PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 4, 2017

NEW ISSUE	**PROGRAM RATING:**	**Standard & Poor's:**	**"AA+"**
BOOK-ENTRY ONLY	**UNDERLYING RATING:**	**Standard & Poor's:**	**"AA-"**
		See "BOND RATINGS" herein.	

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

CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3 OF CAMDEN COUNTY, MISSOURI

$8,950,000*
General Obligation Refunding Bonds (Missouri Direct Deposit Program) Series 2017

Dated: Date of Issuance **Due: As shown below**

The General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2017 (the **"Bonds"**), are issuable as fully registered bonds and will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (**"DTC"**). DTC will act as securities depository for the Bonds. The Bonds are available for purchase in denominations of $5,000 or any integral multiple thereof, under the book-entry system maintained by DTC. DTC will receive all payments with respect to the Bonds from Commerce Bank, Kansas City, Missouri, as paying agent for the Bonds. DTC is required to remit such payments to DTC Participants (defined herein) for subsequent disbursement to the Beneficial Owners (defined herein) of the Bonds. Semiannual interest is payable on March 1 and September 1, beginning on September 1, 2017.

The Bonds and the interest thereon are general obligations of the District, payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

The Bonds are subject to redemption prior to maturity as set forth herein.

THE BONDS ARE SUBJECT TO CERTAIN RISKS. SEE THE SECTION CAPTIONED **"RISK FACTORS"** HEREIN.

MATURITY SCHEDULE*

Base CUSIP: 133195

Serial Bonds

Maturity March 1	Principal Amount	Interest Rate	Price	CUSIP
2022	$2,510,000			
2023	2,985,000			
2024	3,455,000			

The Bonds are offered when, as and if issued by the District, subject to the approval of legality by Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. It is expected that the Bonds will be available for delivery in book-entry form through the facilities of DTC in New York, New York, on or about February 1, 2017.

George K. Baum & Company

* Preliminary, subject to change.

The date of this Official Statement is January ___, 2017.

CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI
172 Dare Boulevard
P. O. Box 1409
Camdenton, Missouri 65020-1409
(573) 346-9213

Board of Education

Christopher C. McElyea, President and Member
Nancy A. Masterson, Vice President and Member
Selynn Barbour, Treasurer and Member
Jackie Schulte, Member
Laura Davis, Member
Tom Williams, Member
Courtney Hulett, Member

Administrative Officers

Dr. Tim Hadfield, Superintendent
Linda Leu, Secretary of the Board of Education

UNDERWRITER

George K. Baum & Company
Kansas City, Missouri

BOND COUNSEL

Gilmore & Bell, P.C.
Kansas City, Missouri

CERTIFIED PUBLIC ACCOUNTANTS

Graves and Associates, CPA's, LLC
Jefferson City, Missouri

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been furnished by the District and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of that information.

In connection with this offering, the Underwriter may overallot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, or under any state securities or "blue sky" laws. The Bonds are offered pursuant to an exemption from registration with the Securities and Exchange Commission.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

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

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

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

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

District:	Camdenton Reorganized School District No. R-3 of Camden County, Missouri.
Issue:	$8,950,000[*] General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2017.
Dated Date:	Date of Delivery
Interest Payment Dates:	March 1 and September 1, beginning September 1, 2017.
Principal Due:	Annually on March 1, as detailed on the cover page of this Official Statement.
Redemption:	The Bonds are subject to optional redemption and payment prior to their Stated Maturity. See the section captioned **"THE BONDS – *Redemption Provisions*"** herein.
Authorization:	The Bonds are authorized by a resolution of the Board of Education of the District pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Sections 28 of the Missouri Constitution and Chapter 108 of the Revised Statutes of Missouri, as amended.
Security:	The Bonds are general obligations of the District and are payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS"** herein.
Credit Ratings:	*Program Rating*. S&P has assigned the Bonds the rating shown on the cover page hereof conditioned upon the execution and delivery of the Direct Deposit Agreement described under the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Direct Deposit of State Aid Payments."** *Underlying Rating*. S&P has given the Bonds the underlying rating shown on the cover page hereof reflecting the investment quality of the Bonds without the Direct Deposit Agreement. See the section captioned **"BOND RATINGS"** herein.
Purpose:	The Bonds are being issued for the purpose of current refunding the Refunded Bonds (defined herein) and paying the costs of issuing the Bonds. The Bonds are being issued pursuant to a resolution adopted by the Board of Education, the governing body of the District. See the section captioned **"THE BONDS"** herein.
Tax Exemption:	Gilmore & Bell, P.C., Bond Counsel, will provide an opinion as to the tax exemption of the Bonds as discussed under the section captioned **"TAX MATTERS"** herein.
Bank Qualification:	The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Paying Agent:	Commerce Bank, Kansas City, Missouri
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (**"DTC"**), New York, New York. DTC will act as securities depository of the Bonds.

[*] Preliminary, subject to change.

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OFFICIAL STATEMENT

CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI

$8,950,000*
General Obligation Refunding Bonds
(Missouri Direct Deposit Program)
Series 2017

INTRODUCTION

This introduction is only a brief description and summary of certain information contained in this Official Statement and is qualified in its entirety by reference to more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement.

Purpose of the Official Statement

The purpose of this Official Statement is to furnish information relating to Camdenton Reorganized School District No. R-3 of Camden County, Missouri (the **"District"**), and the issuance by the District of $8,950,000* principal amount of General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2017 (the **"Bonds"**).

The District

The District is a school district and political subdivision organized and existing under the laws of the State of Missouri. For information about the District, see **Appendix A** to this Official Statement.

Purpose of the Bonds

The Bonds are being issued pursuant to a resolution (the **"Bond Resolution"**) passed by the Board of Education of the District for the purpose of current refunding the District's General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2007, dated December 1, 2007, scheduled to mature on March 1 in the years 2022 through 2024, inclusive, outstanding in the principal amount of $9,000,000 (the **"Refunded Bonds"**) and paying the costs of issuing the Bonds. See the sections captioned **"PLAN OF FINANCING"** and **"THE BONDS"** herein.

Security and Source of Payment

The Bonds are general obligations of the District and are payable from ad valorem taxes which may be levied without limitations as to rate or amount upon all taxable property, real and personal, within the territorial limits of the District. See the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.** In addition, the District will enter into a Direct Deposit Agreement (hereinafter defined) whereby the District will pledge its State Aid to the payment of the Bonds. The Direct Deposit Agreement will require that a portion of the District's State Aid payments be transferred directly to the Deposit Trustee (hereinafter defined) which will, in turn, transfer amounts as needed to Paying Agent for the Bonds in order to provide for payment of debt service on the Bonds. See the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Direct Deposit of State Aid Payments"** herein.

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* Preliminary, subject to change.

Other Outstanding Obligations Payable

In addition to the Bonds, the District is obligated to pay from ad valorem taxes the principal and interest requirements on the District's other general obligation bonds as set forth in this Official Statement under **"*Appendix A* - DEBT STRUCTURE OF THE DISTRICT – *Current Long-Term General Obligation Indebtedness*."** The District is also obligated on an annually renewable basis to make certain lease payments under lease purchase financings described under **"*Appendix A* - DEBT STRUCTURE OF THE DISTRICT – *Other Obligations of the District*"**. The lease payments are payable solely from available money in the District's Capital Projects Fund and not from moneys in the District's Debt Service Fund, which is available solely to make payments on the District's general obligation bonds.

Financial Statements

Audited financial statements of the District as of and for the year ended June 30, 2016, are included in **Appendix B** attached to this Official Statement. These financial statements have been audited by Graves and Associates, CPA's, LLC, independent certified public accountants, to the extent and for the period indicated in their report which is also included in **Appendix B** to this Official Statement.

Continuing Disclosure Information

The District has agreed to provide certain annual financial information and notices of certain events to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access system (**"EMMA"**), in accordance with SEC Rule 15c2-12. See the section captioned **"MISCELLANEOUS – Continuing Disclosure"** and **"*Appendix C* - FORM OF CONTINUING DISCLOSURE UNDERTAKING".**

Bond Ratings

The District has received the ratings from Standard & Poor's set forth on the cover page on this issue. See the section captioned **"BOND RATINGS"** herein.

PLAN OF FINANCING

Authorization and Purpose of Bonds

The Bonds are authorized pursuant to and in full compliance with the Constitution and statutes of the State of Missouri, including particularly Article VI, Section 28 of the Missouri Constitution and Chapter 108 of the Revised Statutes of Missouri, as amended, and are being issued pursuant to the Bond Resolution for the purpose of providing funds to current refund the Refunded Bonds and to pay the costs of issuing the Bonds.

Refunding of the Refunded Bonds

A portion of the Bonds will be used to current refund the below-described Refunded Bonds. On the date of delivery of the Bonds, proceeds of the Bonds will be transferred to Commerce Bank, as paying agent for the Refunded Bonds, with irrevocable instructions to apply such amount to the payment of the redemption price of the Refunded Bonds on March 1, 2017 (the **"Redemption Date"**), plus interest due on the Refunded Bonds on the Redemption Date.

The following is a description of the Refunded Bonds:

Dated Date	Maturity Date	Principal Amount*	Interest Rate	CUSIP Number	Redemption Date	Redemption Price
12/01/2007	03/01/2022	$2,500,000	4.00%	133195 EP8	03/01/2017	100%
12/01/2007	03/01/2023	3,000,000	4.00	133195 EQ6	03/01/2017	100%
12/01/2007	03/01/2024	3,500,000	4.00	133195 ER4	03/01/2017	100%

Sources and Uses of Funds

The following table summarizes the estimated sources of funds, including the proceeds from the sale of the Bonds, and the expected uses of such funds, in connection with the plan of financing:

Sources of Funds:	
Principal Amount of the Bonds	$__________
Net original issue premium/discount	__________
Total	$__________
Uses of Funds:	
Deposit with paying agent for the Refunded Bonds	$__________
Costs of issuance, including underwriter's discount	__________
Total	$__________

THE BONDS

The following is a summary of certain terms and provisions of the Bonds. Reference is hereby made to the Bonds and the provisions with respect thereto in the Bond Resolution for the detailed terms and provisions thereof.

General Description

The Bonds are being issued in the principal amount shown on the cover page, are dated the date of their issuance and delivery, and consist of fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. The Bonds mature on March 1 in the years and in the principal amounts shown on the cover page of this Official Statement. Interest on the Bonds is payable semiannually on March 1 and September 1 in each year, beginning on September 1, 2017, and will be paid to the Registered Owners of the Bonds as shown on the Bond Register at the close of business on the Record Date for such interest (the **"Record Date"** being the 15th day, whether or not a business day, of the calendar month next preceding such Interest Payment Date) by check or draft mailed by the Paying Agent to the address of such Registered Owner shown on the Bond Register or by electronic transfer to such Registered Owner. While the Bonds remain in book-entry only form, payments to Beneficial Owners (as defined herein) are governed by the rules of DTC as described in **Appendix D**. If DTC ceases to act as securities depository for the Bonds, payment may be made as described in the Bond Resolution.

Book-Entry Only System

Ownership interests in the Bonds will be available to purchasers only through a book-entry only system (the **"Book-Entry Only System")** described in **Appendix D**.

* Preliminary, subject to change.

Registration, Transfer and Exchange of Bonds Upon Discontinuance of Book-Entry Only System

If the Book-Entry Only System is discontinued the following provisions would apply: Each Bond when issued will be registered by the Paying Agent in the name of the owner thereof on the Bond Register. Bonds are transferable only upon the Bond Register upon presentation and surrender of the Bonds, together with instructions for transfer. Bonds may be exchanged for Bonds in the same aggregate principal amount and maturity upon presentation to the Paying Agent, subject to the terms, conditions and limitations set forth in the Bond Resolution and upon payment of any tax, fee or other governmental charge required to be paid with respect to any such registration, transfer or exchange.

Redemption Provisions

Optional Redemption. At the option of the District, the Bonds may be called for redemption and payment prior to maturity on March 1, 2020, and thereafter, in whole or in part at any time at the redemption price of 100% of the principal amount thereof, plus accrued interest thereon to the redemption date. When less than all Bonds are to be redeemed, such Bonds will be redeemed from maturities selected by the District, and Bonds of less than a full maturity will be selected by the Paying Agent in multiples of $5,000 principal amount.

Notice and Effect of Call for Redemption. Unless waived by any Registered Owner of Bonds to be redeemed, official notice of any redemption will be given by the Paying Agent on behalf of the District by mailing a copy of an official redemption notice by first class mail at least 30 days prior to the Redemption Date to the State Auditor of Missouri, the Underwriter and each Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed will become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the District defaults in the payment of the redemption price) such Bonds or portion of Bonds will cease to bear interest. The failure of any Registered Owner to receive the foregoing notice or any defect therein will not invalidate the effectiveness of the call for redemption.

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

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

Levy and Collection of Annual Tax. Under the Bond Resolution, there is levied upon all of the taxable tangible property within the District a direct annual tax sufficient to produce the amounts necessary for the payment of the principal of and interest on the Bonds as the same become due and payable in each year. Such taxes will be extended upon the tax rolls in each year, and will be levied and collected at the same time and in the same manner as the other ad valorem taxes of the District are levied and collected. The proceeds derived from said taxes will be deposited in the Debt Service Fund, will be kept separate and apart from all other funds of the District and will be used, except as discussed herein under the caption **Direct Deposit of State Aid Payments**, solely for the payment of the principal of and interest on the Bonds as and when the same become due and the fees and expenses of the Paying Agent.

Direct Deposit of State Aid Payments

Pursuant to Section 360.111 *et seq*. of the Revised Statutes of Missouri and related statutes (the **"Deposit Law"**), the State of Missouri (the **"State"**) and the School District may agree to transfer to a Missouri bank, as direct deposit trustee (the **"Deposit Trustee"**), a portion of the School District's State aid payments and distributions normally used for operational purposes (**"State Aid"**) in order to provide for payment of debt service on the Bonds. On the date of issuance of the Bonds, the School District will enter into a Direct Deposit Agreement (the "Deposit Agreement") with the Office of the Treasurer of the State of Missouri ("Treasurer's Office"), the Department of Elementary and Secondary Education of the State of Missouri ("DESE"), the Health and Educational Facilities Authority of the State of Missouri (the **"Authority"**) and the Deposit Trustee. Under the Deposit Agreement, the School District will pledge its State Aid to the payment of the Bonds. The Deposit Agreement will provide for payment of one-tenth (1/10th) of the debt service due in the bond year ending March 1, 2018, to be paid in each of the ten (10) months of March 2017 through December 2017. In each succeeding bond year while the Bonds are outstanding, one-tenth (1/10th) of the annual debt service in each of the ten (10) months during said bond year, commencing in March and ending in December will be deposited with the Deposit Trustee. Amounts of State Aid to the School District in excess of the one-tenth (1/10th) monthly deposit will not be deposited with the Deposit Trustee but will be transferred directly to the School District as has historically been the case with all State Aid.

Each month, pursuant to the terms of the Deposit Agreement, DESE will advise the Treasurer's Office of the amount of the School District's State Aid to be deposited with the Deposit Trustee for the purpose of paying the Bonds, as specified in the Deposit Agreement. If there is a shortfall in a monthly payment, it is to be made up in the succeeding monthly payment of State Aid. Following receipt of the deposits, the Deposit Trustee will invest the amounts for the benefit of the School District in legally permitted investments. The Deposit Trustee will transfer to the Paying Agent the amount necessary for payment of debt service on the Bonds not later than one business day prior to each payment date with respect to the Bonds.

Nothing in the Deposit Law or the Deposit Agreement relieves the School District of its obligation to make payments of principal and interest on the Bonds, or to impose any debt service levy sufficient to retire the Bonds. Moneys of the School District which would otherwise be used to pay the Bonds on each payment date may be transferred to the School District's operational funds to replace State Aid funds used to pay the Bonds. The State has not committed pursuant to the Deposit Law, the Deposit Agreement or otherwise to maintain any particular level of State Aid on behalf of the School District, and the State is not obligated in any manner, contractually or morally, to make payments of debt service on the Bonds, other than its obligation to make transfers to the Deposit Trustee as described above. No assurance can be made that the amount of annual State Aid to the School District will not in the future drop below that of the annual debt service requirements on the Bonds.

RISK FACTORS

The following is a discussion of certain risks that could affect the payments to be made by the District with respect to the Bonds. Prospective purchasers of the Bonds should consider carefully all possible factors that may result in a default in the payment of the Bonds, the redemption of the Bonds prior to maturity or a determination that the interest on the Bonds might be deemed taxable for purposes of federal income taxation. **This discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive.**

Ad Valorem Property Taxes

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

Concentration of property ownership in the District would expose the District's ability to collect ad valorem property taxes to the financial strength and ability and willingness of major taxpayers to pay property taxes. See **"*Appendix* A - PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Major Property Taxpayers**".

Secondary Market Prices and Liquidity

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

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

No Reserve Fund or Credit Enhancement

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

Ratings

Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc. (**"S&P"**), has assigned the Bonds the program ratings set forth under the section captioned **"BOND RATINGS – *Program Rating*"** and has assigned the District the underlying rating set forth under the section captioned **"BOND RATINGS – *Underlying Rating*"** herein. Such ratings reflect only the views of such rating agency, and an explanation of the significance of such ratings may be obtained therefrom. There is no assurance that the ratings will remain in effect for any given period of time or that they will not be revised, either downward or upward, or withdrawn entirely, by said rating agencies if, in their judgment, circumstances warrant. Any such downward revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Bankruptcy

In addition to the limitations on remedies contained in the Bond Resolution, the rights and remedies provided by the Bonds may be limited by and are subject to (i) bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws affecting creditors' rights, (ii) the application of equitable principles, and (iii) the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against political subdivisions in the State of Missouri. The District, like all other Missouri political subdivisions, is specifically authorized by Missouri law to institute proceedings under Chapter 9 of the Federal Bankruptcy Code. Such proceedings, if commenced, are likely to have an adverse effect on the market price of the Bonds.

State Aid and Direct Deposit Agreement

For fiscal year ending June 30, 2017, the District expects that approximately 13% of the District's revenue will be derived from State Aid. See the sections captioned "**FINANCIAL INFORMATION CONCERNING THE SCHOOL DISTRICT – Sources of Revenue"** and **"– Missouri School Finance Laws"** in ***Appendix A*** attached to this Official Statement. A portion of the District's State Aid is currently pledged to the payment of the Bonds and will be directly deposited by the State with the Deposit Trustee for payment of the Bonds. See the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Direct Deposit of State Aid Payments"** herein. Reductions in State Aid could occur in the future if, for example, the State of Missouri faces fiscal problems in the future similar to those currently affecting the neighboring states of Illinois and Kansas, or the District experiences a decline in enrollment. Reductions in State Aid could force the District to make budget cuts or operational adjustments and may adversely affect the rating on the Bonds or the market price of the Bonds.

Amendment of the Bond Resolution

Certain amendments, effected by resolution of the District, to the Bonds and the Bond Resolution may be made with consent of the owners of not less than a majority in principal amount of the Bonds then outstanding. Such amendments may adversely affect the security of the owners of the Bonds.

Loss of Premium from Redemption

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

Tax-Exempt Status and Risk of Audit

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

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

Defeasance Risks

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

LEGAL MATTERS

Legal Proceedings

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

Approval of Legality

All legal matters incident to the authorization and issuance of the Bonds are subject to the approval of Gilmore & Bell, P.C., Kansas City, Missouri, Bond Counsel. The form of Bond Counsel opinion is attached hereto as **Appendix E**. Bond Counsel has participated in the preparation of this Official Statement, but the factual and financial information appearing herein has been supplied or reviewed by certain officials of the District and certified public accountants, as referred to herein, and Bond Counsel expresses no opinion as to the accuracy or sufficiency thereof except for the matters appearing in the sections of this Official Statement captioned **"THE BONDS"** (except for the information appearing under the caption **"Book-Entry Only System"**), **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "LEGAL MATTERS-Approval of Legality"** and **"TAX MATTERS."**

TAX MATTERS

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

Opinion of Bond Counsel

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

Alternative Minimum Tax. Interest on the Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

Bank Qualification. The Bonds have been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

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

Other Tax Consequences

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

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

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

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

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

BOND RATINGS

Program Rating. The Bonds have been qualified for the program rating set forth on the cover page hereof by Standard & Poor's Ratings Services, a division of McGraw Hill Financial, Inc. (**"S&P"**), said rating being conditioned upon the execution and delivery of the Direct Deposit Agreement described herein under the section captioned **"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS-Direct Deposit of State Aid Payments."**

Underlying Rating. In addition, S&P has given the Bonds the underlying rating set forth on the cover page hereof which reflects their evaluation of the investment quality of the Bonds without regard to the Direct Deposit Agreement.

Such ratings reflect only the view of S&P at the time such ratings are given, and the District and the Underwriter make no representation as to the appropriateness of such ratings or that such ratings will not be changed, suspended or withdrawn.

The District has furnished S&P with certain information and materials relating to the Bonds and the District that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. The Underwriter has not undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the rating of the Bonds or to oppose any such proposed revision or withdrawal. Pursuant to the Continuing Disclosure Undertaking, the District is required to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds but has not undertaken any responsibility to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds.

MISCELLANEOUS

Underwriting

George K. Baum & Company (the **"Underwriter"**) has agreed, subject to certain conditions, to purchase the Bonds from the District at a price of $_________ (equal to the principal amount of the Bonds plus/less a reoffering premium/original issue discount of $________ minus an underwriting discount of $_________). The Underwriter is purchasing the Bonds from the District for resale in the normal course of the Underwriter's business activities. The Underwriter will sell certain of the Bonds at a price greater than such purchase price, as shown on the inside cover hereof. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers on such terms and conditions and at such price or prices as the Underwriter, in its discretion, shall determine.

Continuing Disclosure

Pursuant to a Continuing Disclosure Undertaking, the District has agreed to provide to the Municipal Securities Rulemaking Board (the **"MSRB"**), through its Electronic Municipal Market Access website (**"EMMA"**), not later than **December 31st** after the end of each fiscal year, beginning with the fiscal year ending June 30, 2017, certain financial and operating data of the District. The District has also agreed to provide prompt notice to the MSRB of the occurrence of certain material events with respect to the Bonds. See the **"FORM OF CONTINUING DISCLOSURE UNDERTAKING"** attached hereto as **Appendix C.**

The District has entered into prior undertakings under Rule 15c2-12 (the **"Rule"**). The District has not fully complied with its prior undertakings under the Rule during the past five years and believes such instances of noncompliance include the following:

1. The District did not file on MSRB's EMMA website certain categories of operating data required to be provided pursuant to its prior undertakings under the Rule for fiscal years ended June 30, 2011 through 2013. On February 26, 2014, the District filed on the MSRB's EMMA website an annual report that included the categories of operating data required to be provided for fiscal year ended June 30, 2013, and certain categories of operating data required to be provided for prior fiscal years ended June 30, 2011 through 2012. However, this annual report was not properly linked on EMMA to the District's issue of Refunding Lease Participation Certificates, Series 2012 (the **"Series 2012 Certificates"**). The District's Series 2012 Certificates were prepaid and defeased on August 30, 2013, and are no longer outstanding.

2. The District timely filed on the MSRB's EMMA website its audited financial statements for fiscal years ended June 30, 2011 and June 30, 2012, but such audited financial statements

were not linked on EMMA to all prior debt obligations of the District subject to prior undertakings under the Rule.

3. The District did not file event notices on the MSRB's EMMA relating to underlying rating changes and bond insurer rating changes in connection with certain prior debt obligations of the District subject to prior undertakings under the Rule. However, the District believes this information was disseminated or available through other sources.

Certification and Other Matters Regarding Official Statement

Information set forth in this Official Statement has been furnished or reviewed by certain officials of the District, certified public accountants as stated in their report included in **Appendix B**, and other sources, as referred to herein, which are believed to be reliable. Any statements made in this Official Statement involving matters of opinion, estimates or projections, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates or projections will be realized.

Simultaneously with the delivery of the Bonds, the President of the Board of Education of the District, acting on behalf of the District, will furnish to the Underwriter a certificate which shall state, among other things, that to the best knowledge and belief of such officer, this Official Statement (and any amendment or supplement hereto) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements herein, in light of the circumstances under which they were made, not misleading in any material respect.

The form of this Official Statement, and its distribution and use by the Underwriter, has been approved by the District. Neither the District nor any of its officers, directors or employees, in either their official or personal capacities, has made any warranties, representations or guarantees regarding the financial condition of the District or the District's ability to make payments required of it; and further, neither the District nor its officers, directors or employees assumes any duties, responsibilities or obligations in relation to the issuance of the Bonds other than those either expressly or by fair implication imposed on the District by the Bond Resolution.

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Additional Information

Additional information regarding the District or the Bonds may be obtained from Dr. Tim Hadfield, Superintendent, Camdenton Reorganized School District No. R-3, P.O. Box 1409, Camdenton, Missouri 65020, (573) 346-9213, or from the Underwriter, George K. Baum & Company, Plaza Colonnade, 4801 Main Street, Suite 500, Kansas City, Missouri 64112-2006, Attention: Dick Bartow (816) 474-1100.

CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3 OF CAMDEN COUNTY, MISSOURI

By: ______________________________________
President of the Board of Education

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APPENDIX A

CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI

GENERAL, ECONOMIC AND FINANCIAL INFORMATION

APPENDIX A

CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3
OF CAMDEN COUNTY, MISSOURI

GENERAL, ECONOMIC AND FINANCIAL INFORMATION

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GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT

Location and Size

The District is located in Camdenton, Missouri, approximately 65 miles southwest of Jefferson City, Missouri. The District encompasses approximately 334 square miles and is located within the counties of Camden, Laclede and Morgan. Ninety-seven percent of the District is located in Camden County. Access to the District is provided by U.S. Highway 54 and State Highway 5.

Population

	1990	2000	2010	2015
District	19,426	26,442	31,430	31,596
City of Camdenton	2,561	2,779	3,718	3,880
Camden County	27,495	37,051	44,002	44,237
State of Missouri	5,117,073	5,595,211	5,988,927	6,083,672

Sources: U. S. Census Bureau.

Government and Organization

The District is governed by a seven-member Board of Education. The members of the Board are elected by the voters of the District for three-year staggered terms with two or three members being elected each year. All Board members are elected at-large and serve without compensation. The Board is responsible for all policy decisions. The President, Secretary and Treasurer of the Board are elected by the Board from among its members for a term of one year and have no regular administrative duties.

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

The current members and officers of the Board of Education are:

Name	Office	Current Term Expires
Christopher C. McElyea	President	April 2018
Nancy Masterson	Vice President	April 2019
Selynn Barbour	Treasurer	April 2017
Jackie Schulte	Member	April 2017
Tom Williams	Member	April 2019
Courtney Hulett	Member	April 2017
Laura Davis	Member	April 2018

Linda Leu is the Superintendent's Secretary and is the appointed Board of Education Secretary.

Dr. Tim Hadfield is completing his seventh year as the District's Superintendent. He is in his 24th year as an educator, including five years as a teacher, six years as a building administrator, three years as a superintendent in another school district and then assistant superintendent in the District for three years before becoming Superintendent of the District. He earned his bachelor's degree in education, master's degree in secondary administration, his education specialist degree from the University of Missouri – Columbia, Missouri, and his doctorate degree from St. Louis University.

Dr. Julie Dill has been an Assistant Superintendent with the District since 2015. Dr. Dill is in her 26th year in education. She has served as a teacher, high school at-risk coordinator, assistant principal, principal and director of student services. Dr. Dill earned her specialists, masters and bachelor of arts degrees from Pittsburg State University and her doctorate from William Woods University.

Dr. Ryan Neal has been an assistant superintendent since 2013. He is completing his 20th year as an education and previously was a teacher for 10 years and a secondary school and high school principal for 5 years. Dr. Neal earned his bachelor of education degree from Central Methodist College in Fayette, Missouri, his master's in secondary administration, his education specialist degree and his doctor of education leadership from William Woods University in Fulton, Missouri.

Educational Facilities

The District operates the following schools as described below. The replacement cost of the physical facilities of the District as most recently determined for insurance purposes is $159,130,292.

Name of School	Grades Serves	Number of Classrooms
Hurricane Deck Elementary	Pre-K-4	30
Osage Beach Elementary	Pre-K-4	36
Dogwood Elementary	Pre-K-2	50
Hawthorn Elementary	3-4	41
Oak Ridge Intermediate	5-6	55
Camdenton Middle	7-8	58
Camdenton High	9-12	88
Lake Career and Technical Center	9-12	23
Horizons Laker Educational Center	7-12	7

History of Enrollment

The following table shows student enrollment in the District as of the last Wednesday in September for each of the last four school years and for the current year.

2012-13	2013-14	2014-15	2015-16	2016-17
4,160	4,105	4,131	4,314	4,336

Other District Statistics

	2011-12	2012-13	2013-14	2014-15	2015-16
Ave. Daily Attendance (ADA)	3,921	3,880	3,875	3,880	3,910
Rate of Attendance	93.8%	93.9%	94.0%	93.9	94.5
Current Expenditures per ADA	$9,633	$9,994	$10,205	$10,541	$10,840
Students per Teacher	13	13	13	13	13
Students per Classroom Teacher	18	18	18	18	18

School Rating and Accreditation

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

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

Under MSIP 5, there are four levels of school accreditation: (1) Accredited With Distinction, for districts with equal to or greater than 90% of the points possible on the APR and meeting other criteria yet to be determined by the State Board of Education, (2) Accredited, for districts with scoring equal to or greater than 70% of the points possible on the APR, (3) Provisional, for districts with equal to or greater than 50% but less than 70% of the points possible on the APR, and (4) Unaccredited, for districts scoring less than 50% of the points possible on the APR. In the District's 2015 APR, the District earned 95.0% of the points possible, placing the District in the "Accredited" category.

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

Employment

Listed below are the major employers located in the District's vicinity:

Employer	Type of Business	Number of Employees
Lake Regional Health System	Health Care	1,203
Camdenton R-III School District	Education	450
Tan Tara Resort Golf Club & Spa	Resort	350
Camden County	Government	303
Wal-Mart Supercenter (Camdenton)	Retail	300
Wal-Mart Supercenter (Osage Beach)	Retail	300
Lodge of the 4 Seasons	Resort	250
Hy-Vee	Retail	205
Camden on the Lake	Resort	117
Wood's Supermarket	Retail	100

Source: Telephone surveys of individual employers. Employment figures are as of October, 2016 and may vary seasonally.

The following tables set forth unofficial employment figures for Camden County for the last five years:

Average for Year	Total Labor Force	Unemployed	Unemployment Rate
2016(1)	19,145	1,134	6.0%
2015	19,029	1,233	6.5
2014	18,781	1,518	8.1
2013	18,749	1,728	9.2
2012	18,903	1,804	9.5

Source: MERIC (Missouri Economic Research and Information Center).
(1) Average of January through September.

Municipal Services and Facilities

The City of Camdenton Police Department provides full-service law enforcement. The Camdenton Fire Department is an ISO class 4 department which provides fire, EMS and rescue services.

Several electric utilities are authorized to provide service to the School District. Water service is supplied by municipal governments, special water districts or by private utility.

Medical and Health Facilities

Located within the School District is Lake Regional Hospital, an award-winning 140-bed level III trauma center. Lake Regional Hospital is part of the Lake Regional Health System, which includes the hospital and a network of several clinics, retail pharmacies, a home health agency, and rehabilitation facilities in the Lake area.

Transportation and Communication Facilities

Located at Highways 54 and 5, Camdenton is referred to as the Hub City of the Lake area. A wide range of transportation sources, including air and trucking is available to companies located in the School District. Camdenton Memorial Airport, located three miles south of Camdenton, can accommodate small jets and general aviation aircraft. Residents have access to cable TV and satellite systems and two newspapers, *The Lake Sun-Leader* and *The Camdenton Reporter*, are published in Camdenton.

Recreational Activities

The School District is adjacent to the Lake of the Ozarks, Missouri's largest tourism and recreational area. With 1,150 miles of shoreline, the Lake is one of the largest manmade lakes in the world and is surrounded by the beautiful Ozark Mountains. Activities for the outdoor enthusiast include boating, fishing, swimming, tennis, water skiing, golfing, hunting, camping and canoeing. Over 100 resorts, hotels, motels and B&B's offer a wide range of accommodations and two large resorts offer convention facilities. In addition, Missouri's largest factory outlet mall, with over 110 brand name stores, is located in the area.

Other Statistics

The following table shows the 2010 population by age categories for the areas indicated:

Age	District	Camdenton	Camden County	State of Missouri
Under 5 years	1,582	300	2,172	390,237
5-19 years	5,135	859	7,092	1,211,174
20-24 years	1,452	265	1,969	413,289
25-44 years	6,193	975	8,541	1,524,083
45-64 years	10,366	807	14,694	1,611,850
65 years and over	6,702	512	9,534	838,294
TOTAL	31,430	3,718	44,002	5,988,927
Median age	48.1	32.3	48.6	37.9

Source: U.S. Census Bureau, 2010 Census.

The following table presents per capita personal income[1] for Camden County and the State of Missouri:

Year	Camden County Per Capita Personal Income	State of Missouri Per Capita Personal Income
2014	$35,197	$41,639
2013	33,885	40,297
2012	33,155	39,905

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

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

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

	Number of Owner-Occupied Units	Median Home Value
District	9,369	$168,000
Camden County	13,252	166,100
State of Missouri	1,592,014	135,100

Source: Missouri Census Data Center, American Community Survey, 3-year estimates (2011-2013).

DEBT STRUCTURE OF THE DISTRICT

Overview

The following table summarizes certain financial information concerning the District. This information should be reviewed in conjunction with the information contained in this section and the financial statements of the District in **Appendix A** hereto.

2016 Assessed Valuation[1]	$1,144,128,005
2016 Estimated Actual Valuation[2]	$5,214,191,066
Outstanding General Obligation Bonds ("Direct GO Debt")[3]	$64,420,000*
Outstanding Lease Obligations (as of June 30, 2016)("Direct Lease Obligations")[4]	$-0-
Total Outstanding Direct GO Debt and Direct Lease Obligations	$64,420,000*
Estimated Population (July 1, 2015)	31,596
Per Capita Direct GO Debt	$2,038.87*
Ratio of Direct GO Debt to Assessed Valuation	5.63%*
Ratio of Direct GO Debt to Estimated Actual Valuation	1.24%*
Per Capita Direct GO Debt and Direct Lease Obligations	$2,038.87*
Ratio of Direct GO Debt and Direct Lease Obligations to Assessed Valuation	5.63%*
Ratio of Direct GO Debt and Direct Lease Obligations to Estimated Actual Valuation	1.24%*
Overlapping and Underlying General Obligation Debt ("Indirect GO Debt")[5]	$5,410,000
Overlapping and Underlying Lease, Special or Limited Obligations ("Indirect Obligations")[6]	$4,769,102
Total Overlapping and Underlying Indirect GO Debt and Indirect Obligations ("Indirect Debt")	$10,179,102
Total Direct GO Debt and Indirect GO Debt	$69,830,000*
Total Direct Lease Obligations and Indirect Obligations	$4,769,102
Total Direct GO Debt, Direct Lease Obligations and Indirect Debt	$74,599,102*
Per Capita Direct GO Debt and Indirect GO Debt	$2,210.09*
Ratio of Direct GO Debt and Indirect GO Debt to Assessed Valuation	6.10%*
Ratio of Direct GO Debt and Indirect GO Debt to Estimated Actual Valuation	1.34%*
Per Capita Direct GO Debt, Direct Lease Obligations and Indirect Debt	$2,361.03*
Ratio of Direct GO Debt, Direct Lease Obligations and Indirect Debt to Assessed Valuation	6.52%*
Ratio of Direct GO Debt, Direct Lease Obligations and Indirect Debt to Estimated Actual Valuation	1.43%*

(1) 2016 real and personal property assessment as provided by the County Clerks of Camden, Morgan and Laclede Counties. Does **not** include state assessed railroad and utility property. For further details see **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT."**

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

(3) Including the Bonds and excluding the Refunded Bonds.

(4) The District's Refunding Lease Participation Certificates, Series 2012, are payable from escrowed securities held under an Escrow Trust Agreement dated August 30, 2013, and are no longer outstanding. For further details see **"DEBT STRUCTURE OF THE DISTRICT-Other Obligations of the District."**

(5) Includes the outstanding general obligation bonds of certain jurisdictions with boundaries overlapping or lying wholly within the District. For further details see **"DEBT STRUCTURE OF THE DISTRICT-Overlapping and Underlying Indebtedness."**

(6) Includes the outstanding lease purchase obligations and neighborhood improvement district bonds of certain jurisdictions with boundaries overlapping or lying wholly within the District. For further details see **"DEBT STRUCTURE OF THE DISTRICT-Overlapping and Underlying Indebtedness."**

* Preliminary, subject to change.

Current Long-Term General Obligation Indebtedness

The following table sets forth the other outstanding general obligation indebtedness of the District at the time of issuance of the Bonds (excluding the Refunded Bonds):

Category of Indebtedness	Date of Indebtedness	Amount Outstanding
General Obligation Refunding and Improvement, Series 2005	02/15/2005	$ 1,500,000
General Obligation School Building, Series 2013A	08/30/2013	4,740,000
Taxable General Obligation School Building, Series 2013B	08/30/2013	7,410,000
General Obligation Refunding and Improvement, Series 2014	04/15/2014	22,525,000
General Obligation Refunding and Improvement, Series 2015	06/01/2015	19,295,000
General Obligation Refunding, Series 2017	02/01/2017	8,950,000*
TOTAL		$64,420,000*

History of General Obligation Indebtedness

The following table sets forth debt information pertaining to the District as of the end of each of the last five fiscal years:

As of June 30	Total Outstanding Debt	Net Debt as % of Assessed Value[(1)]
2016	$64,470,000	5.69%
2015	64,680,000	5.79
2014	60,275,000	5.60
2013	28,205,000	2.61
2012	29,130,000	2.69

Source: Annual Secretary of the Board Reports (ASBR).
(1) Excludes the value of state assessed railroad and utility property located in the District.

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

[*Remainder of this page intentionally left blank.*]

* Preliminary, subject to change.

Debt Service Requirements

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

Fiscal Year Ending June 30	Outstanding Bonds Total Debt Service	Bonds Being Offered		Total
		Principal	Interest	
2017	$ 2,647,617.50			
2018	3,216,485.00			
2019	3,295,485.00			
2020	3,417,485.00			
2021	3,530,985.00			
2022	3,198,485.00			
2023	4,201,300.00			
2024	4,629,325.00			
2025	4,140,050.00			
2026	4,822,550.00			
2027	4,730,050.00			
2028	4,600,050.00			
2029	4,570,050.00			
2030	4,450,050.00			
2031	5,108,800.00			
2032	6,292,300.00			
2033	6,247,300.00			
2034	3,771,800.00			
2035	8,106,800.00			
TOTAL	$84,976,967.50			

Anticipated Issuance of Additional Long-Term Obligations

General Obligation Bonds. On April 2, 2013, the voters of the District authorized $43,000,000 of general obligation bonds of the District. To date, the District has issued $38,145,000 of the bonds approved at the 2013 election to provide funds for the Project and to acquire facilities leased to the District. The District expects to issue the remaining $4,855,000 in 2017 to pay the remaining costs of constructing a new elementary school at Osage Beach, repairing, renovating and building additions to Hurricane Deck Elementary School, furnishing and equipping said facilities and upgrading safety at existing school facilities.

Other Obligations of the District

Series 2012 Refunding Lease Participation Certificates. In February 2012, the District entered into an annually renewable Lease Agreement (the **"Lease"**) with Missouri School Boards Association, as lessor, and Commerce Bank, as trustee, and the trustee issued Refunding Lease Participation Certificates, Series 2012 (the **"Series 2012 Certificates"**), representing proportionate interests in the rental payments to be made by the District under the Lease. The Series 2012 Certificates maturing on April 1, 2014, and thereafter were refunded with proceeds of the District's Taxable General Obligation School Building Bonds, Series 2013, on August 30, 2013, and are currently payable from an Escrow Trust Agreement dated August 30, 2013 (the **"Escrow Agreement"**), established pursuant to such refunding. The Series 2017 Certificates maturing on April 1, 2018, and thereafter will be prepaid on April 1, 2017, from proceeds on deposit in the Escrow Agreement.

Overlapping or Underlying Indebtedness

The following tables set forth overlapping and underlying obligations of political subdivisions with boundaries overlapping the District or lying within the District as of December 1, 2016, and the percent attributable (on the basis of assessed valuation) to the District, based on information furnished by the jurisdictions responsible for the debt, from reports of the Missouri State Auditor's office and from EMMA. The District has not independently verified the accuracy or completeness of such information. Furthermore, political subdivisions may have ongoing programs requiring the issuance of substantial additional bonds or incurring of NID or lease/purchase obligations, the amounts of which cannot be determined at this time.

General Obligation Indebtedness

Jurisdiction	Obligations Outstanding	Percent Attributable to the District	Amount Attributable to the District
Mid County Fire Protection District	$ 775,000	100.00%	$ 775,000
Sunrise Beach Fire Protection District	4,635,000	100.00	4,635,000
Total	$5,410,000		$5,410,000

Neighborhood Improvement District Obligations[1]

Jurisdiction	Obligations Outstanding	Percent Attributable to the District	Amount Attributable to the District
Camelot Sewer District	$ 185,000	100.00%	$ 185,000
Camden County[2]	1,305,000	69.72	909,846
Total	$1,490,000		$1,094,846

(1) Neighborhood improvement district ("NID") bonds of the County are payable from special assessments against real property benefited by certain NID projects, and, if not so paid, from current income and revenue and surplus funds of the County. The full faith and credit of the County has been irrevocably pledged for the prompt payment of the principal of and interest on such bonds as the same become due; however, the County may not impose any new or increased ad valorem property tax to pay principal of or interest on such bonds without the voter approval required by the constitution and laws of the State of Missouri.

(2) The portion allocated to the District is based on a ratio of assessed valuations; however, such ratio is not relevant for NID projects that are assessed only against property within each NID. The portions of any or all of the NIDs that overlap the District's boundaries cannot be ascertained.

Lease/Purchase Obligations[1]

Jurisdiction	Obligations Outstanding	Percent Attributable to the District	Amount Attributable to the District
City of Camdenton	$1,215,000	100.00%	$1,215,000
Osage Beach Fire Protection District	920,000	100.00	920,000
Camden County	980,000	69.72	683,256
Village of Sunrise Beach	856,000	100.00	856,000
Total	$3,971,000		$3,674,256

(1) Camden County has several short-term equipment leases that do not have outstanding principal amounts available.

Legal Debt Capacity

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

The legal debt limitation and debt margin of the District are as follows:

Legal Debt Limitation and Debt Margin

Constitutional Debt Limitation under Article VI, Section 26(b)	$171,619,200
Less General Obligation Bonds Outstanding, including the Bonds	(64,420,000)*
Legal Debt Margin under Article VI, Sections 26(b)	$107,199,200*

The District's debt margin would actually be greater if the value attributable to state assessed railroad and utility property were included in the calculation. Because of the manner in which tax collections are distributed to school districts from assessments of state assessed railroad and utility property (see "**PROPERTY TAX INFORMATION CONCERNING THE DISTRICT–Property Valuations–*Current Assessed Valuation***), the cumbersome task of determining the valuation of such property physically located within a school district is not normally undertaken unless, without the value of such property included in the calculation, a district would exceed its legal debt limit. It was not necessary to determine the value of state assessed railroad and utility property within the District because, even excluding such value, the net principal amount of all of the District's general obligation bonds outstanding did not exceed the constitutional limitation of 15% of the valuation of the taxable tangible property within the District included in the calculation.

FINANCIAL INFORMATION CONCERNING THE DISTRICT

Accounting, Budgeting and Auditing Procedures

The District follows a modified cash basis of accounting. Under this system, revenues and expenditures are recognized only when collected or paid, with the exception of certain payroll expenditures. Receivables, payables and accrued liabilities are not reflected in the financial statements. Cash transactions have been recorded in the following funds for the accounting of all school moneys:

General (Incidental) Fund: Accounts for general activities of the District, including student activities, food service and textbook funds which are not required to be accounted for in another fund.

Special Revenue (Teachers') Fund: Accounts for expenditures for certificated employees involved in administration and instruction. It includes revenues restricted by the State of Missouri for payment of teachers' salaries and the tax monies collected based on the District's local tax levy.

Debt Service Fund: Accounts for revenue designated for the payment of and interest on the District's long-term debt.

Capital Projects Fund: Accounts for the proceeds of long-term debt, taxes and other revenues designated for acquisition or construction of major capital assets and all other capital outlay.

* Preliminary, subject to change.

The Treasurer of the District is responsible for handling all moneys of the District and administering the above funds. All moneys received by the District from whatever source are credited to the appropriate fund. Moneys may be disbursed from such funds by the Treasurer only for the purpose for which they are levied, collected or received and all checks must be signed by the President and the Treasurer.

An annual budget of estimated receipts and disbursements for the coming fiscal year is prepared by the Superintendent and is presented to the Board of Education for approval, after a public hearing, prior to August 15. The District's fiscal year is July 1 through June 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rate of levy per hundred dollars of assessed valuation required to raise each amount shown on the budget as coming from District taxes.

The financial records of the District are audited annually by a firm of independent certified public accountants in accordance with generally accepted accounting standards. The audit for the June 30, 2016, fiscal year was performed by Graves and Association, CPAs, LLC, Jefferson City, Missouri, a copy of which is included in this Official Statement at **Appendix A.** A summary of significant accounting policies of the District is contained in the Notes accompanying the financial statements in **Appendix A.**

Sources of Revenue

The District finances its operations through the local property tax levy, state sales tax, State Aid, federal grant programs and miscellaneous sources. Debt service on general obligation bonds is paid from amounts in the District's Debt Service Fund. The primary source of money in the Debt Service Fund is local property taxes derived from a debt service levy. However, the Debt Service Fund may also contain money derived from transfers from the Incidental Fund described under the caption **"Missouri School Finance Laws – *Transfers from Incidental Fund to Debt Service Fund and/or Capital Projects Fund*,"** from State Aid in the Classroom Trust Fund (discussed below), and from certain other taxes or payments-in-lieu-of-taxes which may be placed in the Debt Service Fund at the discretion of the Board of Education.

For the **2016-2017 fiscal year**, the District's sources of revenue (excluding proceeds from bonds issued by the District during such fiscal year) were as follows:

Source	Amount	%
Local Revenue:		
Property Taxes	$32,339,775	64.17%
Proposition "C" Sales Tax	3,800,000	7.54
Other	1,516,000	3.01
County Revenue:		
Railroad & Utility Property Taxes	675,000	1.34
Fines, Forfeitures & Other	200,000	0.40
State Revenue	6,544,475	12.99
Federal Revenue	4,233,162	8.40
Other Revenue[1]	1,085,000	2.15
Total Revenue	$50,393,412	100.00%

Source: District's 2016-17 Budget.
(1) Includes sale of surplus property.

Local Revenue

The primary sources of "local revenue" are (1) taxes upon real and personal property within a district, excluding railroad and utility property taxes, which are more fully described below under the caption

"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT," and (2) receipts from a 1% state sales tax (commonly referred to as **"Proposition C revenues"**) approved by the voters in 1982.

Proposition C sales tax proceeds are deemed to be "local" revenues for school district accounting purposes. Proposition C revenues are distributed to each school district on a per-pupil basis utilizing the district's weighted average daily attendance (see ***"Weighted ADA***" under **"Missouri School Finance Laws"** below). Historically, each school district has received from $750 to $800 per pupil per year from Proposition C revenues. For the 2015-16 fiscal year, each school district received approximately $948 per 2014-15 Weighted ADA from Proposition C revenues.

County Revenue

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

State Revenue

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

Federal Revenue

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

Missouri School Finance Laws

State Aid. The amount of State Aid for school districts in Missouri has typically been calculated using a complex formula. The impact of SB 287 was to transition the State away from a local-tax-rate-based formula to a formula that is primarily student-needs based.

Property Tax Levy Requirements. The sum of a district's local property tax levies in its Incidental and Teachers' Funds must be at least $2.75 per $100 assessed valuation in order for the district to receive increases in State Aid above the level of State Aid it received in the 2005-06 fiscal year. Levy reductions required as a result of a "Hancock rollback" (See **"PROPERTY TAX INFORMATION CONCERNING THE DISTRICT – Tax Rates"** below) will not affect a district's eligibility for State Aid increases.

The Formula. A district's State Aid is determined by first multiplying the district's weighted average daily attendance (**"ADA"**) by the state adequacy target (discussed below). This figure may be adjusted upward by a dollar value modifier (discussed below). The product of the weighted ADA multiplied by the state adequacy target multiplied by the dollar value modifier is then reduced by a district's "local effort" (discussed below) to calculate a district's final State Aid amount.

Weighted ADA. Weighted ADA is based upon regular term ADA plus summer school ADA, with additional weight assigned in certain circumstances for students who qualify for free and reduced lunch, receive special education services, or possess limited English language proficiency. Students receive additional weighted treatment if, categorically, they exceed certain thresholds (based on the percentage of students in each of the categories in "Performance Districts," as defined below), which thresholds can change every two years. The District's State Aid revenues would be adversely affected by decreases in its weighted ADA resulting from decreased enrollment generally and, specifically, decreased enrollment of students eligible for free and reduced lunch, special education students, or students with limited English language proficiency.

State Adequacy Target. The State Aid formula requires DESE to calculate a "State Adequacy Target," which is intended to be the minimum amount of funds a school district needs in order to educate each student. DESE's calculation of the State Adequacy Target is based upon amounts spent, excluding federal and State transportation revenues, by certain high performing districts (known as **"Performance Districts"**). Every two years, using the most current list of Performance Districts, DESE will recalculate the State Adequacy Target. The recalculation can never result in a decrease from the State Adequacy Target as calculated for fiscal years 2017 and 2018 and any State Adequacy Target figure calculated subsequent to fiscal year 2018. For fiscal years 2017 and 2018, the State Adequacy Target is $6,241 per pupil; however, because education funding is not expected to be fully funded, the State Adequacy Target will be at an adjusted level (according to DESE, for budgeting purposes, the most accurate figure to use for the State Adequacy Target is $6,110 per pupil).

Dollar Value Modifier. The dollar value multiplier (**"DVM"**) is an index of the relative purchasing power of a dollar, calculated as one plus 15% of the difference of the regional wage ratio (the ratio of the regional wage per job divided by the state median wage per job) minus one. The law provides that the DVM can never be less than 1.0. DESE revises the DVM for each district on an annual basis. DESE's calculation for 2016-17 for the District is 1.000.

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

Categorical-Source Add-Ons. In addition to State Aid distributed pursuant to the formula as described above, the formula provides for the distribution of certain categorical sources of State Aid to school districts. These include (1) 75% of allowable transportation costs, (2) the vocational education entitlement, and (3) educational and screening program entitlements.

Classroom Trust Fund (Gambling Revenue) Distribution. A portion of the State Aid received under the formula will be in the form of a distribution from the "Classroom Trust Fund" in the State Treasury containing a portion of the State's gambling revenues. This money is distributed to school districts on the basis of average daily attendance (versus weighted ADA, which applies to the basic formula distribution). The funds deposited into the Classroom Trust Fund are not earmarked for a particular fund or expense and may be spent at the discretion of the local school district, except that all proceeds of the Classroom Trust Fund in excess of amounts received in the 2009-10 fiscal year must be placed in the Teachers' or Incidental Funds. Classroom Trust Fund dollars do not increase the amount of State Aid.

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

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

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

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

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

Capital Projects Fund Levy. Prior to setting tax rates for the Teachers' and Incidental Funds, each school district must annually set the tax rate for the Capital Projects Fund as necessary to meet the expenditures of the Capital Projects Fund for capital outlays, except that the tax rate set for the Capital Projects Fund may not be in an amount that would result in the reduction of the equalized combined tax rates for the Teachers and Incidental Funds to an amount below $2.75.

Transfers from Incidental Fund to Capital Projects Fund. In addition to money generated from the Capital Projects Fund levy, each school district may transfer money from the Incidental Fund to the Capital Projects Fund under the following limited circumstances:

(1) The amount to be expended for transportation equipment that is considered an allowable cost under the State Board of Education rules for transportation reimbursements during the current year;

(2) Current year obligations for lease-purchase obligations entered into prior to January 1, 1997;

(3) The amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district, provided that the contract specified that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized; and

(4) To satisfy current year capital project expenditures, an amount not to exceed the greater of:

a. $162,326; or

b. Seven percent (7%) of the State Adequacy Target (currently $6,110) times the district's weighted ADA.

Transfers from Incidental Fund to Debt Service Fund and/or Capital Projects Fund. If a school district is not using the seven percent (7%) or the $162,326 transfer (as discussed above) and is not making payments on lease purchases pursuant to Section 177.088, Revised Statutes of Missouri, then the school district may transfer from the Incidental Fund to the Debt Service and/or the Capital Projects Fund the greater of:

(1) The State Aid received in the 2005-2006 school year as a result of no more than eighteen (18) cents of the sum of the Debt Service Fund levy and Capital Projects Fund levy used in the foundation formula and placed in the Capital Projects Fund or Debt Service Fund; or

(2) Five percent (5%) of the state adequacy target (which DESE has temporarily frozen at $6,131) times the district's weighted ADA.

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Fund Balances Summary

The following Summary Statement of Revenues, Expenditures and Changes in Fund Balances–All Governmental Funds was prepared from the Annual Secretary of the Board Reports (ASBR) of the District. The statement set forth below should be read in conjunction with the audited financial statements and notes set forth in **Appendix A** of this Official Statement and the financial statements on file at the District's office.

Summary Statement of Revenues, Expenditures and Changes in Fund Balances

	Fiscal Year Ending June 30				
	2012	**2013**	**2014**	**2015**	**2016**
General (Incidental) Fund					
Balance--Beginning of Year	$12,750,249	$14,369,545	$16,186,279	$15,700,295	$16,120,279
Revenues	19,364,572	20,878,386	19,387,520	21,786,868	21,878,243
Expenditures	16,331,093	16,593,897	16,971,611	17,878,010	18,610,734
Transfers In (Out)	(1,414,183)	(2,467,754)	(2,905,844)	(3,488,873)	(3,321,876)
Balance--End of Year	$14,369,545	$16,186,280	$15,700,295	$16,120,279	$16,065,912
Special Revenue (Teachers) Fund					
Balance--Beginning of Year	$ 3,206	$ 73	$ 0	$ 0	$ 0
Revenues	23,273,245	23,430,327	23,648,075	22,991,211	23,913,317
Expenditures	24,690,561	25,298,154	25,883,919	26,480,084	27,235,193
Transfers In (Out)	1,414,183	1,867,754	2,235,844	3,488,873	3,321,876
Balance--End of Year	$ 73	$ 0	$ 0	$ 0	$ 0
Debt Service Fund					
Balance--Beginning of Year	$ 1,492,892	$ 1,745,957	$ 1,726,511	$ 2,268,967	$ 2,981,135
Revenues	2,283,082	2,200,329	5,481,489	18,454,669	3,536,861
Expenditures	2,030,018	2,219,775	4,939,033	17,742,500	2,692,160
Balance--End of Year	$ 1,745,957	$ 1,726,511	$ 2,268,967	$ 2,981,135	$ 3,825,837
Capital Projects (Building) Fund					
Balance--Beginning of Year	$ 7,061,173	$ 6,581,766	$ 5,483,688	$28,077,733	$17,178,226
Revenues	2,409,775	2,186,724	37,030,816[2]	5,833,038	938,052
Expenditures	2,889,181	3,884,802	15,106,771	16,732,546	12,376,053
Transfers In (Out)	0	600,000	670,000	0	0
Balance--End of Year	$ 6,581,766	$ 5,483,688	$28,077,733	$17,178,226	$ 5,740,225
Total Funds					
Balance--Beginning of Year	$21,307,520	$22,697,340	$23,396,478	$46,046,995	$36,279,641
Revenues	47,330,674	48,695,766	85,551,851	69,065,786	50,266,474
Expenditures	45,940,853	47,996,629	62,901,334	78,833,140	60,914,141
Balance--End of Year	$22,697,340	$23,396,477	$46,046,995	$36,279,641	$25,631,973
Ending Operating Fund[1] Balances as Percentage of Operating Fund Expenditures	35.03%	38.64%	36.64%	36.34%	35.04%

Source: Annual Secretary of the Board Reports (ASBR). The fund balances shown above do not include certain reserves used for long-term debt and medical insurance that are included in the fund balances shown in the District's Financial Statements and Independent Auditor's Reports for the fiscal years ended June 30, 2012 through 2016.

(1) The Operating Fund is defined to be the General Fund and Special Revenue Fund only.

(2) Includes sale of bonds, school buses and other property.

Risk Management

The District is a member of the Missouri United School Insurance Council ("MUSIC"), a nonprofit association which provides property and casualty insurance coverages for member school districts in the state of Missouri by means of a pooling arrangement. Member districts pay an annual assessment based on exposures to potential losses which assessment moneys are used to pay for losses, to fund a modest administrative budget, to buy risk management services and to purchase necessary excess insurance. Excess insurance allows the program to cap any large losses at an affordable level. Coverages include property, liability, automobile, crime, errors and omissions, boiler and machinery, worker's compensation and treasurer's bond.

Pension and Employee Retirement Plans

The District contributes to two cost-sharing multiple-employer defined benefit pension plans on behalf of its employees: (i) The Public School Retirement System of Missouri (**"PSRS"**), which provides retirement, disability and death benefits to full-time (and certain part-time) certificated employees of school districts in Missouri and employees of certain related employers; and (ii) The Public Education Employee Retirement System of Missouri (**"PEERS"**), which provides retirement and disability benefits to employees of school districts in Missouri and of certain related employers who work 20 or more hours per week and do not contribute to PSRS. Benefit provisions relating to both PSRS and PEERS are set forth in Chapter 169 of the Revised Statutes of Missouri, as amended. The statutes assign responsibility for the administration of both plans to a seven member Board of Trustees of PSRS (the **"PSRS Board"**). PSRS and PEERS had 535 and 532 contributing employers, respectively, during the fiscal year ended June 30, 2015.

PSRS and PEERS issue a publicly available financial report that includes financial statements and required supplementary information. The PSRS/PEERS Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015 (the **"2015 PSRS/PEERS CAFR"**), the comprehensive financial report for the plans, is available at www.psrs-peers.org/Investments/Annual-Report.html. The link to the 2015 PSRS/PEERS CAFR is provided for general background information only, and the information in the 2015 PSRS/PEERS CAFR is not incorporated by reference herein. The 2015 PSRS/PEERS CAFR provides detailed information about PSRS and PEERS, including their respective financial positions, investment policy and performance information, actuarial information and assumptions affecting plan design and policies, and certain statistical information about the plans.

PSRS and PEERS Contributions

Employees who contribute to PSRS are not eligible to make Social Security contributions, except in limited circumstances. For the fiscal year ended June 30, 2015, PSRS contributing employees were required to contribute 14.5% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 14.5% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 1.0% in aggregate of PSRS contributing member covered pay of the previous year.

Employees who contribute to PEERS are eligible to make Social Security contributions. For the fiscal year ended June 30, 2015, PEERS contributing employees were required to contribute 6.86% of their annual covered salary and their employers, including the District, were required to contribute a matching amount of 6.86% of each contributing employee's covered salary. The contribution requirements of members and the District are established (and may be amended) by the PSRS Board based on the recommendation of an independent actuary. State statute prohibits the PSRS Board from approving an increase greater than 0.5% in aggregate of PEERS contributing member covered pay of the previous year.

As stated in the District's audited financial statements, which are prepared on a modified cash basis of accounting, the District's contributions to PSRS and PEERS for the years shown were as follows:

District Contributions to PSRS and PEERS

Year Ended June 30,	PSRS Annual Contribution*	PSRS Contribution (% of Payroll)	PEERS Annual Contribution*	PEERS Contribution (% of Payroll)
2016	$3,269,903	14.5%	$512,579	6.86%
2015	3,177,606	14.5	487,663	6.86
2014	3,108,571	14.5	472,424	6.86

Source: Audited financial statements of the District.
* The annual contributions equaled the amounts required by the PSRS Board for each year.

The District's contribution to PSRS and PEERS during the fiscal year ended June 30, 2016, constituted approximately 6.21% of the District's total expenditures during the fiscal year. The District will be required to contribute 14.5% of covered payroll for PSRS contributing employees and 6.86% of covered payroll for PEERS contributing employees during the fiscal year ending June 30, 2017, equal to the contribution percentages for the fiscal year ended June 30, 2015.

PSRS and PEERS Funded Status.

PSRS and PEERS reported funded ratios of 83.9% and 86.8%, respectively, as of June 30, 2015, according to the 2015 PSRS/PEERS CAFR. Funded ratios are intended to estimate the ability of current plan assets to satisfy projected future liabilities. The PSRS and PEERS funded ratios are determined by dividing the smoothed actuarial value of plan assets by the plan's actuarial accrued liability determined under the entry age normal cost method with normal costs calculated as a percentage of payrolls, along with certain actuarial assumptions based on an experience study conducted in 2011. PSRS and PEERS amortize unfunded actuarial liabilities using a closed 30-year method. Additional assumptions and methods used to determine the actuarial funded status of PSRS and PEERS are set forth in the Actuarial Section of the 2015 PSRS/PEERS CAFR. The funding objective of each plan, as stated in each plan's Actuarial Funding Policy, is to achieve a funded ratio of 100% over a closed 30-year period from fiscal year 2011 through fiscal year 2040.

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

Schedule of Employer Contributions

Year Ended June 30,	PSRS Actuarially Determined Contribution	PSRS Actual Employer Contributions	PSRS Contribution Excess/ (Deficiency)	PEERS Actuarially Determined Contribution	PEERS Actual Employer Contributions	PEERS Contribution Excess/ (Deficiency)
2015	$666,438,984	$656,924,899	$ (9,514,085)	$105,739,092	$103,624,310	$ (2,114,782)
2014	608,459,393	643,989,869	35,530,476	98,497,846	100,699,735	2,201,889
2013	507,232,268	634,040,335	126,808,067	87,013,816	97,059,313	10,045,497
2012	720,303,976	620,214,231	(100,089,745)	95,094,785	95,094,785	-
2011	684,366,766	594,732,137	(89,634,629)	90,816,155	90,816,155	-

Source: "Schedules of Employer Contributions" in the Financial Section of the 2015 PSRS/PEERS CAFR.

Schedule of Funding Progress
(Dollar amounts in thousands)

	PSRS			PEERS		
Year Ended June 30,	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**	**Actuarial Value of Assets**	**Actuarial Accrued Liability**	**Funded Ratio**
2015	$34,073,415	$40,610,540	83.9%	$3,915,199	$4,512,317	86.8%
2014	31,846,599	38,483,184	82.8	3,584,719	4,211,489	85.1
2013	29,443,147	36,758,165	80.1	3,237,200	3,967,619	81.6
2012	29,013,002	35,588,030	81.5	3,090,880	3,746,347	82.5
2011	29,387,486	34,383,430	85.5	3,028,757	3,549,348	85.3

Source: "Schedule of Funding Progress" in the Actuarial Section of the 2015 PSRS/PEERS CAFR.

Estimated Proportionate Share of PSRS/PEERS Liability.

The District has not implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, because the District's financial statements are prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting different from accounting principles generally accepted in the United States of America. PSRS and PEERS, however, have implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Accordingly, PSRS and PEERS are required annually to provide each contributing Missouri school district reports estimating each district's proportional share of the net pension liability of PSRS and PEERS as of the end of the prior fiscal year. The estimate is computed for each district by multiplying the net pension liability of a plan (calculated by determining the difference between the plan's total pension liability and fiduciary net position) by a percentage reflecting the district's proportionate share of contributions to the plan during the fiscal year. At June 30, 2016 (measured as of June 30, 2015), the District's proportionate share of the net pension liability of PSRS and PEERS was $27,992,599 and $2,509,660, respectively, as determined by PSRS and PEERS on an accrual basis of accounting. The District's contribution to PSRS and PEERS represented 0.4849% and 0.4745%, respectively, of the overall contributions to PSRS and PEERS during the fiscal year. Detailed information about the calculation of the net pension liability of the plans, including information about the assumptions used, is available in Note 5 of the 2015 PSRS/PEERS CAFR.

The net pension liability of PSRS and PEERS is based on an 8.0% discount rate, which is also the current assumed investment rate of return for the plans. PSRS and PEERS advised the District that its proportionate share of the net pension liability using a 1% higher or lower discount rate at June 30, 2016 (measured as of June 30, 2015) would be as follows:

Proportionate Share of Net Pension Liability Sensitivity

	1.0% Decrease (7.0%)	**Current Discount Rate (8.0%)**	**1.0% Increase (9.0%)**
District's proportionate share of PSRS net pension liability	$51,483,481	$27,992,599	$8,262,876
District's proportionate share of PEERS net pension liability / (asset)	$5,066,590	$2,509,660	$347,997

Employee Relations

Teachers in the District belong to the Missouri State Teachers Association, the Missouri NEA or are not affiliated. The Board of Education makes the final decisions on all matters of policy, salaries and working conditions without fact finding, mediation or arbitration.

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT

Property Valuations

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

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

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

The assessment ratio for personal property is generally 33-1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 0.5%, livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; and poultry, 12%.

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

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Current Assessed Valuation. The following table shows the total assessed valuation and the estimated actual valuation, by category, of all taxable tangible property situated in the District, excluding state assessed railroad and utility property, according to the assessment of January 1, 2016, subject to adjustment through December 31, 2016.

Type of Property	**Total Assessed Valuation**	**Assessment Rate**	**Total Estimated Actual Valuation**[(1)]	**% of Actual Valuation**
Real:				
Residential	$ 760,633,280	19.00%	$4,003,333,052	76.78%
Agricultural	7,022,300	12.00%	58,519,166	1.12
Commercial[(1)]	182,907,990	32.00%	571,587,468	10.96
Total Real	$ 950,563,570		$4,633,439,686	88.86%
Personal	193,564,435	33.33%	580,751,380	11.14
Total Real & Personal	$1,144,128,005		$5,214,191,066	100.00%

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

For school taxation purposes, all state assessed railroad and utility property within a county is taxed uniformly at a rate determined by averaging the tax rates of all school districts in the county. Such tax collections for each county are distributed to the school districts within that county according to a formula based in part on total student enrollments in each district and in part on the taxes levied by each district. Under this method of distributing tax collections from state assessed railroad and utility property, it is unnecessary to determine the assessed value of such property that is physically located within the bounds of each school district. The District received $700,535.73 in fiscal year ended June 30, 2016, from state assessed railroad and utility property taxes.

History of Property Valuations. The total assessed valuation of all taxable tangible property situated in the District (excluding state assessed railroad and utility property) according to the assessments of January 1 in each of the following years, has been as follows:

Year	**Assessed Valuation**	**% Change**
2016	$1,144,128,005	+0.93%
2015	1,133,554,142	+1.54
2014	1,116,384,997	+3.66
2013	1,076,941,305	-0.19
2012	1,078,979,666	N/A

Source: Annual Reports of the County Clerks to the State Board of Education for fiscal years ended June 30, 2012 through 2016

Property Tax Levies and Collections

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

The District is required by law to prepare an annual budget, which includes an estimate of the amount of revenues to be received from all sources for the budget year, including an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. The budget must also include proposed expenditures and must state the amount required for the payment of interest, amortization and redemption charges on the District's debt for the ensuing budget year. Such estimates are based on the assessed valuation figures provided by the County Clerk. The District must fix its ad valorem property tax rates and certify them to the County Clerk not later than September first for entry in the tax books.

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

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

Tax Rates

Debt Service Levy. The District's debt service levy for the 2016-17 fiscal year is $0.31 per $100 of assessed valuation. Once indebtedness has been approved by requisite number of the voters voting therefor and bonds are issued, the District is required under Article VI, Section 26(f) of the Missouri Constitution to levy an annual tax on all taxable tangible property therein sufficient to pay the interest and principal of the indebtedness as they fall due and to retire the same within 20 years from the date of issue. The Board of Education may set the tax rate for debt service, without limitation as to rate or amount, at the level required to make such payments.

Operating Levy. The operating tax levy of a school district (consisting of all ad valorem taxes levied except the debt service levy) cannot exceed the **"tax rate ceiling"** for the current year without voter approval. The tax rate ceiling, determined annually, is the rate of levy which, when charged against the district's assessed valuation for the current year, excluding new construction and improvements, will produce an amount of tax revenues equal to tax revenues for the previous year increased by the lesser of actual assessment growth, 5% or the Consumer Price Index. Without the required percentage of voter approval, the tax rate ceiling cannot at any time exceed the greater of the tax rate in effect in 1980 or the most recent voter-approved tax rate (as adjusted pursuant to the provisions of the Hancock Amendment, more fully explained below).

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

Article X, Section 22(a) of the Missouri Constitution (popularly known as the **"Hancock Amendment"**), approved in 1980, places limitations on total state revenues and the levying or increasing of taxes without voter approval. The Missouri Supreme Court has interpreted the definition of **"total state revenues"** to exclude voter-approved tax increases. The Hancock Amendment also includes provisions for rolling back tax rates. If the assessed valuation of property, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the Consumer Price Index from the previous year (or 5%, if greater), the maximum authorized current levy must be reduced to yield the same gross revenue from existing property, adjusted for changes in the Consumer Price Index, as could have been collected at the existing authorized levy on the prior assessed value. This reduction is often referred to as a **"Hancock rollback."** The limitation on local governmental units does not apply to taxes levied in the Debt Service Fund for the payment of principal and interest on general obligation bonds.

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

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

For fiscal year 2016-17, the District's operating levy is $2.56 per $100 of assessed valuation which equals the District's tax rate ceiling.

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

History of Tax Levies. The following table shows the District's tax levies per $100 of assessed valuation for each of the following years:

Fiscal Year Ended June 30	General Incidental Fund	Special Revenue Teachers' Fund	Debt Service Fund	Capital Projects Building Fund	Total Levy
2016	$1.3300	$1.1800	$0.3100	$0.0500	$2.8700
2015	1.3300	1.1800	0.3100	0.0500	2.8700
2014	1.2300	1.1800	0.3100	0.1500	2.8700
2013	1.3300	1.1800	0.2000	0.1600	2.8700
2012	1.2800	1.1800	0.2100	0.2000	2.8700

Tax Collection Record

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

Fiscal Year June 30	Total Levy	Current Taxes Levied	Current & Delinquent Taxes Collected	
			Amount	%
2016	$2.87	$32,533,004	$32,055,029	98.53%
2015	2.87	32,040,249	31,569,278	98.53
2014	2.87	30,908,215	30,713,521	99.37
2013	2.87	30,966,716	30,862,019	99.66
2012	2.87	30,530,263	30,310,378	99.28

Major Property Taxpayers

The following table sets forth the largest real property taxpayers in the District based on the valuation of property owned as of January 1, 2016:

Owner	Type of Use	Assessed Valuation	Percentage of Total Assessed Valuation
Summit Natural Gas (4 parcels)	Natural gas distribution	$ 7,711,750	0.67%
Wal Mart Real Estate Business Trust	Trust	3,246,890	0.28
LSF IV Lake of the Ozarks LLC	Investments	2,942,090	0.26
Co Mo Electric Cooperative	Utility	2,790,640	0.24
Camden County Shopping Center	Retail	1,334,660	0.12
Laclede Electric Cooperative	Utility	1,134,010	0.10
TOTAL		$19,160,040	1.67%

Based on the District's 2016 total assessed valuation of $1,144,128,005, no single personal property valuation exceeds 0.11% of the District's total valuation.

Source: Camden County, Missouri Assessor's Office.

* * *

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED
JUNE 30, 2016**

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CAMDENTON R-III SCHOOL DISTRICT

Camdenton, Missouri

INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2016

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GRAVES
and ASSOCIATES, CPAs, LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Camdenton R-III School District
Camdenton, Missouri:

We have audited the accompanying modified cash basis financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of the Camdenton R-III School District (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Camdenton R-III School District Education Foundation, a discretely presented component unit, were not audited in accordance with *Government Auditing Standards.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the aggregate discretely presented component unit, and each major fund of the District, as of June 30, 2016, and the respective changes in modified cash basis financial position thereof for the year then ended in conformity with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The management's discussion and analysis and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The other information, which consists of the management's discussion and analysis and budgetary comparison schedules, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Graves and Associates,
CPAS, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

November 14, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

An objective and easily readable analysis of the District's financial activities. The Management's Discussion and Analysis presents an analytical overview of both short-term and long-term financial information.

The Management's Discussion and Analysis (MD&A) of the Camdenton R-III School District's financial performance provides an overall review of the district's activities for the fiscal year ended June 30, 2016. The intent of the discussion and analysis is to look at the district's financial performance as a whole.

This reporting model was adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34, Basic Financial Statements, and Management's Discussion and Analysis for State and Local Governments issued June 1999.

For the MD&A, management has elected to omit the escrow accounts.

Financial Highlights — Camdenton R-III School District

- Total fund balance for all funds (General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund) year ending June 30, 2016, was $25,631,973.36. Total Operating Fund balance (General Fund, Special Revenue Fund, and Capital Projects Fund) year ending June 30, 2016, was $21,806,136.62. The Operating Funds balance as of June 30, 2015, included bond proceeds. Unrestricted ending fund balance (General, Special Revenue Funds) was 35.04% of the total expenditures for those funds. The ending balance for the Debt Service Fund was $3,825,836.74. This $3,825,836.74 is restricted fund balance and is used for the retirement of debt. The ending balance for the Capital Projects Fund was $5,740,224.59. There were no transfers from the Medical Self-Insurance Account to the Operating Funds. There were also no transfers from the Medical Self-Insurance Account to Operating Funds.

- The Medical Self-Insurance Account collected $5,103,674.22 in revenue and disbursed $5,706,693.14 for expenditures. The June 30, 2016, ending balance was $1,567,905.47. Med-Pay of Springfield, Missouri, assured the Board of Education that the June 30, 2016, balance was adequate to pay all run-out expenditures should the Board of Education vote to enter into a fully insured medical program.

- The district began the fiscal year with $64,680,000 in bonded indebtedness. During the 2015–2016 fiscal year the district issued no new General Obligation Bonds. The district ended the 2015-2016 fiscal year with a balance of $3,825,836.74 in the Debt Service fund. This balance is 96.17% of the 2016–2017 Debt Service estimated expenditures.

- Total Capital Projects expenditures for the 2015-2016 school year was $12,376,053.55. Of this amount $10,584,076.18 went towards facilities acquisition and construction. The remaining $1,791,977.37 was for building repairs, site improvements, new furniture and equipment.

- When analyzing the overall financial position of the district the district experienced an overall positive variance from the budget. Total revenues were 103.40% of the budgeted amount. Total expenditures, including bond principal and interest payments, were 97.51% of the budget. The district lost a total fund balance of $10,647,667.19 compared to the year ended June 30, 2015. This loss was due to the construction projects occurring in the district. General and Special Revenue fund balances remained stable.

Financial Statements

This financial report consists of the following parts:

Independent Auditors' Report: Expresses an unqualified opinion on the cash basis of financial statements.

Governmental Activities: Gives a statement of the district's total fund balances and a statement of district balances by specific fund. A comparison of fiscal years 2014 and 2015 is also provided. This section also provides information about the Camdenton R- III School District as a whole and presents an outlook for the district's finances in the future budget year.

Financial Statements and Information: These statements focus on the individual parts of the school district. The Missouri Department of Elementary and Secondary Education (DESE) specifies that the funds that must be maintained. These financial statements also report the district's operations in more detail than the government-wide statements by providing information about expenditures by Program, Object, and Functions along with Revenues by fund and by source.

Notes to Financial Statements: The notes to the financial statements are a part of the government-wide and financial statements and provide an expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information: Management's Discussion and Analysis, the Schedule of Selected Statistics and the Schedule of Expenditures of Federal Awards, represent information required to be presented by the Governmental Accounting Standards Board (GASB), DESE and OMB Circular A-133. Such information provides users of this report with additional data that supplements the government-wide and fund financial statements and the notes.

Basis of Accounting

Readers should take into account the financial statements for 2015-2016 reflect a modified cash basis of accounting. Under the district's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of contractual staff salaries for the 2015-2016 school year disbursed in July and August 2016 as expenditures in June 2016.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed yet uncollected taxes or grants) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the effects resulting from the use of the modified cash basis of accounting.

Governmental Activities

The district's total fund balances were $25,631,973.36. Total fund balances decreased $10,647,667.19 from the 2014 fiscal year.

Revenue/Expenditure comparison between fiscal years 2015 and 2016 is detailed below.

Revenue	June 30, 2015	June 30, 2016	Difference
Local	37,763,843.01	37,600,488.15	(163,354.86)
County	792,725.23	838,374.36	45,649.13
State	6,750,731.29	7,065,915.40	315,184.11
Federal	4,336,188.85	4,646,215.97	310,027.12
Other	19,422,297.43	115,480.21	(19,306,817.22)
	69,065,785.81	50,266,474.09	(18,799,311.72)

Expenditures by Function

Expenditures	June 30, 2015	June 30, 2016	Difference
Instructional Services	26,983,425.72	28,114,473.90	1,131,048.18
Executive Administration	1,222,227.33	1,052,117.00	(170,110.33)
Building Administration	2,739,090.16	2,858,723.74	119,633.58
Operation of Plant	4,257,441.35	4,749,908.53	492,467.18
Food Services	2,183,600.74	2,222,706.93	39,106.19
Transportation	3,244,578.12	3,255,450.80	10,872.68
Other Support Services	4,911,583.19	4,383,485.36	(528,097.83)
Facilities Acquisition & Construction	14,953,136.21	10,584,076.18	(4,369,060.03)
Debt Service	17,806,900.92	2,690,110.00	(15,116,790.92)
Comm Serv & Other Non-Instruc Serv	531,156.58	1,003,088.84	471,932.26
Total	78,833,140.32	60,914,141.28	(17,918,999.04)

Governmental Activities

The 2015-2016 budget was approved by the Board of Education on June 26, 2015. The 2015-2016 budget was amended on June 28, 2016.

Budgeted Receipts and Expenditures versus Actual Receipts and Expenditures

	Budgeted Amount		Actual Amount		Difference	
Fund	Receipts	Expenditures	Receipts	Expenditures	Receipts	Expenditures
General	20,062,661.00	18,635,672.54	21,878,242.95	18,610,734.20	1,815,581.95	(24,938.34)
Special Revenue	24,125,495.00	27,699,705.76	23,913,317.36	27,235,193.53	(212,177.64)	(464,512.23)
Debt Service	3,458,581.00	2,693,110.00	3,536,861.46	2,692,160.00	78,280.46	(950.00)
Capital Projects	967,956.00	13,441,166.00	938,052.32	12,376,053.55	(29,903.68)	(1,065,112.45)
Total	48,614,693.00	62,469,654.30	50,266,474.09	60,914,141.28	1,651,781.09	(1,555,513.02)

*Please note the district transferred $3,321,876.17 from the General fund to the Special Revenue fund to cover payroll of certified staff members during the 2015-2016 year.

2015-2016 Budget Outlook

Camdenton R-III School District received the majority of its revenue from local sources (74.80%) in fiscal year 2016. The prosperity of the district is dependent on growth in assessed valuation. The district has experienced a growth in assessed valuation of $17,172,495 for the 2015-2016 school year. This is a 1.54% increase from the preceding year (2014-2015). A new state foundation formula was passed by the Missouri Legislature and signed into law by the Governor during the 2005 Legislative Session. The new foundation formula was partially implemented during the 2007-2008 school year, and appears to have a neutral revenue effect on the district. The 2015-2016 budget was developed with the district instructional and financial goals as targets. The financial goals are as follows:

- To maintain the financial integrity of the district, the district will maintain a June 30 year-end combined balances in the Teacher and Incidental Funds of at least 25 percent.

- The district will maintain a June 30 year-end balance in the Building Fund that is, at a minimum, sufficient in the Capital Projects fund to accommodate cash flow obligations July through November plus two additional months in reserve (December and January).

- The district will maintain a balance in the Debt Service Fund that is, at a minimum, 75% of the following year's obligations in the Debt Service principal and interest payments.

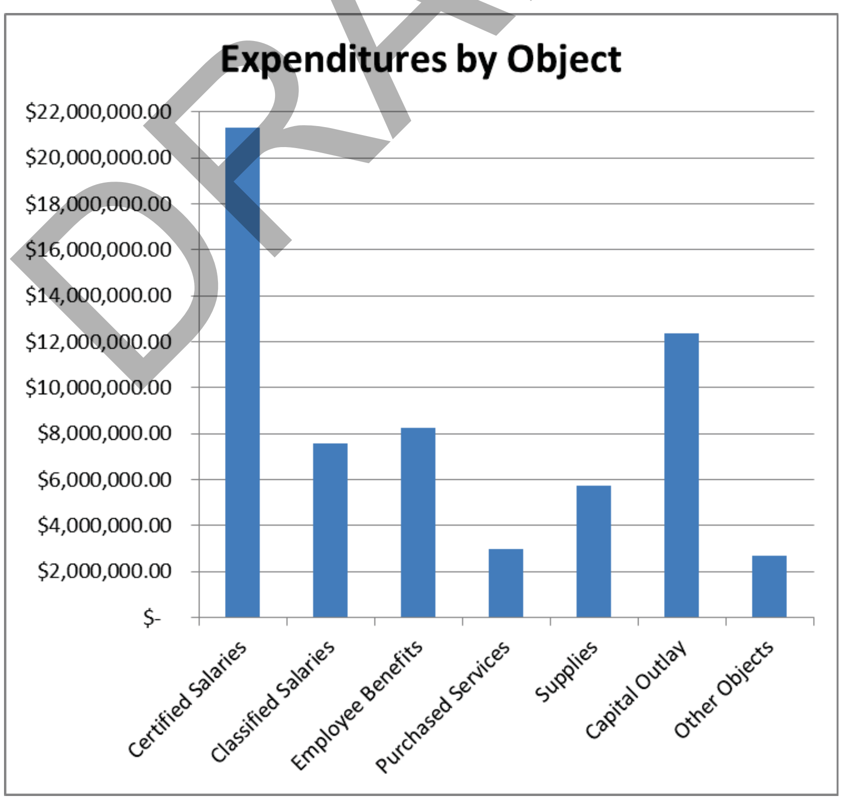
Financial Information

Expenditures by Program - $60,914,141.28

Instruction	$ 28,114,473.90
Support Services	18,522,392.36
Non-Instructional	14,277,275.02
Total	$60,914,141.28

Expenditures by Object -$60,914,141.28

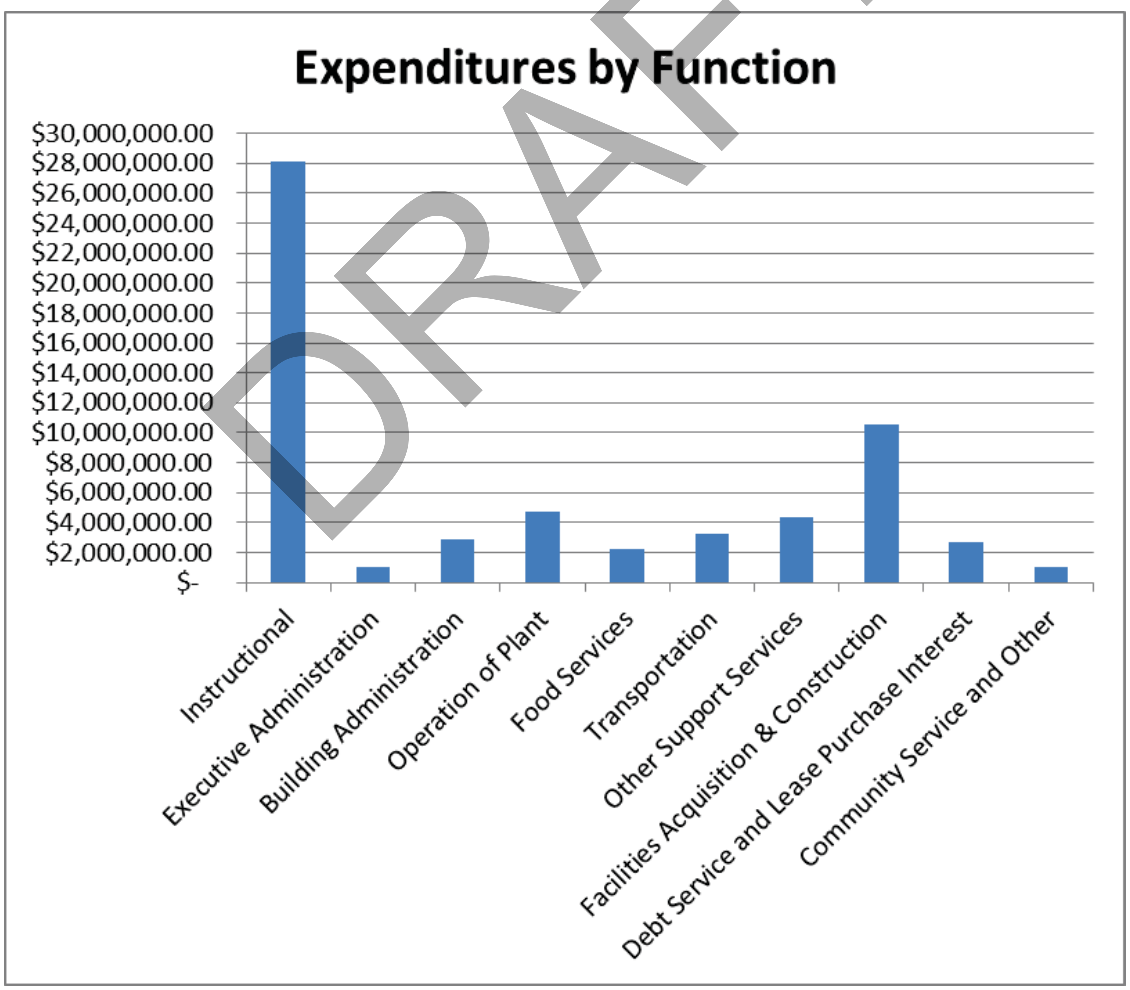
6100 - Certified Salaries	$21,286,915.55	34.94%
6150 - Classified Salaries	7,585,029.22	12.45%
6200 - Employee Benefits	8,271,691.53	13.58%
6300 - Purchased Services	2,981,140.07	4.90%
6400 - Supplies	5,721,151.36	9.39%
6500 - Capital Outlay	12,376,053.55	20.32%
6600 - Other Objects	2,692,160.00	4.42%
	$60,914,141.28	100.00%



Financial Information

Expenditures by Function - $60,914,141.28

Instructional	$28,114,473.90	46.15%
Executive Administration	1,052,117.00	1.73%
Building Administration	2,858,723.74	4.69%
Operation of Plant	4,749,908.53	7.80%
Food Services	2,222,706.93	3.65%
Transportation	3,255,450.80	5.34%
Other Support Services	4,383,485.36	7.20%
Facilities Acquisition & Construction	10,584,076.18	17.37%
Debt Service and Lease Purchase Interest	2,690,110.00	4.42%
Community Service and Other	1,003,088.84	1.65%
	$60,914,141.28	100.00%



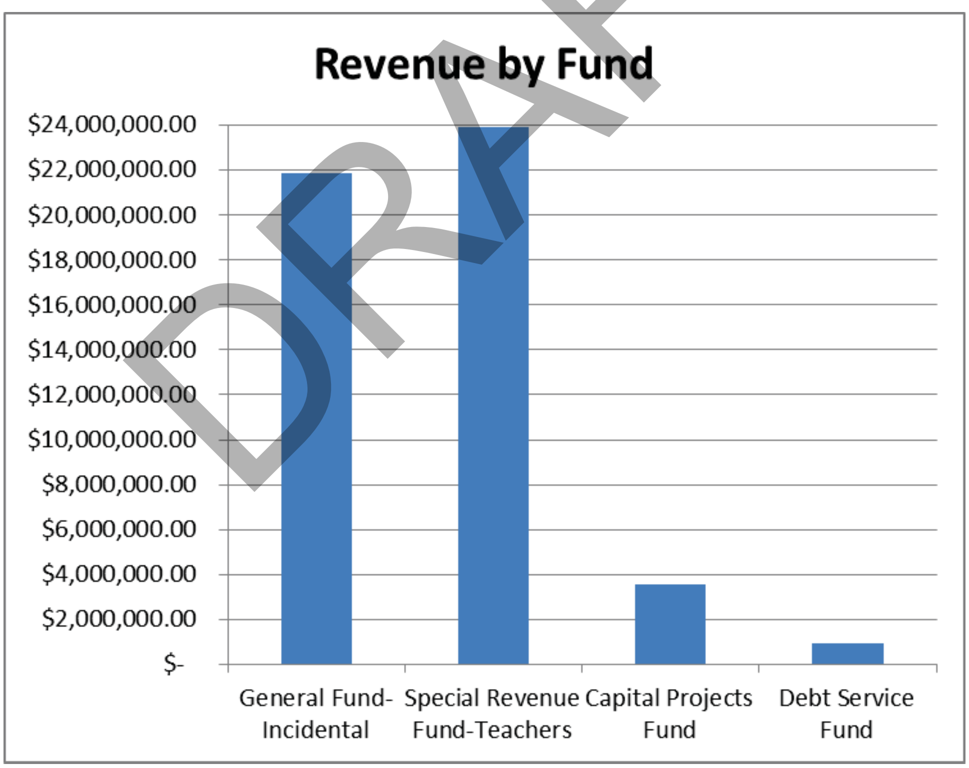
Camdenton R-III School District

Financial Information

Total Revenue for the fiscal year ending June 30, 2016 was $50,266,474.09.

Revenue by Fund

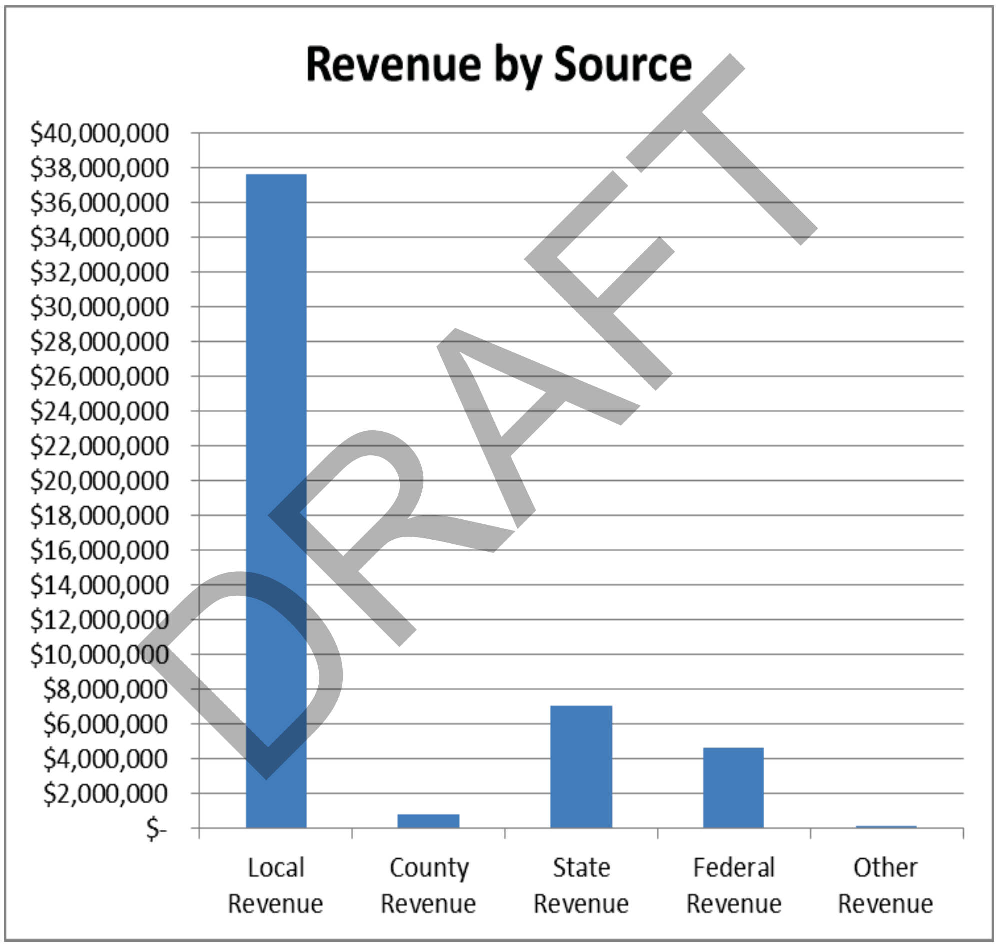
General Fund - Incidental	$21,878,242.95
Special Revenue Fund - Teachers	23,913,317.36
Capital Projects Fund	3,536,861.46
Debt Service Fund	938,052.32
Total	$50,266,474.09



Management Discussion and Analysis
for the Fiscal Year Ended June 30, 2016 - Unaudited

Revenue by Source

Local Revenue	$37,600,488.15	74.80%
County Revenue	838,374.36	1.67%
State Revenue	7,065,915.40	14.06%
Federal Revenue	4,646,215.97	9.24%
Other Revenue	115,480.21	.23%
	$50,266,474.09	100.00%



Economic Factors and Next Year's Budget

Many economic factors continue to impact the overall budget picture for the 2016-2017 school year. Over the past few years the State of Missouri has withheld funds related to formula revenues. It is anticipated that formula funding levels will again be withheld for the 2016-2017 school year. Financial forecasters have also predicted a very rough picture for the future for the state-wide economy with little economic benefits for the state's schools through state funding.

Most important to the Camdenton R-III District is the fact Assessed Valuation has not increased at our historical average. In our recent history Assessed Valuation has increased by a double digit percentage. The 2015-2016 school year saw a slight increase in our assessed valuation numbers. We were fortunate to experience a slight growth for the 2015-2016 school term. We have predicted a very stagnate economic environment at the local level.

During the 2015-2016 school term the district settled into a new elementary building at Osage Beach and an expanded and renovated building at Hurricane Deck. At the beginning of the academic term the Hurricane Deck building was not totally completed. Classes were held in the newly constructed portion while the contractors remodeled the existing portion of the building. Work on the remodel was completed in February of 2016. A few small items were also completed at the Osage Beach Building during the summer and fall of 2016. Both construction projects will close out during this fiscal year.

Our current budget is being examined carefully and will be monitored on an on-going basis due to some of the financial pressures facing the district and due to our large construction projects.

Contacting the District's Financial Management

While the Management Discussion and Analysis is designed to provide a general overview of the financial condition and operations of the district, citizens, groups, patrons, parents, students, investors or others may want further details. To obtain such information, please contact Dr. Tim Hadfield, Superintendent of Schools, during regular business hours of 7:30 a.m. to 4:30 p.m. Central Time, Monday through Friday at 573-346-9213 or by letter at Camdenton R-III Schools, P.O. Box 1409, Camdenton, MO 65020.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide financial statements

- Fund financial statements:

  - Governmental Funds
  - Discretely Presented Component Unit

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CAMDENTON R-III SCHOOL DISTRICT

STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2016

	Primary Government	Component Unit
	Governmental Activities	Education Foundation
ASSETS		
Cash and Investments	$ 21,806,098	$ 69,369
Restricted Cash and Investments	3,825,837	1,352,518
TOTAL ASSETS	$ 25,631,935	$ 1,421,887
NET POSITION		
Restricted for:		
Long-Term Debt	$ 3,825,837	$ -
Alumni Association	-	29,145
Lake Area Civic Foundation	-	168,577
Scholarships and Awards	-	1,154,796
Unrestricted	21,806,098	69,369
TOTAL NET POSITION	$ 25,631,935	$ 1,421,887

See accompanying Notes to the Financial Statements.

CAMDENTON R-III SCHOOL DISTRICT

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs		Program Revenues		Net Revenues (Expenditures) and Changes in Net Position	
				Primary Government	Component Unit
Primary Government	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Education Foundation
Governmental activities:						
Instructional Services	$ (28,114,474)	$ 846,791	$ 6,405,965	$ 338,734	$ (20,522,984)	$ -
Support Services	(1,770,684)	-	-	-	(1,770,684)	-
Instructional Staff Support	(2,231,682)	-	-	-	(2,231,682)	-
Building Administration	(2,858,724)	-	-	-	(2,858,724)	-
General Administration and Central Services	(1,264,463)	-	-	-	(1,264,463)	-
Operation of Plant	(4,918,681)	-	-	-	(4,918,681)	-
Transportation	(3,255,451)	-	546,019	-	(2,709,432)	-
Food Service	(2,222,707)	634,327	1,472,387	-	(115,993)	-
Community Service	(1,001,039)	93,949	-	-	(907,090)	-
Facility Acquisition and Construction	(10,584,076)	-	-	-	(10,584,076)	-
Debt Services	(212,050)	-	-	-	(212,050)	-
Interest	(2,480,148)	-	-	-	(2,480,148)	-
Total Governmental Activities	(60,914,180)	1,575,067	8,424,371	338,734	(50,576,008)	-
Component Unit:						
Education Foundation	(108,802)	28,020	42,327			(38,455)
General Revenues:						
Property Taxes					32,830,284	-
Sales Taxes					3,846,298	-
State Aid					2,949,026	-
Fines					137,839	-
Investment Income					62,636	5,546
Miscellaneous					82,744	-
Proceeds from Sales					19,477	-
Total General Revenues					39,928,302	5,546
Increase (Decrease) in Net Position					(10,647,706)	(32,909)
Net Position, Beginning of Year					36,279,641	1,454,796
Net Position, End of Year					$ 25,631,935	$ 1,421,887

See accompanying Notes to the Financial Statements.

CAMDENTON R-III SCHOOL DISTRICT

BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and Investments	$ 16,065,912	$ -	$ -	$ 5,740,186	$ 21,806,098
Restricted Cash and Investments	-	-	3,681,837	-	3,681,837
Restricted Cash and Investments					
With Fiscal Agent	-	-	144,000	-	144,000
TOTAL ASSETS	$ 16,065,912	$ -	$ 3,825,837	$ 5,740,186	$ 25,631,935
FUND BALANCES					
Restricted for:					
Retirement of Long-Term Debt	$ -	$ -	$ 3,825,837	$ -	$ 3,825,837
Committed to:					
Construction	-	-	-	44,462.00	44,462
Assigned to:					
Capital Projects	-	-	-	5,695,724	5,695,724
Unassigned	16,065,912	-	-	-	16,065,913
TOTAL FUND BALANCES	$ 16,065,912	$ -	$ 3,825,837	$ 5,740,186	$ 25,631,935

See accompanying Notes to the Financial Statements.

CAMDENTON R-III SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local	$ 16,349,910	$ 17,155,255	$ 3,462,392	$ 570,295	$ 37,537,852
County	314,263	452,101	64,684	7,327	838,374
State	2,268,698	4,458,483	-	338,734	7,065,915
Federal	2,896,443	1,749,773	-	-	4,646,216
Investment Income	43,503	1,702	9,786	7,645	62,636
Other Revenue	-	96,003	-	-	96,003
Total Revenues	21,872,817	23,913,317	3,536,861	924,001	50,246,997
Expenditures					
Instructional Services	4,749,336	22,615,842	-	749,295	28,114,474
Support Services	671,745	1,098,453	-	486	1,770,684
Instructional Staff Support	1,248,726	700,850	-	282,106	2,231,682
Building Administration	913,752	1,933,346	-	11,626	2,858,724
General Administration and Central Services	802,605	455,393	-	6,466	1,264,463
Operation of Plant	4,848,484	-	-	70,197	4,918,681
Transportation	2,584,336	-	-	671,115	3,255,451
Food Service	2,222,707	-	-	-	2,222,707
Community Service	569,043	431,309	-	687	1,001,039
Facility Acquisition and Construction	-	-	-	10,584,076	10,584,076
Debt Services	-	-	2,692,160	38	2,692,198
Total Expenditures	18,610,734	27,235,194	2,692,160	12,376,092	60,914,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,262,083	(3,321,876)	844,701	(11,452,091)	(10,667,182)
Other Financing Sources (Uses):					
Proceeds from Sales	5,426	-	-	14,051	19,477
Transfers (to) from Fund	(3,321,876)	3,321,876	-	-	-
Total Other Financing Sources (Uses)	(3,316,450)	3,321,876	-	14,051	19,477
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(54,367)	-	844,701	(11,438,040)	(10,647,706)
Fund Balance, Beginning of Year	16,120,279	-	2,981,135	17,178,226	36,279,641
Fund Balance, End of Year	$ 16,065,912	-	$ 3,825,837	$ 5,740,186	$ 25,631,935

See accompanying Notes to the Financial Statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Camdenton R-III School District (the "District") is a political subdivision of the State of Missouri and is governed by an elected seven member Board of Education.

As discussed further in Note 1, these financial statements are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Financial Reporting Entity

The District's financial reporting entity is comprised of the following:

Primary Government:	Camdenton R-III School District
Discretely Presented Component Unit:	Camdenton R-III School District Education Foundation, Inc.

Blended Component Unit

A blended component unit is a separate legal entity for which the elected officials of the primary government are financially accountable and that meets the blended component unit criteria. A blended component unit meets at least one of the following criteria: (a) the blended component unit's governing body is the same or substantially the same as the District, and there is a financial benefit or burden relationship with the District, or District management has operational responsibility for the component unit; (b) the component unit provides services entirely or almost entirely to the District; or (c) the component unit's debt is expected to be repaid entirely or almost entirely with resources of the District. The District did not have a blended component unit for the year ended.

Discretely Presented Component Unit

Discretely presented component units are separate legal entities that meet the financial accountability component criteria but do not meet the criteria for blending, as previously described. The component unit that is discretely presented in the District's report in a separate column is presented subsequently:

Camdenton R-III School District Education Foundation, Inc. (the "Foundation")

This is a not-for-profit corporation organized under the laws of the State of Missouri. Among the purposes, but not limited to, is to receive and administer funds for the support of the District. The Foundation does not issue separately audited financial statements and follows the modified cash basis of accounting.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole within the limitations of the modified cash basis of accounting. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District currently does not have business-type activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, deferred outflows, liabilities, deferred inflows, net position or fund balance, revenues, and expenditures or expenses. The District's funds are organized into two major categories: governmental and proprietary. The District presently has no fiduciary or proprietary funds. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- Total assets, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and

- Total assets, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and combined funds.

The funds of the financial reporting entity are described below:

The Missouri Department of Education had directed the following governmental funds to be treated as major:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Governmental Funds

General Fund - The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for general activities of the District, including student activities, food service, and textbook funds which are not designated in a separate fund.

Special Revenue Fund – Special Revenue Funds are used to account for the proceeds of the specific revenue sources that are either legally restricted to expenditures or expenses for specified purposes or designated to finance particular functions or activities of the District. The District has the following Special Revenue Fund:

> Teachers Fund - Accounts for expenditures or expenses for certified employees involved in administration and instruction. It includes revenues restricted by the State for the payment of teacher salaries and the local tax levy.

Debt Service Fund - Accounts for the accumulation of resources for, and the payment of, principal, interest, and fiscal charges on general long-term debt.

Capital Projects Fund - Capital Projects Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items. It accounts for the proceeds of long-term debt, taxes, and other revenues designated for construction of major capital assets and all other capital outlay.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below:

In the fund financial statements, the current financial resources measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus and Basis of Accounting (Continued)

Measurement Focus (Continued)

All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

The financial statements are presented in accordance with the modified cash basis of accounting, which is a basis of accounting other than GAAP as established by the GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances may include investments, interfund receivables and payables, capital assets and related depreciation, and short-term and long-term liabilities arising from cash transactions or events.

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

If the District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented in accordance with the accrual basis of accounting.

Assets and Equity

Cash and Cash Equivalents

For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificates of deposit or short-term investments with original maturity of three months or less from date of purchase.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Assets and Equity (Continued)

Investments

Investments are carried at cost, which approximates market.

Capital Assets

Property, plant, and equipment (capital assets) acquired for use in governmental fund operations are accounted for as capital outlay expenditures or expenses of the governmental fund upon acquisition.

Restricted Assets

Restricted assets include assets that are legally restricted as to their use. The primary restricted assets are accounts restricted for debt service.

Compensated Absences

Vacation time, personal business days, and sick leave days are considered as expenditures or expenses in the year paid. Noncertified employees receive one half of their daily rate times their years of service percentage multiplied by the number of accumulated days for reimbursement.

Long-Term Debt

Long-term debt arising from cash transactions for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures or expenses. The District's long-term debt consists primarily of bonds payable and leases.

Net Position/Fund Balance Classification

Government-Wide Financial Statements:

Net position is classified and displayed in two components:

Restricted – Consists of restricted assets with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted – Net amount of assets that are not included in the determination of the restricted component of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Assets and Equity (Continued)

Net Position/Fund Balance Classification (Continued)

Fund Financial Statements: (Continued)

It is the District's policy to first use restricted net resources prior to the use of unrestricted net resources when an expenditure or expense is incurred for purposes for which both restricted and unrestricted net resources are available.

Governmental fund equity is classified as fund balance.

The difference among assets of governmental funds is reported as fund balance and classified as nonspendable, restricted, committed, assigned, and unassigned based on the respective level of constraint. These constraints are defined as follows:

- Nonspendable: Amounts that cannot be spent because they either are not in spendable form or are legally or contractually required to be maintained intact.

- Restricted: Amounts constrained regarding use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

- Committed: Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the District's highest level of decision-making authority (i.e. the Board of Education).

- Assigned: Amounts constrained by the District's intent to be used for specific purposes but that are neither restricted nor committed. Intent can be expressed by the District's Board of Education or by an official body to which the Board of Education delegates authority.

- Unassigned: The residual classification of the General Fund for spendable amounts that have not been restricted, committed, or assigned to specific purposes.

The Board of Education establishes (and modifies or rescinds) fund balance commitments by passage of a motion or a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Education through adoption or amendment of the budget as intended for specific purposes (such as the purchase of capital assets, construction, debt services, or for other purposes).

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Assets and Equity (Continued)

Net Position/Fund Balance Classification (Continued)

Fund Financial Statements: (Continued)

In the General Fund, the District strives to maintain an unassigned fund balance not less than 20% of the actual expenditures or expenses for the prior fiscal year.

Order of Spending

For all funds, except the Debt Service Fund, the Board of Education may consider the order of spending as restricted, committed, assigned, and then unassigned amounts, as available. For the Debt Service Fund, the Board may approve unrestricted or assigned balances to be spent prior to restricted balances, allowing the spending of interest prior to principal.

Revenues, Expenditures, and Expenses

Program Revenues
In the Statement of Activities, revenues that are derived directly from each activity or from parties outside the District are reported as program revenues. The District has or may have the following program revenues:

Program Revenues	*Examples*
Charges for Services	Tuition, adult/continuing education, transportation fees, sales, rentals, community services, food service – non program, admissions, student organization membership dues and fees
Operating Grants and Contributions	Gifts, professional development committee portion of basic formula funds, state transportation funds, various state and federal grants
Capital Grants and Contributions	Gifts, various state and federal grants

All other governmental revenues are reported as general. All taxes are classified as general revenues even if restricted for a specific purpose.

Expenditures/Expenses
In the government-wide financial statements, expenditures or expenses are reported on the modified cash basis of accounting and are classified by function for governmental activities.

In the fund financial statements, expenses are classified as follows: District.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Internal and Interfund Balances and Activities

Fund Financial Statements:

Interfund activity, if any, within the governmental fund categories is reported as follows:

- Interfund loans – Amounts provided with requirement for repayment are reported as interfund receivables and payables.
- Interfund reimbursements – Repayments from funds responsible for certain expenditures or expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures or expenses in the respective funds.
- Interfund transfers – Flow of assets from one fund to another where payment is not expected are reported as transfers in and out.
- Interfund services – Sales or purchases of goods and services between funds are reported as revenues and expenditures or expenses.

Government-Wide Financial Statements:

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- Internal balances – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental columns of the Statement of Net Position.
- Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities except for the net amount of transfers between governmental activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds are not eliminated in the Statement of Activities.
- Primary government and component unit activity and balances - Resources flow between the primary government and the discretely-presented component unit are reported as if they were external transactions and are classified separately from internal balances and activities within the primary government.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting used by the District requires management to make estimates and assumptions that affect certain amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS:

The District maintains a cash and temporary cash investment pool that is available for use by all funds except the Debt Service Fund (State law requires that all deposits of the Debt Service Funds be kept separate and apart from all other funds of the District). Each fund type's portion of this pool is displayed on the Governmental Funds Balance Sheet - Modified Cash Basis as "Cash and Investments" under each fund's caption.

Custodial Credit Risk – Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. As of the year ended, the carrying amount of the District's deposits was $4,785,208, and the bank balance was $8,677,970. Of the bank balance, $750,000, was covered by the Federal Depository Insurance Corporation (FDIC) and $4,785,208, was covered by collateral held at the District's safekeeping bank agent, in the District's name and a letter of credit.

Investment Interest Rate Risk - the District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk - the District places no limit on the amount it may invest in any one issuer. As of the year ended, the District had no concentration of credit risk.

Investment Credit Risk – The District may purchase any investment 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 ninety days secured by U.S. Treasury obligations or obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law.

NOTE 2 - CASH AND INVESTMENTS: (Continued)

The District invests in Missouri Securities Investment Program (MOSIP) (the "Fund"). All funds in the MOSIP are invested in accordance with section 165.051 of the Missouri Revised Statutes. Each school district owns a pro-rata share of each investment or deposit which is held in the name of the Fund. The investment contracts are rated in either of the two highest rating categories. Balances in the portfolio are not insured or guaranteed by FDIC.

Investments are carried at cost which approximates market.

Investments

Escrow accounts consisted of the following:

	Carrying Amount	Market Value
MOSIP - Liquid Fund Holdings	$22,267,459	$22,267,459
MO School District Direct Deposit Program – Bond Escrow	144,000	144,000
Total	$22,411,459	$22,411,459

Component Unit

Restricted investments and assets consisted of:

	Fair Value
Equity securities and mutual funds	$1,384,223
Checking and certificates of deposit	70,573
Less: Unrestricted	(48,690)
Total	$ 1,406,106

Of this amount, $150,000 is deemed to be permanently restricted and $1,256,106 is deemed to be temporarily restricted. Investments are carried at fair market value based on market quotes (Level I). All deposits were fully insured at year end.

NOTE 3 - LONG-TERM DEBT:

SUMMARY OF BONDS OUTSTANDING

Bonds Outstanding – Beginning	$ 64,680,000
Bonds Issued	-0-
Bonds Retired	(210,000)
Bonds Outstanding – Ending	$ 64,470,000

Bonds Payable as of the year ended consisted of:

$19,295,000 general obligation refunding and improvement bonds, Series 2015, due in varying installments through March 1, 2035; interest at 3.0 to 4.0%. An economic gain of $1,185,121 will be realized over the life of the bonds.	$19,295,000
$18,130,000 general obligation refunding and improvement bonds, Series 2005, due in varying installments through March 1, 2025; interest at 3.0% to 5.0%.	1,500,000
$9,000,000 general obligation refunding bonds, Series 2007, due in varying installments through March 1, 2024; interest at 5.25%. An economic gain of $515,906 will be realized over the life of the bonds.	9,000,000
$22,525,000 general obligation refunding and improvement bonds, Series 2014, due in varying installments through March 1, 2034; interest at 3.0% to 5.0%. An economic gain of $106,272 will be realized over the life of the bonds.	22,525,000
$4,740,000 general obligation bonds, Series 2013A, due in varying installments through March 1, 2033; interest at 5.0%.	4,740,000
$8,010,000 general obligation bonds, Series 2013B, due in varying installments through March 1, 2024; interest at .75% to 3.85%.	7,410,000
Total Bonds Payable	$ 64,470,000

NOTE 3 - LONG-TERM DEBT: (Continued)

The District incurred interest expense of $2,480,110 as of the year ended.

Principal and Interest Requirements for Bonded Indebtedness Due in Future Years:

Year Ended	Principal	Interest	Total
2017	$ 1,500,000	$ 2,656,535	$ 4,156,535
2018	1,000,000	2,576,485	3,576,485
2019	1,100,000	2,555,485	3,655,485
2020	1,250,000	2,528,485	3,778,485
2021	1,400,000	2,490,985	3,890,985
2022	3,610,000	2,448,485	6,058,485
2023	5,150,000	2,311,300	7,461,300
2024	6,150,000	2,119,325	8,269,325
2025	2,250,000	1,890,050	4,140,050
2026	3,000,000	1,822,550	4,822,550
2027	3,000,000	1,730,050	4,730,050
2028	3,000,000	1,600,050	4,600,050
2029	3,100,000	1,470,050	4,570,050
2030	3,125,000	1,325,050	4,450,050
2031	3,930,000	1,178,800	5,108,800
2032	5,300,000	992,300	6,292,300
2033	5,510,000	737,300	6,247,300
2034	3,300,000	471,800	3,771,800
3035	7,795,000	311,800	8,106,800
Total	$ 64,470,000	$ 33,216,885	$ 97,686,585

NOTE 4 – INTERFUND TRANSFERS:

Interfund transfers as of the year ended consisted of the following:

Transfers from the General fund:

Special Revenue Fund	
To "zero" teachers fund	
Total transfers to Special Revenue	$ 3,321,876
Total Transfers	$ 3,321,876

NOTE 4 – INTERFUND TRANSFERS: (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 - RETIREMENT PLAN:

The District reports on the modified cash basis of accounting. Therefore, the District's unfunded portion of the pension liability is not reflected in the financial statements.

Public School Retirement System of Missouri (PSRS)

Plan Description. Public School Retirement System of Missouri (PSRS) is a mandatory cost-sharing multiple-employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of PSRS, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987, and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "2/3's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The member's benefits are further calculated at two-thirds the normal benefit amount. A Comprehensive Annual Financial Report ("CAFR") can be obtained at https://www.psrs-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. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at https://www.psrs-peers.org.

Contributions. PSRS members are required to contribute a percentage of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the PSRS Board of Trustees. The District's contributions to PSRS for the year ended were equal to the required contributions.

NOTE 5 - RETIREMENT PLAN: (Continued)

Public School Retirement System of Missouri (PSRS) (Continued)

The annual statutory increase in the total contribution rate may not exceed 1% of pay. The contributions for the last three fiscal years were as follows:

Year Ended	Amount of Employer Contribution	Percentage of Contributions
2016	$3,269,903	14.5%
2015	3,177,606	14.5%
2014	3,108,571	14.5%

Public Education Employee Retirement System (PEERS)

Plan Description. The District also contributes to the Public Education Employee Retirement System (PEERS), a mandatory cost sharing multiple-employer retirement system for all public school district employees in Missouri (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who do not contribute to PSRS must contribute to PEERS. Certain part-time certified employees may be covered by this plan. Positions covered by PEERS are also covered by social security.

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. Benefit provisions are set forth in Chapter 169.600 - .715, of the Missouri Revised Statutes. The Statutes assign responsibility for the administration of the system to the Board of Trustees of the PSRS of Missouri. PEERS issues a publicly available financial report that includes financial statements and required supplementary information. A Summary Plan Description detailing the provisions of the plan can be found on PSRS' website at https://www.psrs-peers.org.

NOTE 5 - RETIREMENT PLAN: (Continued)

Public Education Employee Retirement System (PEERS) (Continued)

Contributions. PEERS members are required to contribute a percentage of their annual covered salary and the District is required to contribute a matching amount. The contribution requirements of members and the District are established and may be amended by the Board of Trustees. The District's contributions to PEERS for the year ended were equal to the required contributions. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay. The contributions for the last three fiscal years were as follows:

Year Ended	Amount of Employer Contribution	Percentage of Contributions
2016	$ 512,579	6.86%
2015	487,663	6.86%
2014	472,424	6.86%

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS:

The District provides health insurance benefits to its retirees on a reimbursable basis. The cost of the insurance premium is charged to the retirees at the same cost as active employees. This situation causes an implicit premium subsidy for the difference the retirees would have to pay for similar insurance coverage and the actual amount of their premiums. This implicit premium subsidy represents an unfunded obligation to the District. This obligation has not been valued or reported because the District reports its financial activity using the modified cash basis of accounting.

NOTE 7 – RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; business interruptions; errors and omissions; natural disasters; employee injuries and illnesses; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters other than employee health benefits. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

General and Casualty Insurance

The District is a member of the Missouri United School Insurance Council (MUSIC), a protected self-insurance program of approximately 400 Missouri Public School Districts. The District does not pay premiums to purchase insurance policies, but pays an assessment to be a member of this self-sustaining risk sharing group. Part of the assessment is used to purchase excess insurance for the group as a whole.

NOTE 7 – RISK MANAGEMENT: (Continued)

Self-Funded Insurance Fund

The District created an Employee Medical Plan Fund in July of 2000, for the administration of the District's employee health self-insurance program.

The accounting records of the Employee Medical Plan Fund are maintained on the modified cash basis of accounting. Revenues are recognized when collected and expenditures or expenses are recognized when payment is made. The Employee Medical Plan Fund is included in the General Fund in the accompanying financial statements. The balance in this fund was $1,567,905, as of the year end.

Risk of Loss: The Employee Medical Plan Fund carries excess loss insurance to cover medical claims over a specified amount as follows:

Loss Limits:	
Specific Retention per person	$ 95,000
Reimbursement Factor	100%
Specific Maximum limit per person	Unlimited
Estimated minimum annual aggregate retention amount	$5,389,572
Maximum Limit of Reimbursement Liability	$1,000,000

NOTE 8 - CONTINGENCIES:

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

Litigation - Various claims and lawsuits are possible against the District. In the opinion of District management, the potential loss on all claims and lawsuits will not be significant to the District's financial statements.

NOTE 9 - TEACHERS' SALARIES:

Payroll checks written and dated in June, for July and August 2016 payroll from 2015-2016 contracts are included in the financial statements as expenditures or expenses paid in the month of June. This practice has been consistently followed in previous years.

NOTE 10 - 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. All unpaid taxes become delinquent January 1, of the following year. The county collects the property taxes and remits them to the District on a monthly basis.

The District also receives sales tax collected by the State and remitted based on eligible pupil counts. 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 District voted for a full waiver of the rollback for the year.

The assessed valuation of the tangible taxable property for the calendar year 2015 for purposes of local taxation was as follows:

Total	$1,132,700,882

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2015 for purposes of local taxation was as follows:

	Unadjusted	Adjusted
General Fund	$ 1.3300	$ 1.3300
Special Revenue Fund	1.1800	1.1800
Debt Service Fund	.3100	.3100
Capital Projects Fund	.0500	.0500
	$ 2.8700	$ 2.8700

The collection of current and delinquent property taxes during the fiscal year ended aggregated approximately 99% of the current assessment computed on the basis of the levy as shown above.

NOTE 11 - EVALUATION OF SUBSEQUENT EVENTS:

The District has evaluated subsequent events through November 14, 2016, the date which the financial statements were available to be issued.

OTHER INFORMATION

CAMDENTON R-III SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local	$ 15,991,746	$ 15,991,746	$ 16,349,910	$ 358,164
County	270,915	270,915	314,263	43,348
State	1,160,000	1,160,000	2,268,698	1,108,698
Federal	2,618,000	2,618,000	2,896,443	278,443
Investment Income	22,000	22,000	43,503	21,503
Total Revenues	20,062,661	20,062,661	21,872,817	1,810,156
Expenditures				
Instruction	3,592,098	3,776,995	4,749,336	(972,342)
Student Services	692,950	767,077	671,745	95,332
Instructional Staff Support	1,155,276	1,161,176	1,248,726	(87,550)
Building Administration	854,446	878,946	913,752	(34,806)
General Administration and Central Services	764,432	764,432	802,605	(38,173)
Operation of Plant	4,702,715	4,762,715	4,848,484	(85,769)
Transportation	2,461,906	2,701,906	2,584,336	117,570
Food Service	1,974,748	2,242,748	2,222,707	20,041
Community Service	410,783	432,877	569,043	(136,166)
Total Expenditures	16,609,355	17,488,873	18,610,734	(1,121,862)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,453,306	2,573,788	3,262,083	688,295
Other Financing Sources (Uses):				
Proceeds from Sales	-	-	5,426	5,426
Transfers (to) from Fund	(3,321,876)	(3,321,876)	(3,321,876)	-
Total Other Financing Sources (Uses)	(3,321,876)	(3,321,876)	(3,316,450)	5,426
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Uses)and Other Financing Sources	131,430	(748,088)	(54,367)	693,720
Fund Balance, Beginning of Year	16,120,279	16,120,279	16,120,279	-
Fund Balance, End of Year	$ 16,251,709	$ 15,372,192	$ 16,065,912	$ 693,720

CAMDENTON R-III SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE - MODIFIED CASH BASIS
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

(Continued)

	Original Budget	Final Budget	Actual	Variance
Revenues				
Local	$ 16,812,760	$ 16,812,760	$ 17,155,255	$ 342,495
County	545,915	545,915	452,101	(93,814)
State	5,129,475	5,129,475	4,458,483	(670,992)
Federal	1,517,345	1,517,345	1,749,773	232,428
Investment Income	-	-	1,702	1,702
Other	120,000	120,000	96,003	(23,997)
Total Revenues	24,125,495	24,125,495	23,913,317	(212,178)
Expenditures				
Instruction	22,760,615	22,685,441	22,615,842	69,599
Student Services	1,188,297	1,188,297	1,098,453	89,844
Instructional Staff Support	819,463	819,463	700,850	118,613
Building Administration	1,937,049	1,937,049	1,933,346	3,703
General Administration and Central Services	455,556	455,556	455,393	163
Community Service	593,899	593,899	431,309	162,590
Total Expenditures	27,754,880	27,679,706	27,235,194	444,512
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,629,385)	(3,554,211)	(3,321,876)	232,335
Other Financing Sources (Uses):				
Transfers (to) from Fund	3,629,385	3,554,211	3,321,876	(232,335)
Total Other Financing Sources (Uses)	3,629,385	3,554,211	3,321,876	(232,335)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures (Uses)and Other Financing Sources	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	$ -	$ -	$ -	$ -

Budget Law

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 of the political subdivision.

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 or expenses for all District funds. Budgeted expenditures or expenses cannot exceed beginning available monies plus estimated revenues for the year.

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

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

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

6. Budgeted amounts are as originally adopted or as amended by the Board of Education.

7. Budgets for District funds are prepared and adopted on the modified cash basis (budget basis), recognizing revenues when collected and expenditures or expenses when paid. Budgets lapse at year end.

STATE COMPLIANCE SECTION

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and ASSOCIATES, CPAs, LLC

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

To the Board of Education of
Camdenton R-III School District
Camdenton, Missouri:

We have examined management's assertion that the Camdenton R-III School District (the "District") complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures; accurate disclosure by attendance records of average daily attendance, resident membership on the last Wednesday of September and the number of students eligible to receive free and reduced price lunches on the last Wednesday of January; and accurate disclosure by pupil transportation records of the average daily transportation of pupils eligible and ineligible for state aid, the number of miles eligible and ineligible for state aid and the allowable costs for pupil transportation during the year ended June 30, 2016. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on management's assertions about the District's compliance based on our examination.

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

In our opinion, the District complied, in all material respects with the aforementioned requirements during the year ended June 30, 2016.

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

Graves and Associates,
CPAS, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

November 14, 2016

3702 West Truman Boulevard, Suite 213 • Jefferson City, MO 65109
573-893-7700 • Fax 573-893-6649

CAMDENTON R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2016

1. Calendar (Sections 160.041 and 171.031, RSMo)

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

Kindergarten – A.M.	________	SDL	Grades 1-12	6.5000	SDL
Kindergarten – P.M.	________	SDL	Grades JJC 5-12	6.0000	SDL
Kindergarten – Full-day	6.5000	SDL	Grades ________	________	SDL

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

Kindergarten – A.M.	_______	Hours	Grades 1-12	1,092.20	Hours
Kindergarten – P.M.	_______	Hours	Grades JJC	1,044.00	Hours
Kindergarten – Full-day	1,092.20	Hours	Grades ________	_______	Hours

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

Kindergarten – Full-day	174	Days	Grades 1-12	174	Days
			Grades JJC	174	Days
			Grades ______	______	Days

2. Average Daily Attendance (ADA)

Regular Term	Full-time/ Part-time	Remedial	Total
Kindergarten – Full-Day	284.45	0.59	285.04
Grades 1-8	2,390.71	27.78	2,418.49
Grades 9-12	1,164.52	0.00	1,164.52
Grades JJC	2.22	0.00	2.22
Subtotal Regular Term	3,841.90	28.37	3,870.27

	Resident	Total
Summer School Subtotal	39.40	39.40

Total Regular Term Plus Summer School ADA	3,909.67

CAMDENTON R-III SCHOOL DISTRICT
SCHEDULE OF SELECTED STATISTICS
FOR THE YEAR ENDED JUNE 30, 2016

3. September Membership

	Full-Time & Part-Time	Total
September Membership FTE Count	4,124.66	4,124.66

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

		Full-Time & Part-Time	Deseg In	Total
State FTE Total	Free	1,944.58		1,944.58
	Reduced	355.06		355.06
	Total	2,299.64		2,299.64

5. Finance

A. As required by Section 162.401, RSMo, a bond was purchased for the District's treasurer in the total amount of $ 50,000.

B. The District's deposits were secured during the year as required by Section 110.010 and 110.020, RSMo. True

C. The District maintained a separate bank account for the Debt Service Fund in accordance with Section 165.011, RSMo. True

D. Salaries reported for educators in the October Core Data cycle are supported by payroll/contract records. True

E. If a $162,326 or 7% x SAT x WADA transfer was made in excess of adjusted expenditures, the Board approve a resolution to make the transfer, which identified the specific projects to be funded by the transfer and an expected expenditure date for the projects to be undertaken. N/A

F. The District published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.12 1, RSMo. True

G. The District has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five (75%) of one percent (1%) of the current year formula apportionment. True

5. Finance (Continued)

H. The amount spent for approved professional development committee plan activities was:

$71,442

6. Transportation (Section 163.161, RSMo)

A. The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid. True

B. The District's school transportation ridership records are so maintained as to accurately disclose in all material respects the average number of regular riders transported.

True

C. Based on the ridership records, the average number of students (non-disabled K-12, K-12 students with disabilities and career education) transported on a regular basis (ADT) was:

- Eligible ADT # 2,980.50
- Ineligible ADT # 193.00

D. The District's transportation odometer mileage records are so maintained as to accurately disclose in all material respects the eligible and ineligible mileage for the year.

True

E. Actual odometer records show the total district-operated and contracted mileage for the year was: # 836,154

Of this total, the eligible non-disabled and students with disabilities route miles and the ineligible non-route and disapproved miles (combined) was:

- Eligible Miles # 654,239
- Ineligible Miles (Non-Route/Disapproved) # 181,915

F. Number of days the District operated the school transportation system during the regular school year. 174

SUPPLEMENTARY INFORMATION

FEDERAL COMPLIANCE SECTION

Camdenton R-III School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	*Federal CFDA Number*	*Pass-through Entity Identifying Number*	*Federal Expenditures($)*
Child Nutrition Cluster			
United States Department of Agriculture Pass-Through Programs			
Passed-through MO DESE			
School Food Services Lunch Payment	10.555	015-002	$ 1,085,490
School Food Services Snack Payment	10.555	015-002	9,998
School Breakfast Program	10.555	015-002	358,859
Noncash	10.555	015-002	192,521
Total Passed-through MO DESE			1,646,868
Passed-through MO DHSS			
Summer Food Service Program for Children	10.559	ERS0462521S	14,295
Total Child Nutrition Cluster			1,661,163
IDEA Cluster			
Department of Education Pass-Through Programs			
Passed-through MO DESE			
Special Education Part B Entitlement	84.027	015-002	762,955
Special Education High Need Fund - Federal	84.027	015-002	19,249
ECSE - Federal (611)	84.027	015-002	86,259
ECSE - Federal (619)	84.173	015-002	20,921
TOTAL IDEA Cluster			889,384
Other Programs			
Department of Education Pass-Through Programs			
Passed-through MO DESE			
Adult Education - Basic Grants to States	84.002	015-002	39,066
Perkins Career and Technical Education -- Basic Grants to States*	84.048	015-002	129,938
Title I Grants to Local Educational Agencies	84.010	015-002	1,106,016
Title II.A Improving Teacher Quality State Grants	84.367	015-002	150,808
Title I.D	84.01	015-002	12,351
Title III English Language Acquisition State Grants	84.365	015-002	12,168
Title VI.B Rural Education	84.358	015-002	88,976
Twenty-First Century Community Learning Centers	84.287	015-002	310,102
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants)	84.330	015-002	2,450
Total Passed-through MO DESE			1,851,875
United States Department of Agriculture Pass-Through Programs			
Passed-through MO Dept Health and Senior Services			
Child and Adult Care Food Program	10.558	ERS46121908	51,842
Department of Education Direct Programs			
Federal Pell Grant Program	84.063		38,375
Total Expenditures of Federal Awards			$ 4,492,639

*$722 was passed through from the Rolla School District No. 31 for the year ended.
CFDA#: 84.048A
Pass-Through Entity Identifying#: 081096.

Camdenton R-III School District
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

BASIS OF PRESENTATION:

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the year ended. The informaton in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or change in financial position of the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimubursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

FOOD DISTRIBUTION:

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. As of the year ended, the District had food commodities of $11,388 in inventory.

GRAVES
and ASSOCIATES, CPAs, LLC

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

To the Board of Education of
Camdenton R-III School District
Camdenton, Missouri:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, and each major fund of the Camdenton R-III School District (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 14, 2016.

Internal Control Over Financial Reporting

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies. They are identified as items 2016-1 and 2016-2.

Compliance and Other Matters

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

The District's Response to Findings

The District's responses to the findings identified in our audit is described in the accompanying schedule of findings. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Graves and Associates,
CPAS, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

November 14, 2016

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

To the Board of Education of
Camdenton R-III School District
Camdenton, Missouri:

Report on Compliance for Each Major Federal Program

We have audited Camdenton R-III School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

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

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

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

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

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

November 14, 2014

CAMDENTON R-III SCHOOL DISTRICT
SCHEDULE OF FINDINGS 2 CFR SECTION 200.515
FOR THE YEAR ENDED JUNE 30, 2016

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Financial Statement Opinion:	Unmodified
Internal Control Over Financial Reporting (GAGAS):	
- Material weakness(es) reported?	No
- Significant deficiency(ies) reported?	Yes
- Noncompliance material to financial statements noted (GAGAS)?	No
Federal Awards:	
Internal Control Over Major Programs:	
- Material weakness(es) reported?	No
- Significant deficiency(ies) reported?	No
Type of Opinion On Compliance for Major Programs:	Unmodified
Are there any reportable findings under 2 CFR Section 200.516(a)?	No

Identification of Major Programs:

CFDA Number (s)	Name of Federal Program or Cluster
	U.S. Department of Education:
	Passed Through from Missouri Department of Elementary and Secondary Education:
84.027/84.173	IDEA Cluster
10.553/10.555/10.559	Child Nutrition Cluster

Dollar Threshold: Type A/B Programs   Type A: >$750,000   Type B: All Others

Low Risk Auditee under 2 CFR Section 200.520?   No

CAMDENTON R-III SCHOOL DISTRICT
SCHEDULE OF FINDINGS 2 CFR SECTION 200.515
FOR THE YEAR ENDED JUNE 30, 2016

SECTION II - FINANCIAL STATEMENTS FINDINGS

2016-1: Segregation of Duties (Resubmitted)

Condition: As in many smaller to medium-sized organizations, it is difficult to obtain proper segregation of duties due to the limited number of employees.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. The District has mitigating controls in place, but it is not possible to have segregation in all areas.

Effect: Due to the limited number of employees, the District might not prevent, or detect and correct misstatements on a timely basis in the normal performance of duties.

Recommendation: We recognize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties. However, professional standards require that we bring this lack of segregation of duties to your attention. We recommend management continue to review these processes accordingly to optimize the functionality of internal controls.

Response/Current Status: The District recognizes that the limited number of employees prohibits proper segregation of duties in all areas. The District will continue to review these processes accordingly to optimize the functionality of internal controls.

2016-2: Oversight of the Financial Reporting Process (Resubmitted)

Condition: The District's management is responsible for establishing and maintaining internal control over financial reporting and for the fair presentation of the financial statements and related note disclosures in conformity with *Governmental Accounting Standards*.

Criteria: The District has staff in place to carry out internal accounting and reporting. However, the District does not have accounting professionals with the knowledge, experience, and training to prepare financial statements in accordance with *Governmental Accounting Standards*.

Effect: The District relies on the external auditor to prepare the financial statements in accordance with *Governmental Accounting Standards*, in addition to the performance of the annual audit.

Recommendation: We recognize that the District may not have the resources to have an accounting professional on staff with the knowledge, experience, and training to prepare governmental financial statements in conformity with *Governmental Accounting Standards*. However, we recommend that management continue to increase their knowledge of financial reporting.

SECTION II - FINANCIAL STATEMENTS FINDINGS (Continued)

2016-2: Oversight of the Financial Reporting Process (Resubmitted) (Continued)

Response/Current Status: The District does not have the resources to hire additional accounting personnel with the knowledge, experience, and training to prepare the financial statements in accordance with *Governmental Accounting Standards*. The District does, however, have staff with sufficient knowledge to understand and take responsibility for the basic financial statements.

SECTION III - FEDERAL AWARD FINDINGS

No matters were reported.

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APPENDIX C

FORM OF
CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of _________, 2017 (this **"Continuing Disclosure Undertaking"**), is executed and delivered by **CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3 OF CAMDEN COUNTY, MISSOURI** (the **"Issuer"**).

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of **$________ General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2017** (the **"Bonds"**), pursuant to a Resolution adopted by the governing body of the Issuer (the **"Resolution"**).

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

In consideration of the mutual covenants and agreements herein, the Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

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

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

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

"Material Events" means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

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

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

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Provision of Annual Reports.

(a) The Issuer shall not later than **December 31st** after the end of the Issuer's fiscal year, commencing with the fiscal year ending June 30, 2017, file with the MSRB, through EMMA, the following financial information and operating data (the "**Annual Report**"):

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

(2) Updates as of the end of the fiscal year of certain financial information and operating data contained in the final Official Statement, as described in **Exhibit A,** in substantially the same format contained in the final Official Statement.

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

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

Section 3. Reporting of Material Events. Not later than **10** business days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Bonds ("**Material Events**"):

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

(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Issuer;
(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(14) appointment of a successor or additional trustee or the change of name of the trustee, if material.

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

Section 4. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Issuer's obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Resolution or the Bonds, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Resolution or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Missouri.

CAMDENTON REORGANIZED SCHOOL DISTRICT NO. R-3 OF CAMDEN COUNTY, MISSOURI

By: ________________________________
Title: ________________________________

EXHIBIT A

FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL REPORT

The tables contained under the following section in Appendix A to the final Official Statement:

GENERAL AND ECONOMIC INFORMATION CONCERNING THE DISTRICT:
History of Enrollment

DEBT STRUCTURE OF THE DISTRICT:
Current Long-Term General Obligation Indebtedness
History of General Obligation Indebtedness

PROPERTY TAX INFORMATION CONCERNING THE DISTRICT:
Property Valuations:
Current Assessed Valuation
History of Property Valuations
History of Tax Levies
Tax Collection Record

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

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

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

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

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

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

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

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

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

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

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

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Camdenton Reorganized School District No. R-3
of Camden County, Missouri
Camdenton, Missouri

George K. Baum & Company
Kansas City, Missouri

Re: $_________ General Obligation Refunding Bonds (Missouri Direct Deposit Program), Series 2017, of Camdenton Reorganized School District No. R-3 of Camden County, Missouri

Ladies and Gentlemen:

We have acted as bond counsel to Camdenton Reorganized School District No. R-3 of Camden County, Missouri (the **"District"**), in connection with the issuance by the District of the above-captioned bonds (the **"Bonds"**).

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon and subject to the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and legally binding general obligations of the District, payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the District.

2. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes, (ii) is exempt from income taxation by the State of Missouri, and (iii) is not an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal and Missouri income tax purposes retroactive to the date of issuance of the Bonds. The Bonds have been designated as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Code.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

Very truly yours,

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