>0.81</u>
		Long-term expected geometric return	<u>8.09 %</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Actuarial Assumptions (concluded)

Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June, 30, 2014, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

	<u>1% Decrease</u> 7%	<u>Current Rate</u> 8%	<u>1% Increase</u> 9%
Proportionate share of the net position liability / (asset)	\$ 221,246,744	\$ 104,484,390	\$ 6,547,064

Public Education Employee Retirement System of Missouri

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

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Plan Description

PEERS 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. Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of the Public School Retirement System of Missouri (PSRS) must contribute to PEERS. Employees of PSRS who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the System are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of the Public School Retirement System of Missouri. A Comprehensive Annual Financial Report ("CAFR") can be obtained at www.psr-peers.org.

Benefits Provided

PEERS is a defined benefit plan providing service retirement and disability benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary .8% benefit multiplier until reaching minimum Social Security age (currently age 62). Actuarially age-reduced retirement benefits are available with five years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at www.psr-peers.org.

Cost-of-Living Adjustments ("COLA")

The PEERS Board has established a policy of providing a 2.00% COLA for years in which the CPI increases between 0.00% and 5.00%. If the CPI increase is greater than 5.00%, the Board will provide a COLA of 5.00%. If the CPI decreases, no COLA is provided. For any member retiring on or after July 1, 2001, such adjustments 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.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Contributions

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal year 2015. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The district's contributions to PEERS were \$2,605,206 for the year ended June 30, 2015.

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

At June 30, 2015, the District recorded a liability of \$9,195,244 for its proportionate share of the net pension liability. The net pension liability for the plan in total was measured as of June 30, 2014 and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions of \$2,518,972 paid to PEERS for the year ended June 30, 2014 relative to the actual contributions of \$100,035,580 from all participating employers. At June 30, 2014, the District's proportionate share was 2.5181%.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

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

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PEERS pension benefits:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 273,490
Net difference between projected and actual earnings on pension plan investments	-	5,477,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	572,793
Employer contributions subsequent to the measurement date	<u>2,605,206</u>	<u>-</u>
Total	<u>\$ 2,605,206</u>	<u>\$ 6,323,283</u>

Deferred outflows of resources to pensions in the amount of \$2,605,206 resulting from contributions subsequent to the measurement date of June 30, 2014, will be recognized as a reduction to the net pension liability in the year ended June 30, 2016.

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

Year ending June 30,	
2016	\$ (1,637,911)
2017	(1,637,911)
2018	(1,637,911)
2019	<u>(1,409,549)</u>
	<u>\$ (6,323,282)</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Actuarial Assumptions

Actuarial valuations of PEERS involves estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was conducted in 2011 and the next experience study is scheduled for 2016.

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

Measurement Date – June 30, 2014

Valuation Date – June 30, 2014

Expected Return on Investments – 8.00% net of investment expenses and including 2.5% inflation

Inflation – 2.50%

Total Payroll Growth – 3.75% per annum consisting of 2.5% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 0.50% of real wage growth.

Future Salary Increases – 5.00% - 12.00%, depending on service and including 2.50% inflation, 0.75% additional inflation due to the inclusion of health care costs in pension earnings, and 1.75% to 8.75% of real wage growth.

Cost-of-Living Increases – 2.0% compounded annually, beginning on the fourth January after retirement and capped at 80% lifetime increase.

Mortality Assumption –

- Actives: RP 2000 Mortality Table set back one year for males and six years for females, then projected to 2016 using Scale AA.
- Nondisabled Retirees, Beneficiaries and Survivors: RP 2000 Mortality Table set back one year for both males and females, then projected to 2016 using Scale AA.
- Disabled retirees: RP 2000 Disabled Mortality Table

Changes in Actuarial Assumptions and Methods: There were no changes in actuarial assumptions or methods for the June 30, 2014 valuations.

Fiduciary Net Positions: PEERS issues a publicly available financial report that can be obtained at www.psr-peers.org

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (continued)

Actuarial Assumptions (continued)

Expected Rate of Return

The long-term expected rate of return on PEERS' 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 PEERS' target allocation as of June 30, 2014, is summarized below along with the long term geometric return. Geometric return (also referred to as the time weighted return) is considered standard practice within the investment management industry. Geometric returns represent the compounded rate of growth of a portfolio. The method eliminates the effects created by cash flows.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Return Arithmetic Basis</u>	<u>Weighted Long-Term Expected Real Return Arithmetic Basis</u>
U.S. Public Equity	27.00 %	5.85 %	1.58 %
Public Credit	12.00	2.44	0.29
Hedged Assets	6.00	5.22	0.31
Non-U.S. Public Equity	15.00	6.64	1.00
U.S. Treasuries	16.00	1.01	0.16
U.S. TIPS	4.00	1.12	0.04
Private Credit	2.00	7.61	0.15
Private Equity	10.50	8.61	0.90
Private Real Estate	7.50	4.60	0.35
Total	<u>100.00 %</u>		<u>4.78</u>
		Inflation	<u>2.50</u>
		Long-term arithmetical nominal return	7.28
		Effect of covariance matrix	<u>0.81</u>
		Long-term expected geometric return	<u>8.09 %</u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE G - RETIREMENT PLAN (concluded)

Actuarial Assumptions (concluded)

Discount Rate

The discount rate used to measure the total pension liability was 8.00% as of June, 30, 2014, and is consistent with the long-term expected geometric return on plan investments. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

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 8.0% is presented as well as the net pension liability using a discount rate that is 1.0% lower (7.0%) or 1.0% higher (9.0%) than the current rate.

	<u>1% Decrease</u> 7%	<u>Current Rate</u> 8%	<u>1% Increase</u> 9%
Proportionate share of the net position liability / (asset)	\$ 22,065,035	\$ 9,195,244	\$(1,677,054)

NOTE H – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

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 a single employer plan. 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. A stand-alone financial report is not available for the plan.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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

Funding Policy

The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis. The District determines contribution requirements and may be amended by the District. As of June 30, 2015, no trust fund has been established for the funding of the plan's postemployment benefit obligation, resulting in the classification of the entire liability as unfunded. The schedule of funding progress is presented as required supplementary information.

Annual Other Postemployment Benefit Cost

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

As of June 30, 2015 the schedule of employer contributions and net OPEB obligation is as follows:

Annual required contribution	\$ 3,440,800
Interest on net OPEB obligation	158,100
Adjustment to annual required contributions	<u>(155,800)</u>
Annual OPEB cost (expense)	3,443,100
Contributions made	<u>2,327,300</u>
Increase in net OPEB obligation	1,115,800
Net OPEB obligation at July 1, 2014	<u>5,620,500</u>
Net OPEB obligation at June 30, 2015	<u><u>\$ 6,736,300</u></u>

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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

Annual Other Postemployment Benefit Cost (concluded)

As of June 30, 2015, the annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation were as follows:

Plan Year	Annual OPEB Cost	Employer Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 3,059,900	\$ 2,281,700	74.57%	\$4,215,200
2014	3,443,100	2,037,800	59.19%	5,620,500
2015	3,443,100	2,327,300	67.59%	6,736,300

Funded Status and Funding Progress

As of July 1, 2013, the actuarial accrued liability for benefits was \$34,822,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$140,468,300, and the ratio of the unfunded actuarial liability to the covered payroll was 24.8%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term prospective of the calculations. The initial unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis over 30 years.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

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

In the actuarial valuation, the liabilities were computed using the projected unit credit cost method. The actuarial assumptions utilized a 3.75% discount rate. Because the plan is unfunded, reference to general assets, which are short-term in nature, was considered in the selection of the 3.75% rate. The healthcare trends used are based on long term healthcare trends generated by the Getzen Model.

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

	<u>2015</u>	<u>2014</u>
Unpaid claims, beginning of year	\$ 2,249,782	\$ 2,052,006
Incurred claims (including IBNRs)	30,222,715	30,649,576
Claim payments	<u>(30,172,113)</u>	<u>(30,451,800)</u>
Unpaid claims, end of year	<u>\$ 2,300,384</u>	<u>\$ 2,249,782</u>

The District purchases specific reinsurance with an attachment point of \$300,000 annually, per employee, to limit its exposure to catastrophic claims. There have not been any significant reductions in insurance coverage from the prior year.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

NOTE I - RISK MANAGEMENT (concluded)

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, 2015.

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.

Contracts

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

Debt Structure of the District – Future Plans

The Board of Education approved \$94 million in General Obligation Bonds on November 4, 2014, of which \$50 million has been issued. The remaining \$44 million is projected to be issued in 2016. The District has no other debt plans.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2015

Capital Commitments

The District's remaining commitment for uncompleted work under its construction contracts totaled approximately \$6.6 million as of June 30, 2015.

NOTE K – CHANGE IN ACCOUNTING PRINCIPAL

Net position as of July 1, 2014 has been restated as follows based on the measurement date at June 30, 2014, for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, as amended by GASB No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*.

Net position as previously reported at June 30, 2014:

Net position as previously reported at June 30, 2014:	\$ 110,080,339
Net pension liability	(182,233,541)
Pension contributions made during 2014	<u>18,919,493</u>
	<u>\$ (53,233,709)</u>

REQUIRED SUPPLEMENTARY INFORMATION

PARKWAY C-2 SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND - UNAUDITED
Year ended June 30, 2015**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Local	\$ 73,006,636	\$ 73,046,720	\$ 73,487,280	\$ 440,560
County	1,047,230	1,162,231	1,195,604	33,373
State	4,478,517	5,154,881	4,904,355	(250,526)
Federal	4,294,995	2,677,594	3,735,831	1,058,237
Interest	329,400	159,380	32,268	(127,112)
Other - student activities	3,500,000	3,500,000	3,549,655	49,655
VICC - cost reimbursement	2,059,672	2,217,722	2,308,308	90,586
Total revenues	88,716,450	87,918,528	89,213,301	1,294,773
Expenditures				
Current				
Instruction	7,557,657	7,880,883	6,438,091	1,442,792
Student activities	4,169,580	3,500,000	3,994,710	(494,710)
Attendance	529,981	529,981	376,869	153,112
Guidance	605,651	615,209	620,702	(5,493)
Health services	2,501,563	2,521,563	2,550,663	(29,100)
Improvement of instruction	2,939,597	2,971,922	1,921,187	1,050,735
Media services	758,322	768,706	655,263	113,443
Board of Education services	345,283	442,247	556,555	(114,308)
Executive administration	1,451,828	1,587,262	1,513,593	73,669
Building level administration	7,384,685	8,583,234	8,790,138	(206,904)
Business and central services	12,131,004	12,896,749	11,790,404	1,106,345
Operation of plant	23,827,510	24,249,720	22,700,957	1,548,763
Security services	1,096,848	1,192,939	1,144,679	48,260
Pupil transportation	8,763,182	8,827,651	8,812,486	15,165
Food services	6,640,317	6,640,317	6,072,444	567,873
Adult basic education	1,078,427	1,110,809	1,067,682	43,127
Adult continuing education	886,528	886,528	785,905	100,623
Community services	2,169,738	2,169,738	2,029,309	140,429
Debt Service				
Principal retirement	421,333	421,333	421,333	-
Interest	18,731	62,620	62,620	-
Other	-	4,250	4,250	-
Total expenditures	85,277,765	87,863,661	82,309,840	5,553,821
EXCESS OF REVENUES OVER EXPENDITURES	3,438,685	54,867	6,903,461	6,848,594
Other financing sources				
Sale of other property	-	50,000	50,868	868
NET CHANGE IN FUND BALANCE	\$ 3,438,685	\$ 104,867	6,954,329	\$ 6,849,462
Fund balance at July 1, 2014			24,501,075	
Fund balance at June 30, 2015			<u>\$ 31,455,404</u>	

See notes to required supplementary information

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, 2015**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues				
Local	\$ 118,648,426	\$ 118,375,503	\$ 119,574,217	\$ 1,198,714
County	2,461,361	2,356,922	2,411,911	54,989
State	6,072,078	5,736,226	5,958,480	222,254
Federal	2,141,424	2,955,841	1,546,734	(1,409,107)
Interest	572,639	290,231	16,529	(273,702)
VICC - Cost reimbursement	4,805,900	5,174,684	5,386,052	211,368
Total revenues	134,701,828	134,889,407	134,893,923	4,516
Expenditures				
Current				
Instruction	111,359,183	110,688,818	110,640,804	48,014
Student activities	264,208	174,208	171,115	3,093
Attendance	163,426	165,426	165,000	426
Guidance	6,248,801	6,418,801	6,405,842	12,959
Health services	100,295	110,295	108,211	2,084
Improvement of instruction	3,543,180	4,558,180	4,556,155	2,025
Media services	2,904,545	3,054,545	3,048,899	5,646
Executive administration	688,703	706,703	705,987	716
Building level administration	11,360,874	10,331,424	10,297,014	34,410
Business and central services	178,215	185,215	185,131	84
Community services	1,103,559	1,373,559	1,371,606	1,953
Total expenditures	137,914,989	137,767,174	137,655,764	111,410
EXCESS OF REVENUES UNDER EXPENDITURES	\$ (3,213,161)	\$ (2,877,767)	(2,761,841)	\$ 115,926
Fund balance at July 1, 2014			6,504,193	
Fund balance at June 30, 2015			\$ 3,742,352	

See notes to required supplementary information.

PARKWAY C-2 SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015

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.

PARKWAY C-2 SCHOOL DISTRICT

NET PENSION OBLIGATION - UNAUDITED

Year ended June 30, 2015

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	91.7%	89.3%

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	25.0%	91.3%

Schedule of Employer Contributions - PSRS

Year Ended	Contractually Required Contribution	Actual Employer Contributions	Contribution Excess/ (Deficiency)	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	-	115,676,462	14.50%

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	-	37,976,764	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.

PARKWAY C-2 SCHOOL DISTRICT

OTHER POSTEMPLOYMENT BENEFIT OBLIGATION - UNAUDITED Year ended June 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	(UAAL) Percentage of Covered Payroll ((b-a)/c)
July 1, 2013	\$ -	\$ 34,822,000	\$ 34,822,000	0%	\$ 140,468,300	25%
July 1, 2011	-	31,580,000	31,580,000	0%	150,430,000	21%
July 1, 2009	-	29,179,000	29,179,000	0%	133,980,000	22%
July 1, 2007	-	28,665,000	28,665,000	0%	119,329,000	24%

Schedule of Employer Contributions

Plan Year	Annual Required Contribution (ARC)	OPEB Cost Contributed
2008	\$ 2,410,000	\$ 1,642,000
2009	2,410,000	2,112,500
2010	2,557,000	1,666,000
2011	2,557,000	2,071,400
2012	3,059,900	2,065,500
2013	3,059,900	2,281,700
2014	3,443,100	2,037,800
2015	3,443,100	2,327,300

The District implemented GASB No. 45 for the year ended June 30, 2008; therefore, information for prior years is not available.

SUPPLEMENTARY INFORMATION

PARKWAY C-2 SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
DEBT SERVICE FUND
Year ended June 30, 2015**

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with final budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local	\$ 13,762,590	\$ 13,604,927	\$ 13,836,562	\$ 231,635
County	421,667	445,860	451,662	5,802
Interest	707,196	707,196	252,674	(454,522)
Total revenues	14,891,453	14,757,983	14,540,898	(217,085)
Expenditures				
Debt Service				
Principal retirement	8,681,426	8,681,426	8,681,425	1
Interest	6,374,160	6,374,160	6,374,160	-
Other	25,000	188,130	151,729	36,401
Total expenditures	15,080,586	15,243,716	15,207,314	36,402
EXCESS OF REVENUES UNDER EXPENDITURES	(189,133)	(485,733)	(666,416)	(180,683)
Other financing sources (uses)				
Sale of refunding bonds	-	27,080,000	27,080,000	-
Premium on issuance of bonds	-	3,772,458	3,772,458	-
Payments to refunded bond escrow agent	-	(30,708,828)	(30,708,828)	-
Total other financing sources	-	143,630	143,630	-
NET CHANGE IN FUND BALANCE	\$ (189,133)	\$ (342,103)	\$ (522,786)	\$ (180,683)
Fund balance at July 1, 2014			6,626,452	
Fund balance at June 30, 2015			\$ 6,103,666	

PARKWAY C-2 SCHOOL DISTRICT

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
CAPITAL PROJECTS FUND
Year ended June 30, 2015**

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues				
State	\$ 85,489	\$ -	\$ -	\$ -
Federal	72,451	-	40,147	40,147
Interest	37,990	20,057	62,188	42,131
Total revenues	195,930	20,057	102,335	82,278
Expenditures				
Capital outlay	2,807,457	11,203,758	9,392,965	1,810,793
Debt Service				
Principal retirement	395,172	62,000	61,477	523
Interest	79,196	65,000	64,183	817
Other	-	1,272,643	900,524	372,119
Total expenditures	3,281,825	12,603,401	10,419,149	2,184,252
Excess of revenues over (under) expenditures	(3,085,895)	(12,583,344)	(10,316,814)	2,266,530
Other financing sources				
Sale of general obligation bonds	-	50,000,000	50,000,000	-
Premium on issuance of bonds	-	881,242	881,242	-
Total other financing sources	-	50,881,242	50,881,242	-
NET CHANGE IN FUND BALANCE	\$ (3,085,895)	\$ 38,297,898	40,564,428	\$ 2,266,530
Fund balance at July 1, 2014			8,795,536	
Fund balance at June 30, 2015			\$ 49,359,964	

**STATISTICAL
SECTION**

PARKWAY C-2 SCHOOL DISTRICT

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.

	Pages
Financial Trends	73 - 79
These schedules contain trend information to help the reader understand how the District's financial performance and position have changed over time.	
Revenue Capacity	80 - 84
These schedules contain information to help the reader assess the District's most significant local revenue source – property tax.	
Debt Capacity	85 - 87
These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
Demographic and Economic Information	88 - 89
These schedules offer demographic economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	90 - 97
These schedules contain service data to help the reader assess how information in the District's financial reports relates to the services the District provides and the activities it performs.	

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014 - as restated	2015
Governmental activities:										
Net investment in capital assets	\$ 87,410,396	\$ 92,960,377	\$ 93,139,105	\$ 92,477,800	\$ 85,602,907	\$ 82,176,049	\$ 82,993,630	\$ 75,946,520	\$ 73,255,061	\$ 69,719,235
Restricted for:										
Capital projects	5,154,671	7,631,937	8,572,266	8,991,083	13,726,669	16,871,309	12,543,962	11,855,865	-	-
Debt Service	4,722,985	4,489,932	6,654,599	8,499,192	7,722,154	6,604,125	3,597,449	3,919,725	3,092,725	4,137,058
Certificated employees' compensation and benefits	33,000,800	39,189,932	48,782,496	3,127,050	1,818,724	2,718,463	2,760,038	10,415,599	8,128,641	5,907,208
Unrestricted	5,635,843	5,574,099	6,227,396	54,516,304	45,444,795	30,871,731	16,547,999	12,091,474	(137,710,136)	(119,166,269)
Total net position	\$135,924,695	\$ 149,846,277	\$ 163,375,862	\$ 167,611,429	\$ 154,315,249	\$ 139,241,677	\$ 118,443,078	\$ 114,229,183	\$ (53,233,709)	\$ (39,402,768)

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Instruction	\$ 98,130,900	\$ 100,812,024	\$ 110,651,548	\$ 115,444,024	\$ 120,026,174	\$ 122,029,859	\$ 130,009,443	\$ 123,661,522	\$ 125,584,139	\$ 117,419,935
Student activities	4,338,563	4,490,675	4,038,498	3,630,230	3,900,719	3,736,873	3,966,728	3,609,406	3,852,639	4,223,712
Attendance	382,867	397,923	425,510	560,529	650,152	593,816	570,127	556,748	511,726	509,567
Guidance	5,482,559	5,433,384	5,584,503	6,014,889	6,460,908	6,518,698	6,418,774	6,514,602	6,898,120	6,203,939
Health services	1,959,240	2,144,118	2,171,204	2,128,802	2,173,494	2,262,503	2,419,250	2,460,337	2,532,294	2,507,675
Improvement of Instruction	5,916,801	4,302,873	6,020,768	6,622,863	6,327,627	6,499,570	6,888,113	7,234,987	6,689,045	6,040,942
Professional development	193,513	107,471	175,132	155,824	122,904	87,054	45,685	25,077	20,000	25,000
Media Services	3,486,705	3,485,855	3,349,104	3,466,025	3,640,805	3,584,568	3,742,730	3,585,461	3,776,908	3,310,475
Board of Education services	491,152	604,397	500,786	611,613	351,664	483,315	505,827	439,673	413,484	556,555
Executive administration	2,016,154	2,137,334	2,023,977	2,000,079	2,197,000	2,201,745	2,299,609	2,170,332	2,138,034	2,067,720
Building level administration	15,832,496	15,452,012	15,498,198	17,495,967	18,170,997	19,773,760	20,991,475	19,506,447	20,444,894	17,575,520
Operation of plant	21,744,078	21,459,852	22,913,444	23,582,821	22,989,369	25,712,489	24,397,041	23,103,017	25,787,236	25,579,658
Pupil transportation	6,898,010	7,523,400	8,181,486	8,988,331	9,030,267	9,459,635	10,275,583	9,551,436	9,775,217	9,084,146
Food services	5,877,909	5,928,639	6,002,063	6,207,122	6,082,553	6,361,047	6,614,064	6,272,818	5,936,786	5,953,779
Business and central services	7,807,781	8,412,655	10,063,998	8,919,444	11,580,655	13,584,781	11,067,084	11,958,863	10,946,917	12,604,100
Security services	759,075	930,262	894,505	955,763	1,119,123	1,183,617	1,085,827	1,011,960	1,097,429	1,116,659
Adult basic education	882,450	901,997	822,830	875,157	841,527	954,540	932,559	947,725	1,055,151	994,518
Adult continuing education	1,064,829	1,053,808	1,078,753	1,026,185	1,051,002	897,718	975,018	990,365	992,809	753,273
Community services	2,781,452	2,879,084	2,981,741	3,126,522	3,218,247	3,198,401	3,412,854	3,361,226	3,464,868	3,241,924
Facilities	4,209,574	(707,203)	4,877,235	4,160,986	4,145,737	-	-	-	-	-
Interest and other expenses on long-term	5,351,091	5,473,454	4,996,413	6,517,429	8,318,232	7,677,747	8,500,097	8,571,132	8,357,837	5,173,860
Total governmental activities	195,607,199	193,224,014	213,251,696	222,490,605	232,399,156	236,801,736	245,117,888	235,533,134	240,275,533	224,942,957
Program revenues										
Governmental activities:										
Charges for services:										
Instruction	11,549,380	15,138,920	14,897,638	12,507,871	12,008,255	10,737,708	7,639,845	7,041,429	8,648,983	8,440,789
Student activities	3,854,576	3,782,609	3,602,147	3,336,271	3,156,117	3,136,061	3,297,956	3,332,439	3,246,828	3,549,655
Professional development	351,177	-	-	-	-	-	-	-	-	-
Operation of plant	159,896	154,406	185,328	105,807	-	-	130,177	91,698	167,604	254,553
Food services	4,130,491	4,428,247	4,219,935	4,354,323	4,491,029	4,141,392	4,333,278	4,102,670	3,916,787	3,841,316
Business and central services	52,605	45,596	41,932	35,614	104,617	181,162	27,044	23,364	21,050	20,614
Community services	1,891,722	1,860,233	1,771,526	1,917,338	1,855,973	1,637,554	1,745,691	1,953,462	2,126,675	1,970,342
Facilities	-	-	-	1,444,478	-	-	-	-	-	-
Operating grants and contributions	14,170,165	11,626,566	10,268,599	10,906,397	11,350,240	9,074,705	11,670,128	9,725,456	10,199,060	10,269,142
Capital grants and contributions	-	-	-	-	-	-	-	-	1,532,000	-
Total government program revenues	36,160,012	37,036,577	34,987,105	34,608,099	32,966,231	28,908,582	28,844,119	26,270,518	29,858,987	28,346,411
Net (expense)/revenue										
Total government net expense	\$ (159,447,187)	\$ (156,187,437)	\$ (178,264,591)	\$ (187,882,506)	\$ (199,432,925)	\$ (207,893,154)	\$ (216,273,769)	\$ (209,262,616)	\$ (210,416,546)	\$ (196,596,546)

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (expense)/revenue										
Total primary government net expense	\$ (159,447,187)	\$ (156,187,437)	\$ (178,264,591)	\$ (187,882,506)	\$ (199,432,925)	\$ (207,893,154)	\$ (216,273,769)	\$ (209,262,616)	\$ (210,416,546)	\$ (196,596,546)
General revenues and other changes in net position										
Governmental activities:										
Taxes										
Property taxes and all other Ad Valorem taxes	138,240,175	142,702,222	165,580,049	166,853,540	164,993,061	168,980,812	171,338,491	181,035,962	182,737,147	187,449,160
Sales Tax	13,784,753	13,122,672	12,649,916	12,056,004	11,552,283	11,703,147	12,868,762	13,273,151	14,003,311	14,133,967
Grants and contributions not restricted to specific programs	994,976	361,102	1,268,151	2,395,045	1,044,372	2,015,644	1,144,654	384,209	335,968	115,222
State Aid	4,188,244	8,310,533	8,614,893	8,643,373	7,221,966	8,258,430	8,048,341	8,429,377	8,181,968	8,365,479
Investment earnings	4,184,846	5,612,490	3,681,167	2,170,463	1,324,711	1,861,549	2,074,922	1,926,022	1,009,308	363,659
Total general revenues	161,392,994	170,109,019	191,794,176	192,118,425	186,136,393	192,819,582	195,475,170	205,048,721	206,267,702	210,427,487
Changes in net position	\$ 1,945,807	\$ 13,921,582	\$ 13,529,585	\$ 4,235,919	\$ (13,296,532)	\$ (15,073,572)	\$ (20,798,599)	\$ (4,213,895)	\$ (4,148,844)	\$ 13,830,941

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved	\$ 4,943,905	\$ 5,067,906	\$ 5,073,439	\$ 5,142,359	\$ 3,185,541					
Unreserved	2,741,832	2,240,742	2,041,813	50,209,204	45,413,226					
Total General fund	<u>7,685,737</u>	<u>7,308,648</u>	<u>7,115,252</u>	<u>55,351,563</u>	<u>48,598,767</u>					
All other governmental funds										
Reserved	36,904,518	21,549,641	7,430,943	51,638,062	33,805,316					
Unreserved, reported in:										
Capital projects funds	5,035,980	7,499,160	8,439,800	8,813,857	13,604,067					
Special revenue funds	31,206,778	37,357,166	47,188,086	925,166	349,340					
Debt service funds	6,656,275	6,570,868	8,871,435	11,564,135	11,142,512					
Total all other governmental funds	<u>79,803,551</u>	<u>72,976,835</u>	<u>71,930,264</u>	<u>72,941,220</u>	<u>58,901,235</u>					
Total fund balances	<u>\$ 87,489,288</u>	<u>\$ 80,285,483</u>	<u>\$ 79,045,516</u>	<u>\$ 128,292,783</u>	<u>\$ 107,500,002</u>					
General Fund										
Nonspendable										
Prepaid Items						\$ 1,003,915	\$ 1,135,083	\$ 1,202,733	\$ 1,098,423	\$ 1,491,678
Inventory						692,049	753,558	679,587	746,788	633,453
Assigned-Student Activities						3,213,129	3,373,479	2,941,510	2,891,235	2,793,102
Unassigned						<u>30,517,746</u>	<u>19,898,691</u>	<u>13,749,123</u>	<u>19,764,629</u>	<u>26,537,171</u>
Total General Fund						<u>35,426,839</u>	<u>25,160,811</u>	<u>18,572,953</u>	<u>24,501,075</u>	<u>31,455,404</u>
All Other Governmental Funds										
Nonspendable										
Prepaid Items						-	-	-	-	2,682
Restricted										
Teachers Salaries and Benefits						1,814,336	1,660,658	9,316,219	6,504,193	3,742,352
Debt Service						10,278,376	7,407,100	7,339,380	6,626,452	6,103,666
Capital Projects						36,263,638	16,080,166	4,209,727	-	43,782,954
Assigned-other capital projects						<u>16,835,317</u>	<u>12,547,707</u>	<u>11,859,609</u>	<u>8,795,536</u>	<u>5,574,328</u>
Total all other governmental funds						<u>65,191,667</u>	<u>37,695,631</u>	<u>32,724,935</u>	<u>21,926,181</u>	<u>59,205,982</u>
Total fund balances						<u>\$ 100,618,506</u>	<u>\$ 62,856,442</u>	<u>\$ 51,297,888</u>	<u>\$ 46,427,256</u>	<u>\$ 90,661,386</u>

Source:
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Federal sources:										
Federal grants	\$ 2,481,163	\$ 2,344,005	\$ 2,264,578	\$ 3,238,723	\$ 2,240,345	\$ 2,268,982	\$ 3,133,015	\$ 2,426,671	\$ 2,441,585	\$ 2,519,199
Food services	1,404,461	1,423,837	1,429,873	1,439,773	1,769,416	1,556,864	1,825,670	1,793,618	2,019,512	1,945,471
Other federal revenue	1,298,522	1,344,236	1,285,580	854,090	2,350,768	2,039,733	1,549,985	949,001	2,134,169	858,042
Total federal sources	5,184,146	5,112,078	4,980,031	5,532,586	6,360,529	5,865,579	6,508,668	5,169,290	6,595,266	5,322,712
State sources:										
State education finance program	9,787,341	10,091,176	10,057,449	10,585,750	8,775,984	8,400,318	9,440,473	9,678,046	9,541,767	9,821,384
Food services	40,559	38,026	36,227	28,443	24,119	29,885	32,210	42,798	38,618	36,829
State grants	1,265,343	1,369,843	1,633,454	1,204,182	908,384	678,084	1,352,651	957,510	1,230,429	916,115
Other state revenue	5,001	811	78,909	178,722	-	11,000	3,360	13,653	33,657	88,507
Total state sources	11,098,244	11,499,856	11,806,039	11,997,097	9,708,487	9,119,287	10,828,694	10,692,007	10,844,471	10,862,835
Local sources:										
Ad valorem taxes	135,424,632	138,338,894	162,072,970	161,955,516	161,812,634	166,146,717	162,771,247	168,958,934	169,666,953	165,033,942
Sales taxes	13,784,753	13,122,672	12,649,916	12,056,005	11,552,283	11,703,147	12,868,762	13,273,151	14,003,311	14,133,967
Other taxes	4,177,515	4,496,507	5,098,320	5,050,845	4,894,154	5,064,534	8,483,395	7,925,047	9,077,909	8,717,677
Food service sales	4,130,492	4,428,247	4,219,935	4,354,323	4,491,029	4,141,392	4,333,278	4,102,670	3,916,788	3,841,316
Interest income	4,307,473	5,612,490	3,681,167	2,025,874	1,115,517	2,167,637	1,669,891	1,270,350	1,009,308	4,887,791
Desegregation Aid	10,195,204	13,513,975	13,223,434	12,278,823	10,243,191	9,168,396	7,410,589	6,925,267	7,371,277	7,694,360
Amounts received from other LEA's	2,076,021	2,025,163	2,097,406	2,198,809	2,458,958	2,366,249	2,582,036	2,300,883	2,431,447	2,391,324
Other local revenues	4,337,478	4,341,819	4,392,459	4,451,463	4,309,306	3,556,848	3,646,724	5,622,934	5,952,711	11,805,356
Total local sources	178,433,568	185,879,767	207,435,607	204,371,458	200,877,072	204,314,920	203,765,922	210,379,236	213,429,704	218,505,733
County sources:										
State assessed utilities	1,908,438	2,160,518	2,006,386	1,992,110	2,130,384	1,716,890	2,840,476	2,435,065	2,555,766	2,649,930
Other county revenues	897,599	1,064,745	995,949	1,453,258	1,166,833	1,074,355	960,338	1,161,748	1,495,193	1,409,247
Total county sources	2,806,037	3,225,263	3,002,335	3,445,368	3,297,217	2,791,245	3,800,814	3,596,813	4,050,959	4,059,177
Total revenues	\$ 197,521,995	\$ 205,716,964	\$ 227,224,012	\$ 225,346,509	\$ 220,243,305	\$ 222,091,031	\$ 224,904,098	\$ 229,837,346	\$ 234,920,400	\$ 238,750,457

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction	\$ 91,625,855	\$ 93,683,672	\$ 103,508,584	\$ 107,236,197	\$ 110,117,572	\$ 111,931,476	\$ 119,495,234	\$ 113,832,841	\$ 115,666,526	\$ 117,175,106
Student activities	4,356,358	4,475,356	4,039,210	3,627,665	3,900,719	3,735,872	3,968,004	3,604,499	3,853,964	4,253,069
Attendance	373,444	385,790	430,276	557,803	640,062	595,380	567,776	559,636	513,208	541,869
Guidance	5,512,326	5,436,192	5,634,887	6,001,690	6,450,948	6,506,278	6,385,597	6,596,288	6,867,751	7,026,544
Health services	1,965,197	2,127,999	2,197,100	2,130,861	2,180,241	2,250,548	2,394,781	2,500,652	2,521,553	2,658,874
Improvement of Instruction	5,777,891	4,181,551	5,923,642	6,413,194	6,140,927	6,268,650	6,670,352	7,051,033	6,476,646	6,452,342
Professional development	193,513	107,471	175,132	155,824	122,904	87,054	40,670	25,077	20,000	25,000
Media Services	3,491,173	3,466,663	3,372,616	3,452,498	3,626,659	3,575,311	3,724,674	3,632,017	3,757,034	3,704,162
Board of Education services	491,542	599,200	501,798	610,337	340,522	492,351	501,876	445,058	420,332	556,555
Executive administration	2,011,617	2,112,133	2,045,568	1,978,968	2,194,723	2,210,187	2,328,767	2,173,991	2,137,173	2,219,580
Building level administration	15,333,560	15,404,354	15,631,981	16,944,966	17,013,690	18,746,737	19,237,152	18,841,684	19,554,208	19,087,152
Operation of plant	20,550,397	20,569,926	22,406,569	22,820,529	22,171,803	23,024,725	23,538,663	22,510,599	21,909,730	22,700,957
Pupil transportation	6,444,197	6,912,299	7,726,767	8,282,887	8,312,423	8,807,719	9,510,997	9,013,820	9,110,827	8,812,486
Food services	5,706,106	5,777,181	5,908,726	6,080,865	5,987,440	6,264,325	6,493,473	6,318,594	5,867,691	6,072,444
Business and central services	7,736,771	7,970,403	8,914,709	8,424,203	11,036,157	13,121,023	11,296,614	11,621,235	11,185,836	11,975,535
Security services	755,626	930,082	899,902	952,199	1,116,808	1,182,223	1,085,322	1,018,749	1,098,132	1,144,679
Adult basic education	877,920	862,832	841,879	872,891	840,285	951,508	955,640	956,063	1,040,255	1,067,682
Adult continuing education	1,071,956	1,041,773	1,082,268	1,018,695	1,051,604	899,882	972,938	986,803	991,888	785,905
Community services	2,738,202	2,789,228	2,897,584	3,041,813	3,127,706	3,104,186	3,300,000	3,300,197	3,368,052	3,400,915
Capital Outlay	24,795,263	20,212,348	20,009,446	14,562,505	17,928,692	33,940,041	21,060,107	11,206,586	10,522,677	9,209,510
Debt service:										
Principal retirement	9,735,593	9,747,712	9,924,565	9,433,458	9,394,780	10,420,090	11,453,424	9,267,711	8,492,252	9,164,235
Interest	4,903,713	5,425,442	5,040,362	5,192,269	7,641,450	7,336,949	6,879,174	6,747,604	6,607,080	6,500,963
Other expense	286,658	3,062	5,863	418,622	382,851	79,195	310,005	102,192	6,492	1,056,503
Total Expenditures	\$ 216,734,878	\$ 214,222,669	\$ 229,119,434	\$ 230,210,939	\$ 241,720,966	\$ 265,531,710	\$ 262,171,240	242,312,929	241,989,307	245,592,067
Debt service as a percentage of noncapital expenditures	8.43%	8.49%	7.71%	7.50%	8.44%	8.34%	8.38%	7.50%	6.98%	7.61%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess of revenues over (under) expenditures	\$ (19,212,883)	\$ (7,205,703)	\$ (1,895,423)	\$ (4,864,430)	\$ (21,477,661)	\$ (43,440,679)	\$ (37,267,142)	\$ (12,475,583)	\$ (7,068,907)	\$ (6,841,610)
Other financing sources (uses)										
Sale of bonds	30,000,000	-	-	60,660,000	-	34,000,000	52,340,000	6,250,000	-	77,080,000
Payment to refunded bond escrow agent	-	-	-	(7,744,611)	-	-	(59,276,479)	(6,637,463)	-	(30,708,828)
Premium on issuance of bonds	-	-	-	956,216	-	485,400	6,420,458	459,325	-	4,653,700
Sale of other property	-	1,897	655,457	-	40,031	-	21,099	50,257	58,856	50,868
Proceeds from capital lease	-	-	-	240,092	644,849	2,073,783	-	794,910	2,139,420	-
Total other financing sources(uses)	30,000,000	1,897	655,457	54,111,697	684,880	36,559,183	(494,922)	917,029	2,198,276	51,075,740
Net change in fund balances	\$ 10,787,117	\$ (7,203,806)	\$ (1,239,966)	\$ 49,247,267	\$ (20,792,781)	\$ (6,881,496)	\$ (37,762,064)	\$ (11,558,554)	\$ (4,870,631)	\$ 44,234,130

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**

Fiscal Year	Actual Value				Total Taxable Value	Total Direct Rate
	Residential Property	Agricultural Property	Commercial Property	Personal Property		
2006*	2,355,972,200	1,830,240	925,534,060	580,667,480	3,864,003,980	3.577
2007	2,366,741,660	1,825,550	930,988,470	609,131,270	3,908,686,950	3.515
2008*	2,895,190,740	1,655,140	1,123,676,500	610,679,610	4,631,201,990	3.482
2009	2,922,442,295	1,660,000	1,130,807,320	627,955,010	4,682,864,625	3.483
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

NOTE:
 Valuations are determined as of December 31 preceding the tax collection year less Tax Increment Financing(TIF)
 The above rates for 2006-2015 are blended rates

* 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**

Fiscal Year	Overlapping Rates									
	Parkway	St Louis County	City of Chesterfield	City of Creve Coeur	City of Kirkwood	City of Manchester	Fire District Mctro West	Fire District Monarch	Fire District Creve Coeur	Fire District West County EMS
2005										
Res	3.4534	0.1900	0.0600	0.9030	0.4760	0.2500	0.9350	0.9330	0.9670	0.8400
Agr	3.8444	0.1900	0.0600	0.0940	0.4940	0.2500	1.0380	1.0730	1.0490	0.8420
Com	3.7796	0.1900	0.0600	0.0000	0.0000	0.2500	1.0930	1.1940	0.6160	0.8370
Per Prop	3.7569	0.1900	0.0600	0.0000	0.5110	0.2500	1.0450	1.0450	1.0530	0.9000
2006										
Res	3.4270	0.1900	0.0600	0.0900	0.4670	0.2500	0.9770	0.9380	0.9430	0.7820
Agr	3.8170	0.1900	0.0600	0.0950	0.4850	0.2500	1.1100	1.0660	1.0020	0.7860
Com	3.6114	0.1900	0.0600	0.0870	0.0000	0.2500	1.1900	1.1930	0.8410	0.7760
Per Prop	3.7079	0.1900	0.0600	0.0000	0.5020	0.2500	1.0870	1.0420	1.0480	0.8400
2007										
Res	3.2300	0.1900	0.0600	0.0750	0.6510	0.2430	0.8360	0.7980	0.8130	0.7730
Agr	3.9000	0.1900	0.0600	0.0700	0.6630	0.2430	0.9180	0.9230	0.8610	0.7640
Com	3.9000	0.1900	0.0600	0.0940	0.0000	0.2430	1.1770	1.1900	0.4460	0.8250
Per Prop	3.9000	0.1900	0.0600	0.0000	0.7080	0.2430	1.0740	1.0390	1.0480	0.9280
2008										
Res	3.2300	0.1900	0.0300	0.0750	0.6450	0.2430	0.8210	0.7880	0.8080	0.7730
Agr	3.9000	0.1900	0.0300	0.0940	0.0000	0.0000	1.1630	1.2100	0.4460	0.7640
Com	3.9000	0.1900	0.0300	0.0700	0.6650	0.2430	0.9220	1.0000	0.8740	0.8250
Per Prop	3.9000	0.1900	0.0300	0.0000	0.6980	0.2430	1.0600	1.0590	1.0480	0.9280
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

PARKWAY C-2 SCHOOL DISTRICT

**DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year	Overlapping Rates									
	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
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	0.0829	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

NOTE:
As of 2005, property class rates are prepared for each subclass of property, residential, commercial, agricultural and personal property.

Source:
St. Louis County Department of Revenue website

PARKWAY C-2 SCHOOL DISTRICT

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

Principal Taxpayers	2014 Taxable Assessed Value	Percentage of Total Taxable Value	2006 Taxable Assessed Value	Percentage of Total Taxable Value
Monsanto Company	\$ 30,694,470	0.74%	\$ -	0.00%
RNSI City Place Owner LLC (formerly Conerstone Opportunity Ventures LLC)	30,795,400	0.74%	26,259,220	0.68%
Chesterfield Mall LLC	28,144,320	0.68%	-	0.00%
Chapter 100 St Louis County	23,329,430	0.56%	-	0.00%
Duke Realty Limited Partnership	23,257,930	0.56%	74,055,720	1.92%
Scottrade Inc.	20,323,830	0.49%	-	0.00%
I & G Direct Real Estate 18 LP JP Morgan	18,689,280	0.45%	-	0.00%
Scott Family Properties LP	14,291,390	0.35%	14,131,860	0.37%
Ramco Gershenson Properties LP	13,404,540	0.32%	-	0.00%
FSP Timberlake Corp.	13,384,420	0.32%	17,354,650	0.45%
Creve Coeur Development Co.	-	0.00%	20,047,690	0.52%
WPP Holdings LLC	-	0.00%	18,470,180	0.48%
Pharmacia/Upjohn Corp.	-	0.00%	34,995,610	0.91%
WEA Chesterfiled LLC	-	0.00%	17,602,110	0.46%
Inland Western Town & Country Manchester	-	0.00%	13,153,020	0.34%
Capital Land co	-	0.00%	11,045,740	0.29%
Total	\$ 216,315,010	5.21%	\$ 247,115,800	6.42%

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

PARKWAY C-2 SCHOOL DISTRICT

**PROPERTY 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
2006*	138,227,014	131,980,028	95.48%	-	131,980,028	95.48%
2007	137,394,255	133,366,610	97.07%	1,718,888	135,085,498	98.32%
2008*	161,253,822	156,617,057	97.12%	2,176,974	158,794,031	98.47%
2009	163,122,906	157,557,607	96.59%	1,015,269	158,572,876	97.21%
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%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Capital leases	\$ 4,276,740	\$ 3,455,586	\$ 3,448,123	\$ 2,839,118	\$ 2,605,584	\$ 3,486,132	\$ 1,922,248	\$ 1,897,737	\$ 3,215,053	\$ 3,098,912
General obligation bonds	123,537,349	114,782,349	105,697,349	150,210,280	141,881,194	166,847,217	155,497,217	147,033,678	145,296,147	189,647,590
DNR note	1,087,371	915,814	739,158	557,253	369,942	177,065	-	-	-	-
Total primary government	\$ 128,901,460	\$ 119,153,749	\$ 109,884,630	\$ 153,606,651	\$ 144,856,720	\$ 170,510,414	\$ 157,419,465	\$ 148,931,415	\$ 148,511,200	\$ 192,746,502
Estimated actual value of taxable property	\$ 3,864,003,980	\$ 3,908,686,950	\$ 4,631,201,990	\$ 4,682,864,625	\$ 4,448,004,710	\$ 4,415,370,500	\$ 4,240,881,690	\$ 4,257,023,720	\$ 4,135,517,260	\$ 4,158,544,670
% of general bonded debt to estimated actual value of taxable property	3.20%	2.94%	2.28%	3.21%	3.19%	3.78%	3.67%	3.45%	3.51%	4.56%
Personal Income (County data)	\$ 6,538,650,851	\$ 6,735,856,561	\$ 6,939,009,995	\$ 7,148,290,536	\$ 7,363,882,979	\$ 7,585,977,689	\$ 7,814,770,777	\$ 8,050,464,263	\$ 8,293,266,265	\$ 8,543,391,176
% of Personal Income	1.9714%	1.7689%	1.5836%	2.1489%	1.9671%	2.2477%	2.0144%	1.8500%	1.7907%	2.2561%
Population	145,028	145,482	145,937	146,394	146,852	147,312	141,555	141,998	142,442	142,888
Per Capita	\$ 889	\$ 819	\$ 753	\$ 1,049	\$ 986	\$ 1,157	\$ 1,112	\$ 1,049	\$ 1,043	\$ 1,348.93

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

Sources:
Annual Secretary to the Board Report
Missouri Department of Revenue (website)
Basic Financial Statements

PARKWAY C-2 SCHOOL DISTRICT

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2015**

Taxing Body	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<u>Direct</u>			
Parkway School District	\$ 189,647,590	100.00%	\$ 189,647,590
<u>Overlapping</u>			
St. Louis County	116,459,000	19%	21,956,609
City of Chesterfield	10,134,000	43%	4,349,274
City of Kirkwood	2,440,000	17%	425,137
City of Manchester	2,180,000	8%	180,463
Fire District-Metro West	4,935,000	41%	2,044,426
Fire District-West County EMS	1,900,000	18%	334,230
Subtotal of Overlapping Debt	\$ 138,048,000		\$ 29,290,139
Total direct and overlapping debt	\$ 327,695,590		\$ 218,937,729

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 2015

Assessed value	\$ 4,158,544,670
Debt limit (15% of assessed value)	623,781,701
Debt applicable to limit	(179,735,000)
Amount available in Debt Service Fund	6,103,666
Legal debt margin	<u>\$ 450,150,367</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 579,600,597	\$ 586,303,043	\$ 694,680,299	\$ 702,429,694	\$ 667,200,707	\$ 662,305,575	\$ 636,132,254	\$ 638,553,558	\$ 620,327,589	\$ 623,781,701
Total net debt applicable to limit	116,881,073	108,211,481	96,825,914	138,646,145	130,738,682	156,568,839	148,090,117	139,694,547	131,915,222	173,631,334
Legal debt margin	<u>\$ 462,719,524</u>	<u>\$ 478,091,562</u>	<u>\$ 597,854,385</u>	<u>\$ 563,783,549</u>	<u>\$ 536,462,025</u>	<u>\$ 505,736,736</u>	<u>\$ 488,042,137</u>	<u>\$ 498,859,011</u>	<u>\$ 488,412,367</u>	<u>\$ 450,150,367</u>
Total net debt applicable to the limit as a percentage of debt limit	20.17%	18.46%	13.94%	19.74%	19.60%	23.64%	23.28%	21.88%	21.27%	27.84%

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)
2006	144,575	\$ 6,538,650,851	\$ 45,227	4.20%
2007	145,028	6,735,856,561	46,445	5.20%
2008	145,482	6,939,009,995	47,697	5.90%
2009	145,937	7,148,290,536	48,982	9.70%
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%

(1) St. Louis County only

Sources:

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**

Employer	2015		2006	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Parkway School District	2,400	0.44%	2,344	0.44%
Schnucks Markets, Inc.	10,750	1.99%	10,750	2.00%
St. John's Mercy Medical Center (Mercy Health System)	8,900	1.65%	9,300	1.73%
(Pfizer Global R & D) Monsanto Company	1,200	0.22%	1,200	0.22%
Dierberg's Markets, Inc.	4,000	0.74%	5,000	0.93%
Solutia Inc	3,400	0.63%	1,000	0.19%
Missouri Baptist Medical Center (BJC Healthcare)	2,878	0.53%	2,800	0.52%
Charter Communications Inc.	2,500	0.46%	2,500	0.47%
St. Luke's Health Corporation	2,300	0.43%	2,500	0.47%
Coldwell Banker Gundaker	3,600	0.67%	3,600	0.67%
Delmar Gardens	1,800	0.33%	2,000	0.37%
Total	43,728	8.09%	42,994	8.01%

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Supervisory										
Instructional administrators	11	11	9	8	9	9	10	10	10	6
Non-instructional administrators	6	7	7	8	8	8	7	7	5	8
Consultants/supervisors of instruction	16	17	17	18	20	19	19	18	18	32
Principals	28	28	28	28	28	28	28	28	28	28
Assistant principals	39	35	31	35	35	36	39	38	40	38
Total Supervisory	<u>100</u>	<u>98</u>	<u>92</u>	<u>97</u>	<u>100</u>	<u>100</u>	<u>103</u>	<u>101</u>	<u>101</u>	<u>112</u>
Instruction										
Elementary teachers	478	448	476	503	494	503	495	522	528	468
Middle school teachers	259	247	255	269	255	259	261	256	267	275
High school teachers	361	359	357	371	394	398	390	361	365	359
ESL teachers	12	12	19	19	22	23	22	22	22	24
Other instructional teachers	53	98	124	129	118	118	125	87	78	148
Aides	82	61	58	63	69	74	83	73	66	121
Total Instruction	<u>1,245</u>	<u>1,225</u>	<u>1,289</u>	<u>1,354</u>	<u>1,352</u>	<u>1,375</u>	<u>1,376</u>	<u>1,321</u>	<u>1,326</u>	<u>1,395</u>
Student Services										
Guidance counselors	61	63	62	69	69	70	68	70	70	72
Social workers	4	4	6	7	8	8	6	6	6	12
Librarians	31	31	30	31	31	31	31	31	31	31
Nursing Staff	38	38	39	39	38	38	39	39	39	38
Total Student Services	<u>134</u>	<u>136</u>	<u>137</u>	<u>146</u>	<u>146</u>	<u>147</u>	<u>144</u>	<u>146</u>	<u>146</u>	<u>153</u>
Support and Administration										
Managers	9	8	8	7	6	6	6	6	6	5
Clerical Support	79	81	93	102	99	100	97	91	88	41
Secretarial Staff	243	235	225	224	227	226	224	208	185	193
Service workers	73	72	143	139	250	250	247	240	233	325
Skilled crafts	158	158	158	158	49	49	48	47	44	44
Mechanical/Transportation	166	166	168	168	168	165	172	172	172	178
Other Support Staff	138	157	80	79	82	93	69	68	66	92
Total support and administration	<u>866</u>	<u>877</u>	<u>875</u>	<u>877</u>	<u>881</u>	<u>889</u>	<u>863</u>	<u>832</u>	<u>794</u>	<u>878</u>
Total	<u>2,345</u>	<u>2,336</u>	<u>2,393</u>	<u>2,474</u>	<u>2,479</u>	<u>2,511</u>	<u>2,486</u>	<u>2,400</u>	<u>2,367</u>	<u>2,538</u>

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
2006	18,557	\$ 160,766,862	\$ 8,663	1.29%	\$ 216,734,879	\$ 11,679	16.01%	1,232	15.06	16.00%
2007	18,212	162,396,795	8,917	2.93%	214,222,669	11,763	0.71%	1,257	14.49	16.20%
2008	17,724	177,889,950	10,037	12.56%	229,119,434	12,927	9.90%	1,331	13.32	16.60%
2009	17,439	184,037,361	10,553	5.15%	230,210,939	13,201	2.12%	1,323	13.18	16.70%
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%

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

<u>Fiscal Year</u>	<u>Minimum Salary</u>	<u>Maximum Salary</u>	<u>County Average Salary</u>	<u>Statewide Average Salary</u>
2006	33,500	74,012	49,529	40,397
2007	34,000	75,788	51,916	41,750
2008	35,000	78,441	53,318	43,236
2009	36,000	81,186	54,026	44,249
2010	37,000	83,743	55,467	45,148
2011	37,000	85,050	55,799	45,312
2012	39,000	87,300	56,662	45,709
2013	40,500	89,100	57,451	46,234
2014	41,500	92,200	52,713	46,756
2015	41,800	93,400	56,656	47,393

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary Schools:										
Barretts(1895)										
Square Feet	67,585	67,585	67,585	67,585	75,072	75,072	68,587	67,208	68,587	68,587
Capacity	516	516	516	516	516	516	516	516	516	516
Enrollment	455	453	413	408	402	397	387	361	383	364
Bellerive(1968)										
Square Feet	62,460	62,460	62,460	62,460	67,623	67,623	61,260	67,553	61,260	61,260
Capacity	450	450	450	450	450	450	450	450	450	450
Enrollment	442	431	425	406	410	400	384	365	378	366
Canman Trails(1977)										
Square Feet	65,252	65,252	65,252	65,252	65,252	65,252	65,949	65,949	65,949	65,949
Capacity	472	472	472	472	472	472	472	472	472	472
Enrollment	438	427	426	399	425	432	432	445	433	457
Claymont(1962)										
Square Feet	65,715	65,715	65,715	65,715	65,716	65,716	65,716	65,716	67,458	67,458
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	420	418	418	430	449	442	462	469	481	511
Craig(1966)										
Square Feet	50,215	50,215	50,215	50,215	50,215	50,215	50,215	50,215	50,215	50,215
Capacity	530	530	530	530	530	530	530	530	530	530
Enrollment	444	458	447	453	499	543	475	454	472	452
Green Trails(1965)										
Square Feet	59,196	59,196	59,196	59,196	59,196	59,196	59,193	59,193	59,193	59,193
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	462	456	467	429	418	394	420	411	419	415
Hanna Woods(1970)										
Square Feet	57,242	57,242	57,242	57,242	57,242	57,242	57,242	57,242	57,242	57,242
Capacity	413	413	413	413	413	413	413	413	413	413
Enrollment	423	399	404	384	379	354	379	391	400	448
Henry(1967)										
Square Feet	55,631	55,631	55,631	55,631	91,443	91,443	55,631	55,634	55,631	55,631
Capacity	460	460	460	460	460	460	460	460	460	460
Enrollment	407	408	405	410	412	412	429	434	486	517

PARKWAY C-2 SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary Schools(con't):										
Highcroft Ridge(1977)										
Square Feet	65,252	65,252	65,252	65,252	65,252	65,252	66,022	65,252	66,022	66,022
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	386	398	372	350	327	331	312	314	327	322
Mason Ridge(1948)										
Square Feet	64,574	64,574	64,574	64,574	65,982	65,982	64,650	63,544	64,650	64,650
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	423	430	389	401	387	374	393	390	426	427
McKelvey(1966)										
Square Feet	64,765	64,765	64,765	64,765	64,765	64,765	64,765	64,765	64,765	64,765
Capacity	700	700	700	700	700	700	700	700	700	700
Enrollment	560	553	515	562	557	612	510	485	508	542
Oak Brook(1989)										
Square Feet	69,468	69,468	69,468	69,468	69,480	69,480	67,812	69,480	67,812	67,812
Capacity	600	600	600	600	600	600	600	600	600	600
Enrollment	551	528	511	487	488	488	495	490	516	499
Pierremont(1966)										
Square Feet	64,458	64,458	64,458	64,458	64,458	64,458	57,657	64,459	57,657	57,657
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	387	369	338	349	378	397	400	411	407	433
River Bend(1968)										
Square Feet	50,818	50,818	50,818	50,818	51,818	51,818	51,272	51,818	51,272	51,272
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	276	269	250	221	246	243	400	413	411	410
Ross(1962)										
Square Feet	54,772	54,772	54,772	54,772	54,773	54,773	54,773	54,773	54,773	54,773
Capacity	556	556	556	556	556	556	556	556	556	556
Enrollment	477	452	445	444	441	438	437	416	413	409
Shenandoah Valley(1974)										
Square Feet	64,239	64,239	64,239	64,239	64,620	64,620	64,620	64,620	64,620	64,620
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	402	441	436	412	410	418	473	439	441	467

PARKWAY C-2 SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary Schools(con't)										
Sorrento Springs(1972)										
Square Feet	57,908	57,908	57,908	57,908	57,907	57,907	57,908	57,908	57,908	57,908
Capacity	560	560	560	560	560	560	560	560	560	560
Enrollment	471	402	408	387	385	356	360	352	350	329
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	600	600
Enrollment	430	422	382	377	403	411	412	405	426	405
Middle Schools:										
Central Middle(1956)										
Square Feet	160,153	160,153	160,153	160,153	146,153	146,153	156,153	160,153	156,153	156,153
Capacity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	979	917	906	931	897	848	840	873	920	946
Northeast Middle(1971)										
Square Feet	154,251	154,251	154,251	154,251	156,013	156,013	156,038	154,967	156,038	156,038
Capacity	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,043	1,036	1,034	996	1,009	929	936	901	870	815
South Middle(1962)										
Square Feet	127,145	127,145	127,145	127,145	127,470	127,470	127,470	127,470	127,470	127,470
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	712	715	717	623	579	604	610	608	593	574
Southwest Middle(1994)										
Square Feet	146,267	146,267	146,267	146,267	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	803	786	757	692	653	642	649	668	665	687
West Middle(1969)										
Square Feet	173,172	173,172	173,172	173,172	173,172	173,172	173,172	173,172	173,172	173,172
Capacity	900	900	900	900	900	900	900	900	900	900
Enrollment	1,052	938	916	852	825	877	933	954	987	1,016

PARKWAY C-2 SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High Schools:										
Central High(1960)										
Square Feet	270,551	270,551	270,551	270,551	263,533	263,533	296,621	296,621	296,621	296,621
Capacity	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700
Enrollment	1,380	1,340	1,292	1,277	1,264	1,285	1,279	1,287	1,316	1,252
Fern Ridge High(1949)										
Square Feet	44,088	44,088	44,088	44,088	44,088	44,088	23,065	23,065	23,065	23,065
Capacity	150	150	150	150	150	150	150	150	150	150
Enrollment	83	105	101	90	92	110	92	63	83	81
North High(1971)										
Square Feet	255,752	255,752	255,752	255,752	255,451	255,451	251,539	255,451	254,739	254,739
Capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Enrollment	1,383	1,438	1,447	1,522	1,505	1,540	1,479	1,388	1,311	1,208
South High(1975)										
Square Feet	318,777	318,777	318,777	318,777	325,896	325,896	340,615	335,915	340,615	340,615
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	2,009	1,959	1,922	2,014	1,948	1,913	1,803	1,740	1,727	1,716
West High(1967)										
Square Feet	313,482	313,482	313,482	313,482	386,981	386,981	315,625	316,981	315,625	315,625
Capacity	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	1,456	1,428	1,346	1,306	1,307	1,232	1,261	1,252	1,208	1,263
Preschools:										
Early Childhood Center(1970)										
Square Feet	49,080	49,080	49,080	49,080	52,114	52,114	52,204	52,114	52,204	52,204
Capacity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Enrollment	115	78	105	180	79	67	84	97	86	98
Instructional Services Center(1968)(1)										
Square Feet	17,084	17,084	17,084	17,084	19,464	19,464	30,943	32,563	30,943	30,943
Capacity	170	170	170	170	170	170	170	170	170	170
Enrollment	104	90	108	0	81	81	81	85	98	50
Pre-School North(2015)										
Square Feet	-	-	-	-	-	-	-	-	-	7,171
Capacity	-	-	-	-	-	-	-	-	-	96
Enrollment	-	-	-	-	-	-	-	-	-	81

PARKWAY C-2 SCHOOL DISTRICT

**SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Other Buildings:										
Administration(1963)										
Square Feet	18,100	18,100	18,100	18,100	18,061	18,061	18,061	18,061	18,061	18,061
Facilities/Operations(1966)										
Square Feet	35,960	35,960	35,960	35,960	35,494	35,494	35,494	48,955	35,494	35,494
Fern Ridge Grounds Storage										
Square Feet	-	-	-	-	-	-	21,218	21,218	21,218	21,218
Instructional Services Center(1968)(1)										
Square Feet	34,169	34,169	34,169	34,169	34,808	34,808	20,629	21,709	20,629	20,629
Transportation(1961)										
Square Feet	12,373	12,373	12,373	12,373	12,880	12,880	13,838	13,838	13,838	13,838
Service Bays	6	6	6	7	7	7	7	7	7	7
Buses	146	148	148	148	148	148	148	148	148	148
Athletics:										
Football Fields	17	17	17	17	17	17	17	17	17	17
Soccer Fields	24	24	24	24	24	24	24	29	29	29
Running Tracks	11	12	12	12	12	12	12	22	22	22
Baseball/Softball	35	36	36	36	36	36	36	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 estimated as 60% for instructional and 40% is used as offices

Sources:

DESE Annual Report of School Data

District Blueprints

District Archives

District report "Confronting Parkway's Space & Enrollment issues"