
***SPECIAL SCHOOL DISTRICT
OF ST. LOUIS COUNTY, MISSOURI***

***FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORTS
AND SUPPLEMENTARY INFORMATION***

JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Members of the
Board of Education
Special School District of
St. Louis County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Special School District of St. Louis County, Missouri (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 9 to the financial statements, in March of 2020, the World Health Organization declared COVID-19 to constitute a "public health emergency of international concern." Given the uncertainty of the situation, the duration of any business disruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and related notes, schedule of changes in other post-employment benefits liability and related ratios, schedule of District's proportionate share of the net pension liability and related ratios – PSRS and PEERS, and schedule of district's contributions – PSRS and PEERS on pages 4 through 10 and 49 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying capital projects fund budgetary comparison information, combining financial statements, and schedule of selected statistics are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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.

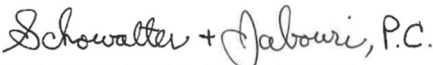
The capital projects fund comparison information, combining financial statements, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining financial statements, capital projects fund comparison

information and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

The schedule of selected statistics, except for the budgetary procedures, pupil attendance and pupil transportation records, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2021 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 the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
November 3, 2021

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

The discussion and analysis of the Special School District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2021. This discussion should be read in conjunction with the financial statements.

Governance

The School District is governed by a seven member School Board, which is elected by the Governing Council, which is comprised of one school board member from each of the 22 component districts. The Governing Council is also the final approval authority for the School District's budget and strategic plan.

Financial Highlights

As part of the School District's plan for a slight spending down of reserves in fiscal year 2021, the School District's financial net position is \$12.4 million, reflecting a reduction from \$24.0 million in 2020. The decrease in net position is mainly represented by the increase in long-term liabilities; largely offset by an increase cash and investments and other assets and deferred amounts related to pensions and other post-employment benefits. Overall, the District's financial position is strong at June 30, 2021, even though the total unrestricted net position is (\$83.8) million. This negative net position is a result of the adoption of GASB Statement No. 68 and GASB Statement No. 75 in prior years.

General revenues totaled \$364.0 million, a decrease of \$6.8 million over the prior year. These general revenues are 76.6% of all revenues, and are comprised mainly of local property taxes, which totaled \$303.9 million during fiscal year 2021. Program revenues, which include all grants and tuition fees, totaled \$110.9 million or 23.4% of total revenues in fiscal year 2021. Total revenue funded an average salary increase of 3.0% - 4.0%. Total expenses for the year were \$486.5 million, of which \$375.6 million were funded by general revenues.

Using This Annual Report

This annual report has been prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 34. As such, the report includes financial statements that show information about the School District as a whole and its significant funds. The Statement of Net Position and the Statement of Activities (pages 11 and 12) provide information about activities of the School District as a whole and present a longer-term view of the District's finances. The fund financial statements begin on page 13. These statements present how the School District financed our services in the short term as well as the amounts that remain for future spending. The fund financial statements also provide more detail about the most significant funds.

Reporting the School District as a Whole

The Statement of Net Position and the Statement of Activities:

The analysis of the School District as a whole begins on page 11. This analysis provides answers as to whether the School District is financially stronger or weaker as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information on the School District as a whole and its activities, which help to provide this answer. These statements include all assets and liabilities using the accrual basis of

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

accounting. As such, all revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School District's net position and changes in those assets. The change in net position is the difference between assets and liabilities and represents one way to measure the School District's financial position and whether it is improving or declining. The relationship between revenue and expense indicates the School District's operating results. However, the School District's mission is to provide services to our students, not to generate profits as commercial entities strive to do each year. Non-financial factors, such as the quality of special education and technical education services provided to our students, must also be considered to assess the overall health of the School District.

The Statement of Net Position and the Statement of Activities report the activity for all of the District's programs and services which are classified as governmental activities, including the Missouri Educational Facilities Authority. The Facilities Authority was formed for the purpose of financing major renovation projects. The District adopted a resolution approving the formation of the Facilities Authority on August 8, 2000. For a description of the Facilities Authority refer to Note 8.

Reporting the School District's Most Significant Funds

Fund Financial Statements:

The School District's fund financial statements begin on page 13 and provide information about the major funds, not the School District as a whole. The School District utilizes several funds to account for a wide range of financial transactions. However, these fund financial statements focus on the School District's most significant funds, which are the general fund, special revenue fund, debt service fund and capital projects fund.

Governmental Funds – All of the School District's services are reported in governmental funds, which focus on money flows into and out of the funds and balances remaining at year end available for spending in future years. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available in the near future to finance the School District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

The School District's net position was \$12.4 million at June 30, 2021. Of this amount, (\$83.8) million was unrestricted. Restricted net position is reported separately to reflect legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those funds for day-to-day operations. Table 1 below provides a summary of net position for fiscal year 2021 compared to fiscal year 2020.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

	Governmental Activities June 30,	
	2021	2020
Current and Other Assets	\$ 398.6	\$ 372.4
Capital Assets	116.0	114.1
Deferred amounts related to pensions and Other Post-Emp Benefits	136.5	100.7
Total Assets and Deferred Outflows of Resources	651.1	587.2
Current and Other Liabilities	52.1	41.7
Long-term Liabilities	542.8	466.6
Deferred amounts related to pensions and Other Post-Emp Benefits	43.8	54.9
Total Liabilities and Deferred Inflows of Resources	638.7	563.2
Net Position		
Investment in Capital Assets	85.6	81.3
Restricted	10.6	7.2
Unrestricted	(83.8)	(64.5)
Total Net Position	\$ 12.4	\$ 24.0

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 12. This information is summarized below.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

CHANGE IN NET POSITION			
(In Millions)			
	Governmental Activities		Total Percentage Change
	June 30,		
	2021	2020	
Revenues:			
Program Revenues:			
Charges for Services	\$ 13.2	\$ 14.1	-6.4%
Operating Grants and Contributions	97.5	91.1	7.0%
Capital Grants	0.2	0.2	0.0%
General Revenues:			
Property and Sales Taxes	311.6	316.3	-1.5%
State Aid	51.7	49.3	4.9%
Other	0.8	5.2	-84.6%
Total Revenues	475.0	476.2	-0.3%
Functions/Program Expenses:			
Instruction - Special Education	267.8	256.4	4.4%
Instruction - Vocational Education	13.8	14.6	-5.5%
Student Services	103.9	100.5	3.4%
Instructional Staff Support	10.8	10.6	1.9%
Building Administration	18.5	19.8	-6.6%
Executive Administration	13.4	14.5	-7.6%
Business Services	15.7	15.4	1.9%
Operation of Plant	9.1	8.4	8.3%
Transportation	28.2	31.7	-11.0%
Food Services	0.7	0.8	-12.5%
Adult Education	3.0	3.0	0.0%
Community Services	0.7	-	n/a
Unallocated Depreciation	0.1	0.1	0.0%
Debt Service:			
Interest and other charges	0.9	1.2	-25.0%
Total Functions/Program Expenses	486.6	477.0	2.0%
Decrease in Net Position	\$ (11.6)	\$ (0.8)	

Governmental Activities

The cost of all governmental activities totaled \$486.6 million in fiscal year 2021. The School District's taxpayers funded \$375.6 million or 77.2% of these costs. Staff and salary increases are primarily reflected in instruction and student services in Table 2 above and include an average salary increase of 3.0% - 4.0%, in addition to a one-time stipend for eligible employees, offset by savings from attrition and vacancies.

In addition to taxpayer funding, charges for services funded \$13.2 million or 2.7% of the governmental activities' cost and grants funded \$97.7 million or 20.1% of such costs in fiscal year 2021.

The School District's decrease in net position is mainly attributable to a decrease of (\$5.3) million in Local Property Taxes, (\$4.4) million in Investment Income, (\$.6) million in Desegregation Program Revenue, offset by an increase of \$2.3 million in State Aid, \$2.2 million in High Needs, \$1.0 million in IDEA Part B Entitlement, \$1.6

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

million in Medicaid, and \$1.7 million in Other Federal Sources. Total expense increased by \$9.5 million, or 2.0% from fiscal year 2020.

In the table below, the cost of each of the School District's six largest functions, as well as each function's net cost (total cost less revenue generated by the activities), is presented. This clearly shows the School District's reliance on local taxpayers. Due to Special School District's unique structure, the School District has a higher proportion of grant and restricted state funding than typical school districts. As a result, the net cost of the functions funded by the School District's taxpayers was 77.2% for fiscal year 2021, a decrease of 0.7% over 2020, which was 77.9%.

	Year Ended June 30,			
	(in millions)			
	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities:				
Instruction - Special Education	\$ 267.9	\$ 167.7	\$ 256.4	\$ 161.2
Instruction - Vocational Education	13.8	12.2	14.6	13.0
Student Services	103.9	103.3	100.5	100.5
Transportation	28.2	22.7	31.7	26.0
Administration	31.9	31.9	34.3	34.3
Other Support Services	39.9	36.8	38.2	35.3
Interest and Other Charges	0.9	0.9	1.2	1.2
Unallocated Depreciation	0.1	0.1	0.1	0.1
Total Governmental Activities	\$ 486.6	\$ 375.6	\$ 477.0	\$ 371.6

The School District's Funds

As discussed above, the School District uses funds to account for a wide range of financial transactions. A review of the funds provides some insight into the School District's financial condition. In total, governmental funds had a fund balance of \$340.8 million at June 30, 2021, which represented an increase of \$15.3 from the prior year. The fund balance increase primarily reflects the increase of \$20.9 million in cash and investments.

General Fund Budget Highlights

The School District prepares an annual budget in accordance with Missouri law, which requires that the Governing Council give final budget approval. The original budget for fiscal year 2021 was approved by the School Board and the Governing Council in May and June 2020, respectively. A revised budget was presented to the School Board and Governing Council in November and December 2020, respectively.

The final revised budget for general fund revenue totaled \$230.9 million compared to the original budget of \$228.5 million. The increase is mainly attributable to addition of \$2.4 million in CARES Act funding.

The final revised budget for general fund expenditures totaled \$235.8 million compared to the original budget of \$224.7 million. This increase is due several factors, including an increase of \$7.5 million in salaries and related benefits for a one-time stipend and additional expenditures of \$2.2 million for expenditures relating to Cares Act funding.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

Special Revenue Fund Budget Highlights

The final revised budget for special revenue fund revenue totaled \$233.1 million compared to the original budget of \$233.1 million.

The final revised budget for special revenue fund expenditures totaled \$260.1 million compared to the original budget of \$252.9 million. The increase is primarily due to an increase of \$7.3 in salaries and related benefits for a one-time stipend.

Capital Assets and Debt Administration

Capital Assets:

At June 30, 2021, the School District had capital assets with a net book value of \$116.0 million which is an increase of \$1.9 million from fiscal year 2020. This reflects net capital additions of \$8.0 million partially offset by net depreciation expense of \$6.0 million.

NET BOOK VALUE

	Governmental Activities	
	June 30,	
	2021	2020
Land	\$ 2,738,098	\$ 2,738,098
Buildings, land improvements and construction in progress	102,863,305	101,393,691
Vehicles and equipment	10,351,439	9,949,029
Total	\$ 115,952,842	\$ 114,080,818

Debt:

At June 30, 2021, the School District had \$29.1 million in leasehold revenue bonds outstanding. These bonds are the legal obligation of the Facilities Authority payable solely from rental payments received from the School District. Additional information about the bonds is provided in Note 8.

	June 30,	
	2021	2020
Facilities Authority		
Leasehold Revenue Bonds - by issue date:		
November 2014	\$ 22,830,000	\$ 24,160,000
February 2020	6,250,000	7,010,000
Total Facilities Authority	29,080,000	31,170,000
Capital Leases - by issue date:		
August 2018	58,098	83,971
July 2019	143,932	186,414
Total Capital Leases	202,030	270,385
Grand Total	\$ 29,282,030	\$ 31,440,385

At June 30, 2021, the District is obligated for future minimum lease payments under capital leases in the amount of \$0.2 million.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

Other long-term liabilities of the School District also include a net pension liability, other post-employment benefit liability, worker's compensation claims, vacation and sick leave pay, and other liabilities that amount to approximately \$513.5 million. Refer to Notes 4, 5 and 10 for more information concerning long-term liabilities.

Economic Factors and Fiscal Year 2022 Budget

The fiscal year 2022 budget reflects a slight increase in revenue. Total revenue is projected to increase by \$2.2 million or .5% in fiscal year 2022. This increase is mainly due to an increase in property tax and IDEA Part B Entitlement revenue due to a projected increase in assessment due to it being a reassessment year and increased funding from the State, respectively, offset by a decrease in investment earnings due to lower market rates, as well as a decrease in High Needs funding due to a leveling off of funding.

As the national economy continues to grow, the effect of COVID-19 and Federal tax cuts on State funding is still uncertain. Local revenue is projected to increase due to a projected increase in assessment due to it being a reassessment year. Federal aid is projected to slightly increase in fiscal year 2022.

Contacting the School District's Financial Management

This discussion and analysis is intended to provide St. Louis County taxpayers and other constituents with an overview of the financial condition of the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Jennifer Jenkins, Director of Business and Finance, at Special School District, 12110 Clayton Road, Town & Country, Missouri 63131.

Basic Financial Statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**STATEMENT OF NET POSITION
JUNE 30, 2021**

	Governmental Activities
-- ASSETS --	
Cash and investments	\$ 355,873,014
Property taxes receivable, net of allowance for uncollectible amount of \$4,037,657	6,932,637
Grants and other receivables	34,968,268
Prepaid items	349,371
Inventory	282,465
Restricted cash and investments	235,667
Capital Assets:	
Land	2,738,098
Construction in progress	1,105,134
Other capital assets, net of accumulated depreciation	112,109,610
Total Assets	514,594,264
-- DEFERRED OUTFLOWS OF RESOURCES --	
Deferred amounts related to pensions	125,064,466
Deferred amounts related to other post-employment benefits	11,416,591
Total Deferred Outflows of Resources	136,481,057
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 651,075,321
-- LIABILITIES --	
Accounts payable	\$ 43,768,900
Accrued expenditures:	
Salaries and related benefits	2,012,213
Medical and dental claims	3,628,099
Interest	262,586
Other liabilities	2,299,141
Due to student activity program	120,237
Unearned revenues	1,569
Long-term liabilities:	
Due within one year	8,742,627
Due in more than one year	30,375,997
Net pension liability	427,306,643
Other post-employment benefits liability	76,350,322
Total Liabilities	594,868,334
-- DEFERRED INFLOWS OF RESOURCES --	
Deferred charge on refunding	91,481
Deferred amounts related to pensions	16,897,670
Deferred amounts related to other post-employment benefits	26,857,233
Total Deferred Inflows of Resources	43,846,384
-- NET POSITION --	
Net investment in capital assets	85,638,955
Restricted for:	
Capital projects	10,353,002
Workers' compensation claims	200,000
Unrestricted	(83,831,354)
Total Net Position	12,360,603
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 651,075,321

See accompanying notes to basic financial statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Expenses	Program Revenues			Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Instruction	\$ 281,615,150	\$ 12,123,489	\$ 89,403,221	\$ 153,930	\$ (179,934,510)
Attendance	12,034,465	-	-	-	(12,034,465)
Guidance	3,995,348	-	-	-	(3,995,348)
Health services	87,832,184	-	614,343	-	(87,217,841)
Improvement of instruction	10,402,103	-	-	-	(10,402,103)
Professional development	414,418	-	-	-	(414,418)
Media services	634,322	-	-	-	(634,322)
Board of Education services	1,696,112	-	-	-	(1,696,112)
Executive administration	11,079,802	-	-	-	(11,079,802)
Building level administration	18,528,498	-	-	-	(18,528,498)
Business, fiscal and internal services	4,361,911	-	-	-	(4,361,911)
Operation of plant	9,138,426	35,000	106,337	-	(8,997,089)
Pupil transportation	28,243,547	3,271	5,516,263	-	(22,724,013)
Food services	650,531	5,806	460,079	-	(184,646)
Central office support services	11,210,684	-	44,300	-	(11,166,384)
Adult continuing education	2,985,578	1,059,211	1,390,705	19,682	(515,980)
Community services	745,940	-	-	-	(745,940)
Unallocated depreciation	139,170	-	-	-	(139,170)
Debt service:					
Interest	867,400	-	-	-	(867,400)
Other charges	3	-	-	-	(3)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 486,575,592	\$ 13,226,777	\$ 97,535,248	\$ 173,612	(375,639,955)

General Revenues

Taxes:

 Property 303,877,725

 Sales 7,679,456

State aid 51,675,654

Investment earnings 689,292

Miscellaneous 84,136

TOTAL GENERAL REVENUES 364,006,263

CHANGE IN NET POSITION (11,633,692)

**NET POSITION, BEGINNING OF
YEAR 23,994,295**

NET POSITION, END OF YEAR \$ 12,360,603

See accompanying notes to basic financial statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
-- ASSETS --					
Cash and investments	\$ 355,873,014	\$ -	\$ -	\$ -	\$ 355,873,014
Property taxes - net of allowance for uncollectible amount	3,136,804	3,374,004	-	421,829	6,932,637
Grants and other receivables	29,885,737	5,077,531	-	5,000	34,968,268
Interfund receivables	-	-	-	10,152,642	10,152,642
Prepaid items	336,192	-	-	13,179	349,371
Inventory	282,465	-	-	-	282,465
Restricted cash and investments	231,100	-	14	4,553	235,667
TOTAL ASSETS	\$ 389,745,312	\$ 8,451,535	\$ 14	\$ 10,597,203	\$ 408,794,064
-- LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES --					
LIABILITIES:					
Accounts payable	\$ 43,053,536	\$ 712,765	\$ 1,401	\$ 1,198	\$ 43,768,900
Accrued expenditures:					
Salaries and related benefits	1,208,738	803,475	-	-	2,012,213
Medical and dental claims	3,628,099	-	-	-	3,628,099
Other liabilities	2,064,892	-	-	234,249	2,299,141
Due to student activity program	120,237	-	-	-	120,237
Unavailable revenues	1,569	-	-	-	1,569
Interfund payables	6,159,270	3,987,971	5,401	-	10,152,642
Total Liabilities	56,236,341	5,504,211	6,802	235,447	61,982,801
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	2,740,120	2,947,324	-	368,484	6,055,928
FUND BALANCES:					
Nonspendable:					
Inventory	282,465	-	-	-	282,465
Prepaid items	336,192	-	-	13,179	349,371
Restricted for:					
Capital projects	-	-	-	9,980,093	9,980,093
Workers' compensation claims	231,100	-	-	-	231,100
Assigned for subsequent budget deficit	11,737,463	-	-	-	11,737,463
Unassigned	318,181,631	-	(6,788)	-	318,174,843
Total Fund Balances	330,768,851	-	(6,788)	9,993,272	340,755,335
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 389,745,312	\$ 8,451,535	\$ 14	\$ 10,597,203	\$ 408,794,064

See accompanying notes to basic financial statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS \$ 340,755,335

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$196,669,858 and the accumulated depreciation is \$80,717,016 115,952,842

Unpaid property taxes at June 30, 2021 less July and August receipts are recorded as deferred revenue in the governmental funds. 6,055,928

Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due. (262,586)

Long-term liabilities, including bonds and capital leases payable, are not due and payable in the current period and therefore are not reported in the governmental funds:

Capital leases - lease purchase agreements	(202,030)	
Leasehold revenue bonds	(29,080,000)	
Sick leave benefits	(2,848,714)	
Workers' compensation claims	(2,929,623)	
Unemployment benefits	(5,029)	
Vacation pay	(2,237,434)	
Unamortized bond premium	(949,130)	
Deferred amount on refunding	(91,481)	
Liability claims	(866,664)	
Other post-employment benefits	(76,350,322)	
Net pension obligation - PSRS	(365,239,502)	
Net pension obligation - PEERS	(62,067,141)	
Deferred outflows of resources - PSRS	107,544,402	
Deferred outflows of resources - PEERS	17,520,064	
Deferred inflows of resources - PSRS	(15,966,755)	
Deferred inflows of resources - PEERS	(930,915)	
Deferred inflows of resources - other post-employment benefits, net	(15,440,642)	
Total	<u>(450,140,916)</u>	<u>(450,140,916)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 12,360,603

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Property taxes	\$ 134,577,780	\$ 144,754,352	\$ -	\$ 18,097,599	\$ 297,429,731
Sales tax	-	7,679,456	-	-	7,679,456
Adult education	1,059,211	-	-	-	1,059,211
Investment income	689,277	-	15	-	689,292
Food service	5,806	-	-	-	5,806
Desegregation program	4,977,275	-	-	-	4,977,275
Other local	436,530	267,410	-	33,484	737,424
Total Local	141,745,879	152,701,218	15	18,131,083	312,578,195
County Sources:					
Fines, forfeitures, escheat	-	15,846	-	-	15,846
State assessed	2,416,293	2,599,009	-	324,936	5,340,238
Total County	2,416,293	2,614,855	-	324,936	5,356,084
State Sources:					
Basic formula	12,702,049	38,973,605	-	-	51,675,654
Transportation	5,516,263	-	-	-	5,516,263
High needs fund	21,847,509	-	-	-	21,847,509
Early childhood	14,122,619	10,452,683	-	-	24,575,302
Vocational tech aid	1,429,131	-	-	130,157	1,559,288
State grants and contributions	1,226,633	-	-	-	1,226,633
Total State	56,844,204	49,426,288	-	130,157	106,400,649
Federal Sources:					
Medicaid	4,630,111	-	-	-	4,630,111
Entitlement	2,886,698	27,476,185	-	-	30,362,883
School breakfast/lunch	442,743	-	-	-	442,743
Early childhood	4,035,917	-	-	-	4,035,917
Other federal sources	4,668,240	-	-	43,455	4,711,695
Total Federal	16,663,709	27,476,185	-	43,455	44,183,349
Contracted educational services	5,920,597	-	-	-	5,920,597
Total Revenues	223,590,682	232,218,546	15	18,629,631	474,438,874

See accompanying notes to basic financial statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
EXPENDITURES:					
Current:					
Instruction	99,178,553	158,106,716	-	-	257,285,269
Attendance	11,247,366	208,097	-	-	11,455,463
Guidance	825,479	2,854,622	-	-	3,680,101
Health services	25,203,818	55,836,209	-	-	81,040,027
Improvement of instruction	2,258,004	6,965,217	-	-	9,223,221
Professional development	341,546	65,901	-	-	407,447
Media services	473,197	116,444	-	-	589,641
Board of Education services	1,503,064	165,107	-	-	1,668,171
Executive administration	5,642,638	4,852,506	-	-	10,495,144
Building level administration	2,955,579	14,152,328	-	-	17,107,907
Business, fiscal and internal services	3,733,346	-	-	-	3,733,346
Operation of plant	8,498,209	-	-	-	8,498,209
Pupil transportation	24,045,745	-	-	-	24,045,745
Food services	535,998	-	-	-	535,998
Central office support services	9,356,995	1,304,450	-	-	10,661,445
Adult continuing education	1,401,694	1,361,130	-	-	2,762,824
Community services	372,532	328,900	-	-	701,432
Capital outlay	-	-	-	11,984,195	11,984,195
Debt service:					
Interest	-	-	1,144,067	10,614	1,154,681
Principal	-	-	2,090,000	68,154	2,158,154
Other charges	-	-	3	-	3
Total Expenditures	197,573,763	246,317,627	3,234,070	12,062,963	459,188,423
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	26,016,919	(14,099,081)	(3,234,055)	6,566,668	15,250,451
OTHER FINANCING SOURCES (USES):					
Transfer (to) from other funds	(14,099,081)	14,099,081	3,234,061	(3,234,061)	-
Total Other Financing Sources (Uses)	(14,099,081)	14,099,081	3,234,061	(3,234,061)	-
NET CHANGE IN FUND BALANCES	11,917,838	-	6	3,332,607	15,250,451
FUND BALANCES, BEGINNING OF YEAR	318,851,013	-	(6,794)	6,660,665	325,504,884
FUND BALANCES, END OF YEAR	\$ 330,768,851	\$ -	\$ (6,788)	\$ 9,993,272	\$ 340,755,335

See accompanying notes to basic financial statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL BALANCES \$ 15,250,451

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period:

Capital asset additions	7,952,713	
Depreciation expense	<u>(6,041,109)</u>	
		1,911,604

Property tax revenue received or expected to be received after sixty days of year end are deferred in the governmental funds. They are, however, recorded as revenue in the statement of activities. 542,404

The governmental funds report bond proceeds and capital lease inception as other financing sources while repayment of bond and lease principal is reported as an expenditure. Also, governmental funds report the effect of premiums when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. In addition, interest on long-term debt is recognized as an expenditure in the governmental funds when it is due while in the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of leasehold revenue bonds and related items is as follows:

Repayment of bond and lease principal	2,158,154	
Interest expense	32,777	
Operating lease amortization	24,275	
Amortization of bond premium	<u>230,230</u>	
		2,445,436

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported. The current year activity is as follows:

Proceeds from sale of capital assets	(249,398)	
Gain (loss) on disposal of capital assets	<u>210,019</u>	
		(39,379)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	282,112	
Workers' compensation claims	1,194,154	
Unemployment benefits	13,498	
Liability claims	261,577	
Other post-employment benefits	(3,029,209)	
Pension expense - PSRS	(25,696,913)	
Pension expense - PEERS	<u>(4,769,427)</u>	
		<u>(31,744,208)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (11,633,692)**

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

1. DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Special School District of St. Louis County, Missouri (the "District") was established in 1957 under the statutes of the State of Missouri. The Board of Education contains seven members as described in RSMo Chapter 162. Effective May 31, 1996, in accordance with Chapter 162 RSMo, a Governing Council (the "Council") for the District was formed. The Council has various powers and duties. The primary duties include review and approval of the annual budget, approval of a rolling five-year plan for the operation and management of the District and appointment of board members to the seven member Board of Education.

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the District's accounting policies are described below.

Principles Determining the Scope of Reporting Entity

The basic financial statements of the reporting entity include those of the Special School District of St. Louis County, Missouri (the primary government) and the Special School District of St. Louis County, Missouri Educational Facilities Authority (the "Facilities Authority"). The District defines its reporting entity in accordance with GASB Statement No. 61. The criteria for including a potential component unit within the financial reporting entity includes fiscal dependency and the presence of a financial benefit or burden relationship. Based upon the application of these criteria, the Facilities Authority has been determined to be a component unit of the District. Its purpose is to act on behalf of the District in its acquisition, construction, improvement, extension, repair, remodeling, renovation, and financing of capital improvement projects. The financial information of the Facilities Authority has been incorporated into the District's financial statements using the blending method. Under the blending method, transactions of a component unit are presented as if they were executed directly by the primary government. Complete financial statements of the Facilities Authority are as shown in the additional supplementary information section of this report.

Fund Accounting

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

Governmental Funds

Governmental funds are those through which most functions of the District are financed. The District's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of changes in the financial position rather than upon net income determination. Governmental funds focus on the sources, uses and balances of current

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's governmental fund types, each of which the District considers to be a major fund:

General Fund

The General Fund is used to account for transactions relating to the general operation of the District which are not provided for in other funds.

Special Revenue Fund

The Special Revenue Fund is used to account for financial resources and expenditures for certificated employees involved in administration and instruction, and tuition paid to other agencies for the education of students.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt. The Debt Service Fund has a deficit fund balance of \$6,788.

Capital Projects Fund

The Capital Projects Fund is used to account for the accumulation of resources to be used for the acquisition or construction of major capital assets.

Basis of Presentation

Government-wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District as a whole. These statements include the financial activities of the primary government. Governmental activities are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

The statement of net position presents the financial condition of the governmental activities of the District at year end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the recipient of the goods and services offered by the programs and (b) grants and contributions that are restricted to

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

meeting the operational or capital requirements of a particular program. Revenues not classified as *program revenues* are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

The fund financial statements provide detail information about the District's funds. The emphasis of fund financial statements is on *major* governmental funds, each displayed in a separate column. The District considers each of its funds to be major.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting at the fund level.

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

Nonexchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized. For the District, available generally means expected to be received within sixty (60) days of year end.

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Deferred Inflows of Resources - In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type which arises only under a modified accrual basis of accounting, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes earned but not yet available. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Property Taxes

Property taxes are levied annually in November based on the assessed valuation of all real and personal property located in the District as of the previous January 1 and are due and collectible on December 31. Property taxes become delinquent and attach as an enforceable lien on property as of January 1 of the following year. The County collects the property tax and remits it to the District. An allowance for uncollectible taxes has been provided for delinquent taxes.

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

The assessed valuations of the tangible taxable property for the calendar years 2020 and 2019 for purposes of local taxation were \$27,790,767,381 and \$27,598,219,636, respectively.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2020 and 2019 for purposes of local taxation were:

	December 31, 2020	December 31, 2019
General Fund	\$ 0.5012	\$ 0.5012
Special Revenue Fund	0.5391	0.5391
Capital Projects Fund	0.0674	0.0674
Total	<u>\$ 1.1077</u>	<u>\$ 1.1077</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2021, aggregated approximately 99.32% of the current assessment computed on the basis of the levy as shown above.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist of unexpended bond proceeds and debt service funds of the Facilities Authority, amounts escrowed under an agreement with the Missouri Division of Workers' Compensation for possible payments of claims, and an escrow for land purchase.

Inventory

Inventories are stated at cost, which approximates market at average cost, and are expensed when used.

Capital Assets

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

All capital assets are recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of one thousand dollars (\$1,000) and a useful life of two (2) years for each individual asset for inventory control purposes and a threshold of five thousand dollars (\$5,000) for financial reporting purposes.

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Site Improvements	20
Furniture	20
Maintenance and Kitchen Equipment	15
Machinery and Tools	15
Office Equipment	10
Audio Visual Equipment	10
Licensed Vehicles	8
Computers and Related Equipment	5 - 10

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans that arise in the normal course of operations are classified as "interfund receivables/payables." These amounts are eliminated in the governmental activities column of the statement of net position.

Payroll Disbursements

Teachers' employment contracts provide for the payment of compensation over a period of twelve (12) months. The District's policy is to accrue the unpaid salary and withholdings related to the school year as of June 30.

Compensated Absences

Vacation pay is accrued as a liability of the District in the government-wide financial statements when earned. Vacation benefits are available to all regular full-time employees who work 12 months. The amount of vacation earned is determined based on job classification and the number of months of continuous service. Accumulated unused earned vacation pay at June 30, 2021, amounted to approximately \$2,237,000 and is recorded as an expense in the government-wide financial statements.

Sick leave benefits are accrued as a liability of the District in the government-wide financial statements when earned. All District employees are entitled to receive a specified benefit at retirement for accumulated and unused sick days. The estimated liability to be incurred in future years, discounted at current interest rates, is approximately \$2,849,000 and has been recorded as an expense in the government-wide financial statements.

Accrued Liabilities and Long-Term Liabilities

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

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

Pensions

The District records a net pension obligation in the government-wide financial statements for defined benefit plans. The liability is calculated as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

pension plan's fiduciary net position. Actuarial valuations of the total pension liability are required to be performed as least every two years.

In the government-wide financial statements, components of pension expense that are recognized over a period of time are classified as either deferred outflows of resources (using plan assets that are applicable to a future reporting period) or deferred inflows of resources (acquiring plan assets that are applicable to a future reporting period). Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

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

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

Details of the District's defined benefit plans are provided in Note 5.

Other Post-Employment Benefit Liability

The District calculates and records a total other post-employment benefit (OPEB) liability in the government-wide financial statements. The total OPEB liability is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service. The total OPEB liability is determined through an actuarial valuation. Details related to the District's postretirement health care benefits provided, OPEB liability and its calculation are provided at Note 10. The liability is typically liquidated by the General and Special Revenue Funds.

Governmental Fund Balances

In the governmental fund financial statements, the following classifications are used to define the governmental fund balances:

Nonspendable - This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The District's nonspendable fund balance at June 30, 2021, consists of prepaid items and inventory.

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

District's restricted fund balance at June 30, 2021, consists of capital projects bond proceeds and escrowed cash accounts for possible workers' compensation claims and ongoing capital projects.

Committed - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Education, the District's highest level of decision-making authority. The District has no committed fund balance at June 30, 2021.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by a) Board of Education or b) Chief Financial Officer. The District has an assigned fund balance related to the subsequent year budget deficit.

Unassigned - This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed," or "assigned." The fund balance of the Debt Service Fund is negative at June 30, 2021, as expenditures incurred for specific purposes exceeded the amounts that are restricted, committed, or assigned to those purposes.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Interfund Activity

Interfund transfers are reported as other financing sources/uses in governmental funds. During the year ended June 30, 2021, transfers were made from the General Fund to the Special Revenue Fund to eliminate the deficit. In addition, the Facilities Authority made transfers between the Debt Service Fund and Capital Projects Fund to eliminate payments from the District to the Facilities Authority's Debt Service Fund.

Pooled Cash and Temporary Investments

Cash resources are combined to form a pool of cash and temporary investments which is managed by the District Treasurer.

The District and the Facilities Authority may invest in bonds of the State of Missouri, United States Treasury bills, notes, bonds, government agency and instrumentality obligations, repurchase

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

agreements collateralized by government securities, time certificates of deposit, bankers' acceptances issued by domestic commercial banks, and commercial paper issued by domestic corporations.

Investments are reported at fair market value. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Cash and investments of the Facilities Authority are separately maintained from those of the District. At June 30, 2021, investments of the Facilities Authority consist of money market mutual funds managed on behalf of the Facilities Authority by an independent trustee. Investments of the Facilities Authority are reported at fair market value as of June 30, 2021.

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year ended June 30, 2021.

Use of Restricted Resources

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources (net position) are available. For governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications-committed and then assigned fund balances before using unassigned fund balances.

Estimates

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

Implementation of New Guidance

During the year ended June 30, 2021, the District implemented the provisions of GASB Statement No. 84, Fiduciary Activities. There was no impact on the financial statements as a result of the implementation.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

2. CASH AND INVESTMENTS

The District is governed by the deposit and investment limitations of state law, as described in Note 1.

GASB Statement No. 72, *Fair Value Measurement and Application*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.
Level 2	Inputs to the valuation methodology include: Quoted prices for similar assets or liabilities in active markets; Quoted prices for identical or similar assets or liabilities in inactive markets; Inputs other than quoted prices that are observable for the asset or liability; Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following is a description of the valuation methodologies used for assets measured at fair value.

- Money market mutual funds: Valued using quoted market prices (Level 1 inputs).
- External investment pool: Valued at the net asset value of shares reported on the active market for which the individual investments are traded (Level 2 inputs).
- Debt securities, federal agency collateralized mortgage obligations, and commercial paper: Valued using a matrix pricing model where similar securities are given a price based on the credit rating and maturity (Level 2 inputs).

The District participates in the Missouri Securities Investment Program (MOSIP). MOSIP is an external investment pool in which the District's monies are pooled with other districts' monies to purchase investments that are permitted by state statutes. The District's monies are used to purchase a pro-rata share of the pool. A board of directors, comprised of Missouri school administrators, school board members, and school business officials provides governance and oversight of MOSIP's operations. The board seeks to maintain a stable net position value of \$1 per share. A separately issued financial statement can be obtained by contacting 1-877-MY-MOSIP.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

The deposits and investments held at June 30, 2021, are as follows:

Type	Carrying Value
Deposits:	
Demand deposits	\$ 47,072,532
Cash on hand	2,255
Total Deposits	47,074,787
Investments:	
U.S. Treasury Bills	200,000
External investment pool	125,918,973
Federal agency bonds	9,014,040
* Money market mutual funds	4,567
Commercial paper	173,896,314
Total Investments	309,033,894
Total Deposits and Investments	\$ 356,108,681

* Represents investments of the Facilities Authority

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District has a custodial credit risk policy for repurchase agreement investments and for certificate of deposits which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less any insurance (Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund), as applicable. As of June 30, 2021, none of the District's deposits were exposed to custodial credit risk.

Custodial Credit Risk - Investments

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Investment Interest Rate Risk

Individual interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The District has policies to minimize this risk by structuring the investments portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. Investments in commercial paper shall mature in no more than 180 days from the purchase date, and all other investments shall mature and become payable in no more than five (5) years from the purchase date. Maturities of investments held at June 30, 2021, are provided as follows:

Investment Type	Fair Value	Investment Maturities (In Years)		
		No Maturity	Less than 1	1 - 5
U.S. Treasury Bills	\$ 200,000	\$ 200,000	\$ -	\$ -
External investment pool	125,918,973	125,918,973	-	-
Federal agency bonds	9,014,040	-	9,014,040	-
* Money market mutual funds	4,567	4,567	-	-
Commercial paper	173,896,314	-	173,896,314	-
	<u>\$ 309,033,894</u>	<u>\$ 126,123,540</u>	<u>\$ 182,910,354</u>	<u>\$ -</u>

* Represents investments of the Facilities Authority

Investment Credit Risk

The District has policies in place to minimize credit risk, the risk of loss due to the failure of the security issuer or backer by pre-qualifying the institutions with which the District will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

At June 30, 2021, the District's investments were rated as follows:

Description	Financial Institution	Amount	Rating
U.S. Treasury Bills	Commerce	\$ 200,000	N/A
External Investment Pool - MOSIP Liquid Series	MOSIP	125,918,973	AAAm
* Money market mutual funds	UMB Bank	4,567	AAAm
Commercial paper	UMB Bank	63,957,902	P-1
Commercial paper	Commerce	99,944,445	P-1
Commercial paper	FHN Financial	9,993,967	P-1
Federal Agency Bonds	Commerce	9,014,040	P-1

* Represents investments of the Facilities Authority

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). At June 30, 2021, the District did not have any concentrations of credit risk to be disclosed.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

The District does not have a policy limiting the amount it may invest in any specific maturity, specific issuer or specific class of securities.

3. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions and Transfers	Disposals and Transfers	Balance June 30, 2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,738,098	\$ -	\$ -	\$ 2,738,098
Construction in Progress	1,507,533	1,105,134	1,507,533	1,105,134
Total Capital Assets, Not Being Depreciated	4,245,631	1,105,134	1,507,533	3,843,232
Capital Assets, Being Depreciated:				
Land improvements	2,644,912	-	-	2,644,912
Buildings and building improvements	145,874,156	5,553,428	84,683	151,342,901
Machinery and equipment	23,108,965	921,509	175,621	23,854,853
Vehicles	14,592,131	1,880,176	1,488,347	14,983,960
Total Capital Assets, Being Depreciated	186,220,164	8,355,113	1,748,651	192,826,626
Less - Accumulated Depreciation For:				
Land improvements	2,070,159	114,443	-	2,184,602
Buildings and building improvements	46,562,751	3,551,799	69,511	50,045,039
Machinery and equipment	17,426,827	945,151	172,465	18,199,513
Vehicles	10,325,240	1,429,716	1,467,094	10,287,862
Total Accumulated Depreciation	76,384,977	6,041,109	1,709,070	80,717,016
Total Capital Assets, Being Depreciated, Net	109,835,187	2,314,004	39,581	112,109,610
Governmental Activities, Capital Assets, Net	\$ 114,080,818	\$ 3,419,138	\$ 1,547,114	\$ 115,952,842

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Depreciation was charged to functions of the District as follows:

Instruction	\$3,425,032
Attendance	11,055
Guidance	4,146
Health services	53,892
Improvement of instruction	55,411
Media services	4,818
Executive administration	14,303
Building level administration	62,634
Business, fiscal and internal services	452,421
Operation of plant	154,198
Pupil transportation	1,556,524
Food services	79,781
Adult continuing education	27,724
Unallocated	139,170
	<u>\$6,041,109</u>

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:					
Leasehold revenue bonds	\$ 31,170,000	\$ -	\$ 2,090,000	\$ 29,080,000	\$ 2,170,000
Plus: bond premium	1,179,360	-	230,230	949,130	-
Leasehold revenue bonds, net	32,349,360	-	2,320,230	30,029,130	2,170,000
Capital leases	270,385	-	68,355	202,030	71,277
Sick leave benefits	2,856,096	14,213,600	14,220,982	2,848,714	466,586
Vacation pay	2,512,164	1,937,092	2,211,822	2,237,434	2,237,434
Workers' compensation claims	4,123,777	661,694	1,855,848	2,929,623	2,929,623
Unemployment benefits	18,527	-	13,498	5,029	5,029
Liability claims	1,128,241	78,772	340,349	866,664	866,664
Total governmental activities	<u>\$ 43,258,550</u>	<u>\$ 16,891,158</u>	<u>\$ 21,031,084</u>	<u>\$ 39,118,624</u>	<u>\$ 8,746,613</u>

Leasehold Revenue Bonds

Refer to Note 8 for a description of bond transactions affecting the Facilities Authority.

Capital Leases Payable

The District is obligated under three lease agreements for office equipment at June 30, 2021. The cost for the office equipment as of June 30, 2021, was \$447,276 and is included in capital assets as machinery and equipment, and accumulated depreciation is \$222,677.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

The leases will be paid from the Capital Projects Fund. The following is a schedule of future minimum lease payments under the capital leases together with the present value of the net minimum lease payments as of June 30, 2021:

<u>Year Ending June 30,</u>	
2022	\$ 78,768
2023	78,768
2024	51,840
2025	<u>5,752</u>
Total future minimum lease payments	215,128
Less amount representing interest	<u>(13,098)</u>
Present value of future minimum lease payments	<u><u>\$ 202,030</u></u>

Sick Leave, Vacation, and Insurance

Compensated absences and insurance claims will be paid from the General and Special Revenue Funds.

5. RETIREMENT PLANS

**Public School and Education Employee Retirement Systems of Missouri
(PSRS and PEERS also referred to as the Systems)**

General Information about the Pension Plans

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, 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 "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

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

PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the "Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

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

Cost-of-Living Adjustments ("COLA"). The Board of Trustees has established a policy of providing COLAs to both PSRS and PEERS members as follows:

- If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for consecutive one-year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.
- If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted.
- If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted.
- If the CPI decreases, no COLA is provided.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 1% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

The District's contributions to PSRS and PEERS were \$31,382,507 and \$8,528,678, respectively, for the year ended June 30, 2021.

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

At June 30, 2021, the District recorded a liability of \$365,239,502 for its proportionate share of the PSRS net pension liability and \$62,067,141 for its proportionate share of the PEERS net pension liability. In total the District recorded net pension liabilities of \$427,306,643. The net pension liability for the plans in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of \$29,622,214 and \$7,893,843, respectively, for the year ended June 30, 2020, relative to the total contributions of \$723,970,206 for PSRS and \$123,440,288 for PEERS from all participating employers. At June 30, 2020, the District's proportionate share was 4.0897% for PSRS and 6.3950% for PEERS.

For the year ended June 30, 2021, the District recognized pension expense of \$57,022,307 for PSRS and \$13,328,900 for PEERS, its proportionate share of the total pension expense.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

Balance of Deferred Outflows and Inflows Due to:	PSRS		PEERS		District Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,953,588	\$ 14,974,117	\$ -	\$ 926,821	\$ 5,953,588	\$ 15,900,938
Changes in assumptions	30,003,852	-	632,248	-	30,636,100	-
Net difference between projected and actual earnings on pension plan investments	39,282,418	-	7,764,003	-	47,046,421	-
Changes in proportion and differences between District contributions and proportionate share of contributions	922,037	992,638	595,135	4,094	1,517,172	996,732
Employer contributions subsequent to the measurement date	31,382,507	-	8,528,678	-	39,911,185	-
Total	\$ 107,544,402	\$ 15,966,755	\$ 17,520,064	\$ 930,915	\$ 125,064,466	\$ 16,897,670

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2020, will be recognized as a reduction to the net pension liability in the year ended June 30, 2022. Other amounts reported as collective deferred (inflows) / outflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	PSRS		PEERS		District Total
2022	\$	8,634,801	\$	447,494	\$ 9,082,295
2023		21,989,810		2,249,981	24,239,791
2024		18,591,798		2,909,970	21,501,768
2025		10,843,608		2,453,026	13,296,634
2026		135,123		-	135,123
Total	\$	60,195,140	\$	8,060,471	\$ 68,255,611

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.6% and the assumption for the annual cost-of-living adjustments was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.60% to 7.50%. No

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

additional assumption changes have occurred. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Comprehensive Annual Financial Report ("CAFR"). The next experience studies are scheduled for 2021.

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

Measurement date	June 30, 2020
Valuation date	June 30, 2020
Expected return on investments	7.50 %, net of investment expenses and including 2.25% inflation
Inflation	2.25%
Total payroll growth	<p>PSRS 2.75% per annum, consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.</p> <p>PEERS 3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.</p>
Future salary increases	<p>PSRS 3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit, promotion and seniority of 0.25% to 6.75%.</p> <p>PEERS 4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity, and real wage growth for merit, promotion and seniority of 0.75% to 7.75%.</p>
Cost-of-living increases	<p>PSRS & PEERS The annual COLA assumed in the evaluation increases from 1.35% to 1.65% over six years, beginning January 1, 2022. The COLA reflected for January 1, 2021 is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95% to a normative inflation assumption of 2.25% over six years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:</p> <ul style="list-style-type: none"> - If the June to June change in the CPI-U is less than 2% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. - If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. - If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. - If the CPI decreases, no COLA is provided. <p>The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.</p>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Mortality assumptions:

Actives	PSRS	RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
	PEERS	RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
Non-disabled retirees, beneficiaries and survivors	PSRS	RP-2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
	PEERS	RP-2006 Total Dataset Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
Disabled retirees	PSRS & PEERS	RP-2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.
Changes in Actuarial Assumptions and Methods	PSRS & PEERS	There have been no assumption changes since the June 30, 2018 valuations.
Fiduciary net position		The Systems issue a publicly available financial report (CAFR) that can be obtained at www.psr-peers.org .

Expected rate of return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2020 are summarized below .

Asset Class	Target Asset Allocation	Long-Term Expected Real Return Arithmetic Basis
U.S. Public Equity	23.0%	4.81%
Public Credit	0.0%	0.80%
Hedged Assets	6.0%	2.39%
Non-U.S. Public Equity	16.0%	6.88%
U.S. Treasuries	20.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	16.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	<u>100%</u>	

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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

Discount rate The long-term expected rate of return used to measure the total pension liability was 7.50% as of June 30, 2020, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 8.0% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial assumed rate of return of 7.75% effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.60% effective with the June 30, 2017 valuation, and to 7.50% effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members.

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

		1.0% Decrease		
	Discount rate	(6.50%)	Current Rate (7.50%)	1.0% Increase (8.50%)
PSRS	Proportionate share of the Net Pension Liability	\$ 619,791,883	\$ 365,239,502	\$ 153,546,559
PEERS	Proportionate share of the Net Pension Liability	\$ 109,380,244	\$ 62,067,141	\$ 22,368,547

As of June 30, 2021, the District reported \$75,483 and \$74,973 payable to PSRS and PEERS, respectively, for legally required contributions.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Settled claims have not exceeded insurance coverage in any of the past three years.

Claims liabilities are established based upon estimates of the ultimate cost of claims (including future expenses) that have been reported but not settled and of claims incurred and not reported.

Self-Insured Employee Benefits

The District generally retains the risks related to its obligations to provide medical and dental and unemployment benefits to its employees. However, the District's maximum liability for each one-year period related to health benefits is limited by insurance coverage. As of June 30, 2021, the estimated liability for payment of medical and dental, and unemployment claims is approximately \$3,628,000 and \$5,000, respectively. The liability for medical and dental claims are recorded in the governmental fund financial statements in the General Fund and the liability for unemployment claims is recorded in the government-wide financial statements.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Workers' Compensation Insurance

From July 31, 1996 through June 30, 2001, the District had purchased insurance for workers' compensation claims. Beginning July 1, 2001, the District became substantially self-insured. The District maintains excess workers' compensation insurance coverage for losses in excess of specified amounts. As of June 30, 2021, the estimated liability for payment of workers' compensation claims under the self-insurance plan was approximately \$2,930,000 and is recorded in the government-wide financial statements.

Included in restricted cash and investments is an investment in a U.S. Treasury bill of approximately \$200,000 held in escrow under an agreement with the Missouri Division of Workers' Compensation (the "Division").

Changes in the claim liabilities for the years ended June 30, 2021, and June 30, 2020, are as follows:

	Prescription Drugs, Medical and Dental Benefits	Workers' Compensation	Unemployment Benefits
Balance - June 30, 2019	\$ 3,726,944	\$ 4,757,914	\$ 20,363
Add: claims, fees, and change in estimates	54,917,965	2,180,511	44,124
Less: claim payments	(54,717,958)	(2,814,648)	(45,960)
Balance - June 30, 2020	3,926,951	4,123,777	18,527
Add: claims, fees, and change in estimates	52,758,271	661,694	-
Less: claim payments	(53,057,123)	(1,855,848)	(13,498)
Balance - June 30, 2021	<u>\$ 3,628,099</u>	<u>\$ 2,929,623</u>	<u>\$ 5,029</u>

7. PENDING LITIGATION

The District is involved in various lawsuits and other legal matters, each of which are being vigorously contested by the District. The District is either insured or self-insured with respect to the major portion of liabilities which may be incurred as a result of this litigation. Management believes their current reserves included in the accompanying financial statements are adequate to cover any liabilities from claims against the District.

The District has sovereign tort immunity from liability and suit for compensation damages for negligent acts or omissions, except in the case of injuries arising out of the operation of District motor vehicles or caused by the condition of District property. The District has purchased insurance to cover claims related to the operation of motor vehicles and the condition of District property. The maximum claim settlement established by state statute for such claims is approximately \$441,000 per person and approximately \$2,941,000 per occurrence.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

8. SPECIAL SCHOOL DISTRICT EDUCATIONAL FACILITIES AUTHORITY

The District adopted a resolution approving the formation of the Special School District of St. Louis County, Missouri Educational Facilities Authority (the "Authority") on August 8, 2000. The Authority is organized under the not for profit provisions of Chapter 355 of the Revised Statutes of Missouri (1986) as amended, for the purpose of acting on behalf of the District in its acquisition, construction, improvement, extension, repair, remodeling, renovation, and financing of capital improvement projects, and other purposes as specified in the Authority's Articles of Incorporation.

In November 2013, the District approved a resolution authorizing the District to convey to the Authority, a leasehold interest in certain public school facilities of the District and approved the delivery of Lease Participation Certificates, Series 2013 ("Series 2013 Certificates"), in the principal interest amount of \$9,450,000 for the purpose of providing funds to pay the costs of facilities projects for the District.

In connection with the delivery of the Series 2013 Certificates, the Board of Education authorized the execution of (a) a Base Lease dated as of November 1, 2013 (the "Base Lease"), between the District and the Authority, pursuant to which the District will lease to the Authority certain real property owned by the District and any existing improvements thereon including Northview High School and Hiram Neuwoehner High School (the "Project Site") for a maximum term of approximately 35 years ending on April 1, 2048; and (b) a Lease Agreement dated as of November 1, 2013 (the "Lease"), pursuant to which (i) proceeds of the Series 2013 Certificates will be used to complete the Project (the Project Site and all additions, modifications, improvements, replacements and substitutions made thereon and thereto, the personal property financed by the Series 2013 Certificates at the Project Site, and any additional facilities financed with Additional Certificates on the Project Site being collectively referred to as the "Facilities"), (ii) the Authority will lease the Facilities to the District on an annually renewable basis, and (iii) the District will make rental payments to the Authority that will be sufficient, during any term of the Lease, to pay the principal component, premium, if any, and interest component of the rental payments represented by the Series 2013 Certificates as the same become due. During the year ended June 30, 2020, the 2013 certificates were currently refunded with the issuance of \$7,010,000 Refunding Lease Participation Certificates, Series 2020 dated February 13, 2020, as described below.

In September 2014, the District adopted a resolution (a) authorizing the District to enter into a First Supplemental Base Lease of even date herewith (the "First Supplemental Base Lease" and, together with the Original Base Lease, the "Base Lease"), pursuant to which the District will amend the Original Base Lease in order to extend the term thereof, and (b) approving the delivery and sale of Lease Participation Certificates, Series 2014A, in the aggregate principal amount of \$8,705,000 (the "Series 2014A Certificates") and Lease Participation Certificates, Series 2014B, in the aggregate principal amount of \$18,520,000 (the "Series 2014B Certificates" and, together with the Series 2014A Certificates, the "Series 2014 Certificates"), each evidencing proportionate interests of the Owners thereof in Rental Payments to be made by the District, as Lessee, under the Original Lease as amended by the First Supplemental Lease Agreement dated as of November 1, 2014 (the "First Supplemental Lease" and, together with the Original Lease, the "Lease"), issued and delivered pursuant to the Indenture, to provide funds to finance costs of the Project.

On February 13, 2020, the Authority issued \$7,010,000 in Refunding Lease Participation Certificates, Series 2020 with an interest rate of 4.0%. The Authority issued the bonds to currently refund the remaining \$7,625,000 of outstanding principal and accrued interest on the Series 2013 Lease Participation Certificates. The net proceeds of \$7,741,023 (after bond premium of \$892,017 and issuance cost of \$160,994) were used to purchase United States government securities. These securities were

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

deposited in an irrevocable trust with an escrow agent to refund the outstanding bonds and accrued interest on April 1, 2020 on the 2013 Certificates.

The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$645,000.

The Series 2014 and 2020 Certificates and the interest with respect thereto shall be limited obligations, payable solely out of the rents, revenues and receipts received by the Trustee from the District pursuant to the Lease. The Series 2014 and 2020 Certificates and the interest with respect thereto shall not constitute a debt or liability of the District, the State of Missouri or any political subdivision thereof, and the Series 2014 and 2020 Certificates shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Rental payments made pursuant to the lease totaled \$3,231,950 during the year ended June 30, 2021. Rental payments will be determined annually based on the amount of monies necessary for the future payment of bond principal and interest on the bonds when due, less amounts held by the Authority in the Certificate Fund. The District is also obligated to make additional payments for costs specified in the Lease. The Authority has agreed to convey to the District, all rights, interest and title to the project site at the expiration of the lease term following full payment of the bonds.

Bonds payable at June 30, 2021, consist of:

\$8,705,000 leasehold revenue bonds due in varying installments through April 1, 2024, interest at 1.95%.	\$ 4,310,000
\$18,520,000 leasehold revenue bonds due in varying installments through April 1, 2034, interest at 3.375% to 4.00%	18,520,000
\$7,010,000 leasehold revenue bonds due in varying installments through April 1, 2028, interest at 4.00%	6,250,000
	<u>\$ 29,080,000</u>

The following is a summary of bond transactions for the year ended June 30, 2021:

Bonds payable, July 1, 2020	\$ 31,170,000
Bonds retired	<u>(2,090,000)</u>
Total bonds payable, June 30, 2021	<u>\$ 29,080,000</u>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

The following are debt service requirements on the outstanding bonds at June 30, 2021:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 2,170,000	\$ 1,050,345	\$ 3,220,345
2023	2,260,000	991,835	3,251,835
2024	2,350,000	930,852	3,280,852
2025	2,555,000	867,500	3,422,500
2026	2,660,000	765,300	3,425,300
2027-2031	12,885,000	2,134,900	15,019,900
2032-2034	4,200,000	344,250	4,544,250
	<u>\$ 29,080,000</u>	<u>\$ 7,084,982</u>	<u>\$ 36,164,982</u>

As discussed in Note 1, the Authority has been determined to be a component unit of the District under criteria established by current governmental accounting standards. In accordance therewith, the Authority's debt and assets have been reported as a form of the District's debt and assets in the accompanying financial statements.

See Note 2 for the Authority's investments.

9. COMMITMENTS AND CONTINGENCIES

Revenues received from the Federal and State Governments in the current and prior years are subject to audits by the granting agencies. The District believes that adjustments which may arise from these audits, if any, would not be material.

The District has entered into operating leases for various office equipment and buildings. Rental expense recorded during the year ended June 30, 2021, on these and other operating leases was approximately \$420,000. Future minimum lease payments as of June 30, 2021, are as follows:

Year Ending June 30,	Total
2022	\$ 325,744
2023	325,744
2024	171,499
Total	<u>\$ 822,987</u>

As of June 30, 2021, the District had open construction commitments of approximately \$3,118,000.

Risks and Uncertainties

The District invests in various investment securities, including cash equivalents. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Coronavirus Pandemic

In March of 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "public health emergency of international concern", which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of the situation precludes any prediction as to the ultimate material adverse impact on the District's future financial operating performance and financial condition.

10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Special School District Other Post-Employment Benefits ("OPEB") plan (the "Plan") provides an OPEB for certain eligible employees who retire from the District. The Plan is a single-employer defined benefit OPEB plan that is administered by the District. The benefits and benefit levels are governed by District policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The Plan does not issue a stand-alone financial report.

Benefits Provided

The Plan provides an opportunity for continuation of medical, dental, and vision coverage including prescription drugs to employees that retire from the District who meet the retirement requirements of PSRS or PEERS and their dependents. Retirees can continue coverage past Medicare eligibility age (age 65). Retirees may cover spouses and eligible dependent children. Surviving spouses can continue coverage after retiree's death. Retirees who elect to participate must pay 100% of the premiums in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since retirees pay the premium for each year, the District's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation.

Retiree medical contributions effected for November 1, 2019, are as follows:

<u>Coverage Tier</u>	<u>Pre-65</u>	<u>Medicare Eligible *</u>
Retiree	\$634.50	\$634.50
Retiree + Spouse	\$1,347.54	\$1,269.00
Retiree + Child	\$985.76	\$985.76
Retiree + 2 Children	\$1,019.16	-
Retiree + 3 Children	\$1,076.18	-
Retiree + Spouse + Child	\$1,698.80	\$1,620.26
Retiree + Spouse + 2 Children	\$1,732.20	-
Retiree + Spouse + 3 Children	\$1,789.22	-

* Cost of coverage is assumed to be equal to the premium charged.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

<u>Coverage Tier</u>	<u>Dental</u>	<u>Vision</u>
Retiree	\$30.90	\$4.26
Retiree + Spouse	\$74.54	\$7.16
Retiree + Child	\$76.80	\$7.30
Retiree + 2 Children	\$81.48	\$7.30
Retiree + 3 Children	\$86.18	\$7.30
Retiree + Spouse + Child	\$120.44	\$10.20
Retiree + Spouse + 2 Children	\$125.12	\$10.20
Retiree + Spouse + 3 Children	\$129.82	\$10.20

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees and surviving spouses* currently receiving benefits	874
Spouses of inactive employees currently** receiving benefits	54
Active employees	4,992
Total	<u>5,920</u>

* Includes 418, 850, and 620 with medical, dental, and vision coverage respectively.

**With medical coverage.

Total OPEB Liability

The District's total liability of \$76,350,322 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.30%
Salary increases	3.00%
Discount rate	2.16%
Healthcare cost trend rates	Medical cost trend rate of 5.40% for 2021, gradually decreasing to an ultimate rate of 3.70% for 2079 and beyond.
Actuarial cost method	Entry age normal based on level percentage of projected salary.
Amortization method	N/A

The discount rate was based on the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on the Pub-2012 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2019.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Changes in the Total OPEB Liability

	Total OPEB Liability
Total OPEB Liability at June 30, 2020	<u>\$ 70,687,582</u>
Change for the year:	
Service cost	5,622,253
Interest cost	1,663,128
Effect of liability gains or losses	-
Changes in assumptions or other inputs	499,362
Benefit payments	<u>(2,122,003)</u>
Net change in total OPEB liability	<u>5,662,740</u>
Total OPEB Liability at June 30, 2021	<u><u>\$ 76,350,322</u></u>

Impact of Changes of Benefit Terms

There were no changes of benefit terms that significantly impacted the valuation.

Impact of Plan Experience

The Plan has not had a formal actuarial experience study performed.

Impact of Changes of Assumptions

The impact of changes in assumptions is valued at a gain of \$499,362 in respect to the total OPEB liability. This occurred due to minimal assumptions changing, mainly just a change in the discount rate based on the 20 year bond GO index at the fiscal year end.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, calculated using the discount rate of 2.16%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease	Current	1% Increase
	(1.16%)	Discount Rate	(3.16%)
		(2.16%)	
Total OPEB liability	\$ 87,417,213	\$ 76,350,322	\$ 67,185,986

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend	1% Increase
Total OPEB liability	\$ 64,064,676	\$ 76,350,322	\$ 92,077,002

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of \$5,151,212. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (25,274,024)	\$ -
Changes of assumptions/inputs	(1,583,209)	11,416,591
Total	<u>\$ (26,857,233)</u>	<u>\$ 11,416,591</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year Ending June 30,	Net Deferred Outflows and (Inflows) of Resources
2022	\$ (2,134,169)
2023	(2,134,169)
2024	(2,134,169)
2025	(2,134,169)
2026	(2,134,169)
Thereafter	<u>(4,769,797)</u>
	<u>\$ (15,440,642)</u>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

11. TAX ABATEMENTS

As of June 30, 2021, the District is subject to the following tax abatement programs initiated by other governmental entities:

	<u>Real Estate, Surcharge, and Property Tax</u>
City of Bellerive	\$ 17,974
City of Berkeley	3,772
City of Brentwood	105,747
City of Bridgeton	130,336
City of Clayton	251,637
City of Edmundson	128,059
City of Eureka	18,451
City of Ferguson	41,038
City of Frontenac	51,774
City of Hazelwood	985,065
City of Jennings	1,479
City of Kinloch	254,568
City of Maplewood	82,907
City of Maryland Heights	74,645
City of Normandy	31,079
City of Olivette	14,307
City of Overland	50,551
City of Richmond Heights	120,110
City of Rock Hill	16,309
City of St. Ann	3,731
City of Sunset Hills	5,017
City of University City	63,712
City of Wellston	5,218
City of Woodson Terrace	1,084
St. Louis County	1,407,669
St. Louis County Port Authority	115,374
Total	<u>\$ 3,981,613</u>

12. RECENT ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

In June 2017, the GASB approved Statement No. 87, "Leases." The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

reporting for leases by governments. This requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance", the requirements of Statement No. 87 are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB approved Statement No. 96, "Subscription-Based Information Technology Arrangements". The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITA"s) for government end users. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

The effects on the District's financial statements as a result of the adoption of these new pronouncements are unknown.

Required Supplementary Information

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Local	\$ 144,582,923	\$ 144,582,923	\$ 141,745,879	\$ (2,837,044)
County	2,361,889	2,361,889	2,416,293	54,404
State	61,395,451	61,395,451	56,844,204	(4,551,247)
Federal	13,452,170	15,891,240	16,663,709	772,469
Contracted educational services	6,675,000	6,675,000	5,920,597	(754,403)
Total Revenues	228,467,433	230,906,503	223,590,682	(7,315,821)
EXPENDITURES:				
Current:				
Instruction	109,458,686	117,305,255	99,178,553	18,126,702
Attendance	11,619,309	11,282,370	11,247,366	35,004
Guidance	1,111,840	1,133,476	825,479	307,997
Health services	26,307,545	27,667,647	25,203,818	2,463,829
Improvement of instruction	3,119,584	2,919,220	2,258,004	661,216
Professional development	327,970	435,759	341,546	94,213
Media services	497,683	542,433	473,197	69,236
Board of Education services	1,114,360	1,118,829	1,503,064	(384,235)
Executive administration	4,252,644	7,171,983	5,642,638	1,529,345
Building level administration	3,462,839	3,569,224	2,955,579	613,645
Business, fiscal and internal services	4,107,832	4,221,677	3,733,346	488,331
Operation of plant	10,139,077	10,404,640	8,498,209	1,906,431
Pupil transportation	34,324,668	35,235,089	24,045,745	11,189,344
Food services	906,800	985,759	535,998	449,761
Central office support services	12,556,730	10,342,632	9,356,995	985,637
Adult continuing education	1,382,855	1,407,300	1,401,694	5,606
Community services	21,479	35,107	372,532	(337,425)
Total Expenditures	224,711,901	235,778,400	197,573,763	38,204,637
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,755,532	(4,871,897)	26,016,919	30,888,816
OTHER FINANCING USES:				
Transfers to other funds	(19,745,643)	(26,953,810)	(14,099,081)	12,854,729
Total Other Financing Uses	(19,745,643)	(26,953,810)	(14,099,081)	12,854,729
NET CHANGE IN FUND BALANCE	(15,990,111)	(31,825,707)	11,917,838	43,743,545
FUND BALANCE, BEGINNING OF YEAR	302,069,000	318,851,013	318,851,013	-
FUND BALANCE, END OF YEAR	\$ 286,078,889	\$ 287,025,306	\$ 330,768,851	\$ 43,743,545

See the accompanying independent auditors' report and
notes to budgetary comparison information

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Local	\$ 152,706,721	\$ 152,706,721	\$ 152,701,218	\$ (5,503)
County	2,560,491	2,560,491	2,614,855	54,364
State	47,372,849	47,372,849	49,426,288	2,053,439
Federal	30,527,447	30,527,447	27,476,185	(3,051,262)
Total Revenues	233,167,508	233,167,508	232,218,546	(948,962)
EXPENDITURES:				
Current:				
Instruction	160,505,304	165,652,537	158,106,716	7,545,821
Attendance	367,354	373,348	208,097	165,251
Guidance	2,934,517	3,006,922	2,854,622	152,300
Health services	57,861,649	59,211,897	55,836,209	3,375,688
Improvement of instruction	7,188,223	7,361,044	6,965,217	395,827
Professional development	108,240	108,240	65,901	42,339
Media services	277,272	280,891	116,444	164,447
Board of Education services	165,252	168,267	165,107	3,160
Executive administration	3,921,136	5,535,602	4,852,506	683,096
Building level administration	15,163,294	15,339,165	14,152,328	1,186,837
Central office support services	2,948,529	1,571,898	1,304,450	267,448
Adult continuing education	1,471,685	1,510,811	1,361,130	149,681
Community services	696	696	328,900	(328,204)
Total Expenditures	252,913,151	260,121,318	246,317,627	13,803,691
EXCESS OF REVENUES (UNDER)				
EXPENDITURES	(19,745,643)	(26,953,810)	(14,099,081)	12,854,729
OTHER FINANCING SOURCES:				
Transfers from other funds	19,745,643	26,953,810	14,099,081	(12,854,729)
Total Other Financing Sources	19,745,643	26,953,810	14,099,081	(12,854,729)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report and
notes to budgetary comparison information

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
JUNE 30, 2021**

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

1. In accordance with Chapter 67 RSMo, the District is required to adopt a budget for the general fund, special revenue fund, and capital projects fund.
2. Prior to June 30, the Superintendent, who serves as the budget officer, submits to the Board of Education a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.
3. A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board of Education, the budget document is available for public inspection.
4. Prior to June 30, the budget is adopted by the Board of Education and submitted to the Governing Council for final approval.
5. Subsequent to its formal approval of the budget, the Board of Education has the authority to make necessary adjustments to the budget by formal vote of the Board. Adjustments made during the year are reflected in the budget information included in the financial statements.

Budgeted amounts are as originally adopted on May 26, 2020, or as amended by the Board of Education at various times during the fiscal year. The Governing Council approved the original budget on June 1, 2020.

For each fund, total fund expenditures may not legally exceed final amended budgeted expenditures. Expenditure appropriations lapse at the end of the fiscal year.

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF CHANGES IN OTHER POST – EMPLOYMENT BENEFITS
LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Year Ended June 30,			
	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 5,622,253	\$ 4,083,417	\$ 5,199,531	\$ 5,145,755
Interest cost	1,663,128	3,147,670	3,152,974	2,835,382
Effect of liability gains or losses	-	(32,151,310)	-	-
Changes in assumptions or other inputs	499,362	10,707,616	3,752,212	(2,758,133)
Benefit payments	(2,122,003)	(1,883,447)	(3,157,479)	(2,857,808)
Net change in total OPEB liability	5,662,740	(16,096,054)	8,947,238	2,365,196
Total OPEB Liability, beginning	70,687,582	86,783,636	77,836,398	75,471,202
Total OPEB Liability, ending	<u>\$ 76,350,322</u>	<u>\$ 70,687,582</u>	<u>\$ 86,783,636</u>	<u>\$ 77,836,398</u>
Covered payroll	\$ 293,000,000	\$ 276,619,000	\$ 270,131,000	\$ 262,287,000
Total OPEB liability as a percentage of covered payroll	26.1%	25.6%	32.1%	29.7%

Notes to Required Supplementary Information:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

Impact of Changes of Benefit Terms

There were no changes of benefit terms that significantly impacted the valuation.

Impact of Plan Experience

The Plan has not had a formal actuarial experience study performed.

Impact of Changes of Assumptions

2018 – The impact of changes in assumptions is valued at a loss of \$2.76 million in respect to the total OPEB liability. This occurred due to many assumptions changing, such as a re-evaluation of the discount rate using the current updated mortality table – reflecting participants living longer and actuarial cost method. The remainder of the changes are due to accrual of benefits and the passage of time.

2019 – The impact of changes in assumptions is valued at a gain of \$3.75 million in respect to the total OPEB liability. This occurred due to many assumptions changing, such as a re-evaluation of the discount rate based on the 20 year bond GO index at the fiscal year end.

2020 – The impact of changes in assumptions is valued at a gain of \$10.71 million in respect to the total OPEB liability. This occurred due to many assumptions changing, such as a re-evaluation of the discount rate based on the 20 year GO Index at the fiscal year end and using the current updated mortality table.

2021 – The impact of changes in assumptions is valued at a gain of approximately \$499,000 in respect to the total OPEB liability. This occurred due to minimal assumptions changing, mainly just a change in the discount rate based on the 20 year bond GO index at the fiscal year end.

Note:

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

See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS - PSRS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The District's proportionate share of the PSRS net pension liability and related ratios are as follows:

Year Ended * June 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
2014	4.1314%	\$ 169,493,799	\$ 188,504,965	89.91%	89.34%
2015	4.0894%	\$ 236,075,341	\$ 190,042,904	124.22%	85.78%
2016	4.0773%	\$ 303,377,575	\$ 193,253,990	156.98%	82.18%
2017	4.0735%	\$ 294,168,830	\$ 196,622,063	149.61%	83.77%
2018	4.0891%	\$ 304,329,487	\$ 201,129,737	151.31%	84.06%
2019	4.1002%	\$ 302,597,645	\$ 205,740,537	147.08%	84.62%
2020	4.0897%	\$ 365,239,502	\$ 208,739,238	174.97%	82.01%

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

* The data provided in the schedule is based as of the measurement date of PSRS' net pension liability, which is as of the beginning of the District's fiscal year.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PSRS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following required supplementary information relates to the District's contributions to the PSRS.

Year Ended June 30,	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contribution as a Percentage of Covered Payroll
2013	\$ 26,425,261	\$ 26,425,261	\$ -	\$ 187,116,249	14.12%
2014	\$ 26,601,171	\$ 26,601,171	\$ -	\$ 188,504,965	14.11%
2015	\$ 26,849,095	\$ 26,849,095	\$ -	\$ 190,042,904	14.13%
2016	\$ 27,319,781	\$ 27,319,781	\$ -	\$ 193,253,990	14.14%
2017	\$ 27,860,211	\$ 27,860,211	\$ -	\$ 196,622,063	14.17%
2018	\$ 28,511,275	\$ 28,511,275	\$ -	\$ 201,129,737	14.18%
2019	\$ 29,188,396	\$ 29,188,396	\$ -	\$ 205,740,537	14.19%
2020	\$ 29,622,214	\$ 29,622,214	\$ -	\$ 208,739,238	14.19%

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS - PEERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The District's proportionate share of the PEERS net pension liability and related ratios are as follows:

Year Ended * June 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
2014	5.9502%	\$ 21,728,104	\$ 86,774,147	25.04%	91.33%
2015	6.1444%	\$ 32,498,110	\$ 92,136,896	35.27%	88.28%
2016	6.1230%	\$ 49,126,989	\$ 94,567,382	51.95%	83.32%
2017	6.2525%	\$ 47,703,502	\$ 100,477,166	47.48%	85.35%
2018	6.2485%	\$ 48,282,929	\$ 103,972,234	46.44%	86.06%
2019	6.3260%	\$ 50,036,198	\$ 108,646,251	46.05%	86.38%
2020	6.3950%	\$ 62,067,141	\$ 114,119,635	54.39%	84.06%

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

* The data provided in the schedule is based as of the measurement date of PEERS' net pension liability, which is as of the beginning of the District's fiscal year.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF DISTRICT CONTRIBUTIONS - PEERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

The following required supplementary information relates to the District's contributions to the PEERS.

Year Ended June 30,	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contribution as a Percentage of Covered Payroll
2013	\$ 5,709,941	\$ 5,709,941	\$ -	\$ 83,235,752	6.86%
2014	\$ 5,952,711	\$ 5,952,711	\$ -	\$ 86,774,147	6.86%
2015	\$ 6,320,594	\$ 6,320,594	\$ -	\$ 92,136,896	6.86%
2016	\$ 6,487,318	\$ 6,487,318	\$ -	\$ 94,567,382	6.86%
2017	\$ 6,892,741	\$ 6,892,741	\$ -	\$ 100,477,166	6.86%
2018	\$ 7,132,498	\$ 7,132,498	\$ -	\$ 103,972,234	6.86%
2019	\$ 7,532,428	\$ 7,532,428	\$ -	\$ 108,646,251	6.93%
2020	\$ 7,893,843	\$ 7,893,843	\$ -	\$ 114,119,635	6.92%

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

Additional Supplementary Information

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Local	\$ 18,320,363	\$ 18,320,363	\$ 18,131,083	\$ (189,280)
County	317,620	317,620	324,936	7,316
State	10,568	10,568	130,157	119,589
Federal	42,000	61,682	43,455	(18,227)
Total Revenues	<u>18,690,551</u>	<u>18,710,233</u>	<u>18,629,631</u>	<u>(80,602)</u>
EXPENDITURES:				
Capital outlay	13,724,613	14,082,471	11,984,195	2,098,276
Debt service:				
Interest	2,248,064	2,248,064	1,152,564	1,095,500
Principal	1,099,800	1,099,800	2,158,154	(1,058,354)
Total Expenditures	<u>17,072,477</u>	<u>17,430,335</u>	<u>15,294,913</u>	<u>2,135,422</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,618,074</u>	<u>1,279,898</u>	<u>3,334,718</u>	<u>2,054,820</u>
OTHER FINANCING SOURCES:				
Proceeds from the sale of capital assets	25,000	25,000	-	(25,000)
Total Other Financing Sources	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
NET CHANGE IN FUND BALANCE	1,643,074	1,304,898	3,334,718	2,029,820
FUND BALANCE, BEGINNING OF YEAR	-	6,649,800	6,649,800	-
FUND BALANCE, END OF YEAR	<u>\$ 1,643,074</u>	<u>\$ 7,954,698</u>	<u>\$ 9,984,518</u>	<u>\$ 2,029,820</u>

This schedule does not include the activity of the Special School District Educational Facilities Authority
See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**COMBINING BALANCE SHEET -
DEBT SERVICE FUND BY COMPONENT UNIT
JUNE 30, 2021**

	Special School District	Special School District Educational Facilities Authority	Eliminations	Total
-- ASSETS --				
Restricted cash and investments	\$ -	\$ 14	\$ -	\$ 14
TOTAL ASSETS	\$ -	\$ 14	\$ -	\$ 14
-- LIABILITIES AND FUND BALANCES --				
LIABILITIES:				
Accounts payable	\$ -	\$ 1,401	\$ -	\$ 1,401
Interfund payables	-	5,401	-	5,401
Total Liabilities	-	6,802	-	6,802
FUND BALANCES:				
Unassigned	-	(6,788)	-	(6,788)
Total Fund Balances	-	(6,788)	-	(6,788)
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 14	\$ -	\$ 14

See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**COMBINING BALANCE SHEET -
CAPITAL PROJECTS FUND BY COMPONENT UNIT
JUNE 30, 2021**

	Special School District	Special School District Educational Facilities Authority	Eliminations	Total
-- ASSETS --				
Property taxes receivable - net of allowance for uncollectible amount	\$ 421,829	\$ -	\$ -	\$ 421,829
Grants and other receivables	5,000	-	-	5,000
Interfund receivables	10,147,241	5,401	-	10,152,642
Prepaid items	13,179	-	-	13,179
Restricted cash and investments	2	4,551	-	4,553
TOTAL ASSETS	\$ 10,587,251	\$ 9,952	\$ -	\$ 10,597,203
-- LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES --				
LIABILITIES:				
Accounts payable	\$ -	\$ 1,198	\$ -	\$ 1,198
Other liabilities	234,249	-	-	234,249
Total Liabilities	234,249	1,198	-	235,447
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	368,484	-	-	368,484
FUND BALANCES:				
Fund balance:				
Nonspendable:				
Prepaid items	13,179	-	-	13,179
Restricted for:				
Capital projects	9,971,339	8,754	-	9,980,093
Total Fund Balance	9,984,518	8,754	-	9,993,272
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,587,251	\$ 9,952	\$ -	\$ 10,597,203

See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - DEBT SERVICE FUND BY COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special School District	Special School District Educational Facilities Authority	Eliminations	Total
REVENUES:				
Local	\$ -	\$ 15	\$ -	\$ 15
Lease/purchase payments from District	-	3,231,950	(3,231,950)	-
Total Revenues	-	3,231,965	(3,231,950)	15
EXPENDITURES:				
Debt service:				
Interest	-	1,144,067	-	1,144,067
Principal	-	2,090,000	-	2,090,000
Other Charges	-	3	-	3
Total Expenditures	-	3,234,070	-	3,234,070
EXCESS OF REVENUES UNDER EXPENDITURES	-	(2,105)	(3,231,950)	(3,234,055)
OTHER FINANCING SOURCES :				
Transfers from other funds	-	2,111	3,231,950	3,234,061
Total Other Financing Sources	-	2,111	3,231,950	3,234,061
NET CHANGE IN FUND BALANCES	-	6	-	6
FUND BALANCES, BEGINNING OF YEAR	-	(6,794)	-	(6,794)
FUND BALANCES, END OF YEAR	\$ -	\$ (6,788)	\$ -	\$ (6,788)

See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUND BY COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Special School District	Special School District Educational Facilities Authority	Eliminations	Total
REVENUES:				
Local	\$ 18,131,083	\$ -	\$ -	\$ 18,131,083
County	324,936	-	-	324,936
State	130,157	-	-	130,157
Federal	43,455	-	-	43,455
Total Revenues	18,629,631	-	-	18,629,631
EXPENDITURES:				
Capital outlay	11,984,195	-	-	11,984,195
Debt service:				
Interest	1,152,564	-	(1,141,950)	10,614
Principal	2,158,154	-	(2,090,000)	68,154
Total Expenditures	15,294,913	-	(3,231,950)	12,062,963
EXCESS OF REVENUES OVER EXPENDITURES	3,334,718	-	3,231,950	6,566,668
OTHER FINANCING USES:				
Transfers to other funds	-	(2,111)	(3,231,950)	(3,234,061)
Total Other Financing Uses	-	(2,111)	(3,231,950)	(3,234,061)
NET CHANGES IN FUND BALANCES	3,334,718	(2,111)	-	3,332,607
FUND BALANCES, BEGINNING OF YEAR	6,649,800	10,865	-	6,660,665
FUND BALANCES, END OF YEAR	\$ 9,984,518	\$ 8,754	\$ -	\$ 9,993,272

See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF SELECTED STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

County District Number 096-119

1. Calendar (Sections 160.041, 171.031 and 171.033 RSMO)

Report each unique calendar the district/charter school has as defined by Sections 160.041, 171.029, 171.031, and 171.033, RSMo.

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1015	1	12	-	7.0000	175	1,225.0000
1059	9	12	-	6.3333	173	1,095.6667
1069	9	12	-	6.2500	173	1,081.2500
1089	9	12	-	6.3333	173	1,095.6667
1100	9	12	-	6.3333	173	1,095.6667
1150	10	12	-	6.4167	173	1,110.0833
4029	K	8	-	6.4167	173	1,110.0833
4069	K	8	-	6.4167	172	1,103.6667
4269	K	8	-	6.2500	173	1,081.2500
9990	K	12	-	6.0833	173	1,052.4100

Notes:

2. Attendance Hours

Report the total number of PK-12 students allowed to be claimed for the calculation of Average Daily Attendance.

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1015	1-12	25,388.5000	-	-	-	-	25,388.5000
1059	9-12	89,650.6600	9,096.3100	-	828.3800	1,473.0000	101,048.3500
1069	9-12	72,424.9400	2,751.8300	-	-	1,159.0000	76,335.7700
1089	9-12	142,369.7300	3,722.8400	-	-	1,198.0000	147,290.5700
1100	9-12	240,669.6300	172,574.7400	-	361.8300	-	413,606.2000
1150	10-12	-	272,602.0900	-	19,552.1100	-	292,154.2000
4029	K-8	165,174.5000	2,892.8900	-	-	4,102.6400	172,170.0300
4069	K-8	109,438.4300	10,309.2400	-	882.9300	2,894.6400	123,525.2400
4269	K-8	47,635.2400	4,537.7500	-	-	790.0000	52,962.9900
9990	K-12	225,317.9498	28,508.0300	-	2,163.1300	39,604.0000	295,593.1098
		<u>1,118,069.5798</u>	<u>506,995.7200</u>	-	<u>23,788.3800</u>	<u>51,221.2800</u>	<u>1,700,074.9598</u>

Notes:

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

3. September Membership

Report the FTE count of resident students in grades PK-12 taken the last Wednesday in September who are enrolled on the count day and in attendance at least 1 of the 10 previous school days, by grade at each attendance center. This count should only include PK students marked as being eligible to be claimed for state aid in the October MOSIS Student Core File.

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1015	1-12	22.00	-	-	22.00
1059	9-12	100.00	9.45	1.00	110.45
1069	9-12	77.00	3.14	-	80.14
1089	9-12	157.00	4.10	-	161.10
1100	9-12	279.00	213.71	0.43	493.14
1150	10-12	-	329.81	27.09	356.90
4029	K-8	169.00	1.68	-	170.68
4069	K-8	125.00	4.06	1.00	130.06
4269	K-8	45.00	4.44	-	49.44
9990	K-12	357.00	35.04	2.43	394.47
		1,331.00	605.43	31.95	1,968.38

Notes:

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

Report the FTE count taken the last Wednesday in January of resident students enrolled in grades K-12 and in attendance at least 1 of the 10 previous school days whose eligibility for free or reduced lunch is documented through the application process using federal eligibility guidelines or through the direct certification process. Desegregation students are considered residents of the district in which the students are educated.

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
N/A	9.00	-	N/A	N/A	9.00
1015	7.00	-	-	-	7.00
1059	31.44	1.00	-	-	32.44
1069	10.71	-	-	-	10.71
1089	162.04	-	-	-	162.04
1100	457.21	-	0.86	-	458.07
1150	30.53	0.86	11.18	-	42.57
4029	155.68	-	-	-	155.68
4069	124.56	-	1.00	-	125.56
4269	16.80	-	-	-	16.80
9990	75.04	3.00	2.43	-	80.47
		1,080.01	4.86	15.47	1,100.34

Notes:

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

5. Finance

Answer the following questions with an appropriate response of true, false, or N/A unless otherwise noted.

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	TRUE
5.2	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of Average Daily Attendance for all students in accordance with all applicable state rules and regulations. Sampling of records included those students receiving instruction in the following categories:	
	Academic Programs Off-Campus	N/A
	Career Exploration Program – Off Campus	TRUE
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	N/A
	Dual enrollment	TRUE
	Homebound instruction	TRUE
	Missouri Options	N/A
	Prekindergarten eligible to be claimed for state aid	N/A
	Remediation	TRUE
	Sheltered Workshop participation	N/A
	Students participating in the school flex program	N/A
	Traditional instruction (full and part-time students)	TRUE
	Virtual instruction (MOCAP or other option)	TRUE
	Work Experience for Students with Disabilities	TRUE
5.3	The district/charter school maintained complete and accurate attendance records allowing for the accurate calculation of September Membership for all students in accordance with all applicable state rules and regulations.	TRUE
5.4	The district/charter school maintained complete and accurate attendance and other applicable records allowing for the accurate reporting of the State FTE count for Free and Reduced Lunch for all students in accordance with all applicable state rules and regulations.	TRUE
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	\$50,000
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	TRUE

See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

<u>Section</u>	<u>Question</u>	<u>Answer</u>
5.7	The district maintained a separate bank account for all Debt Service Fund monies in accordance with Section 108.180 and 165.011, RSMo. (Not applicable to charter schools)	<u>TRUE</u>
5.8	Salaries reported for educators in the October MOSIS Educator Core and Educator School files are supported by complete and accurate payroll and contract records.	<u>TRUE</u>
5.9	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. (Not applicable to charter schools.)	<u>N/A</u>
5.10	The district/charter school published a summary of the prior year's audit report within thirty days of the receipt of the audit pursuant to Section 165.121. RSMo.	<u>TRUE</u>
5.11	The district has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	<u>TRUE</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$406,264</u>

Notes:

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

6. Transportation (Section 163.161, RSMo)

Fill in the blank with the appropriate response of true, false, or N/A unless otherwise noted.

A.	The school transportation allowable costs substantially conform to 5 CSR 30 261.040, Allowable Costs for State Transportation Aid.	<u>TRUE</u>
B.	The District's school transportation ridership records are maintained in a manner to accurately disclose in all material respects the average number of regular riders transported.	<u>TRUE</u>
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	<u>1,253.0</u>
	• Ineligible ADT	<u>-</u>
D.	The District's transportation odometer mileage records are maintained in a manner to accurately disclose in all material respects the eligible and ineligible mileage for the year.	<u>TRUE</u>
E.	Actual odometer records show the total District-operated and contracted mileage for the year was:	<u>2,057,656</u>
	Of this total, the eligible non-disabled and students with disabilities route miles and ineligible non-route and disapproved miles (combined) was:	
	• Eligible Miles	<u>2,010,563</u>
	• Ineligible Miles (Non-Route/Disapproved)	<u>47,093</u>
F.	Number of days the District operated the school transportation system during the regular school year:	<u>173</u>

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

Finding #: _____

Management Letter Comment #: _____

Notes: _____



REPORT ON COMPLIANCE - STATE REQUIREMENTS

To the Members of the
Board of Education
Special School District of
St. Louis County, Missouri

We have audited the accompanying financial statements of the governmental activities and each major fund of the Special School District of St. Louis County, Missouri (the "District") as of and for the year ended June 30, 2021, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 3, 2021.

As required by the Revised Statutes of the State of Missouri, we have performed auditing procedures to test compliance with the budgetary statute (Chapter 67 RSMo) and the methods of maintaining pupil attendance and pupil transportation records for the year ended June 30, 2021. The management of the District is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the District's budgetary and disbursements procedures were in compliance, in all material respects, with the budgetary statute (Chapter 67 RSMo) for the year ended June 30, 2021. It is further our opinion that the pupil attendance and pupil transportation records are so maintained as to accurately disclose, in all material respects, the average daily attendance; resident membership on the last Wednesday of September; average number of pupils transported on a regular basis; mileage; and allowable costs for pupil transportation in compliance with state law and administrative rules for the year ended June 30, 2021.

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

Schowalter + Jabouri, P.C.
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
November 3, 2021

Federal Compliance Section



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

To the Members of the
Board of Education
Special School District of
St. Louis County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Special School District of St. Louis County, Missouri (the "District") as of and for the year ended June 30, 2021, 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 3, 2021.

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) as a basis for designing 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.

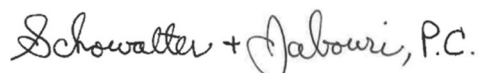
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Compliance and Other Matters

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

Purpose of this Report

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


SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
November 3, 2021



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

To the Members of the Board
of Education
Special School District of
St. Louis County, Missouri

Report on Compliance for Each Major Federal Program

We have audited the Special School District of St. Louis County, Missouri'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, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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.

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, 2021.

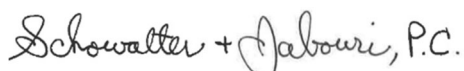
Report on Internal Control Over Compliance

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.


SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
November 3, 2021

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Program Title	Federal Assistance Listing	Pass-Through Identification Number	Passed through to Subrecipients	Expenditures
<u>U.S. Department of Education:</u>				
Direct Award - Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	N/A		\$ 509,648
Federal Direct Student Loans	84.268	N/A		889,821
Total Student Financial Assistance Cluster				<u>1,399,469</u>
Passed through Missouri Department of Elementary and Secondary Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	096-119		30,362,883
Special Education High Needs Fund	84.027	096-119		654,851
Assistive Technology Reimbursement Program	84.027	096-119		35,433
Subtotal Assistance Listing 84.027				<u>31,053,167</u>
Special Education - Preschool Grants	84.173	096-119		4,035,917
Total Special Education Cluster				<u>35,089,084</u>
Title IA Grants to Local Education Agencies	84.010	096-119		448,778
Title ID Grants to Local Education Agencies (Delinquent)	84.010	096-119		138,243
Subtotal Assistance Listing 84.010				<u>587,021</u>
Title IIA Improving Teacher Quality State Grants	84.367	096-119		73,291
Career and Technical Education	84.048	096-119	7,689	137,761
Education Stabilization Fund:				
COVID-19: ESSER I	84.425D	096-119		84,529
COVID-19: ESSER II	84.425D	096-119		1,700,271
Subtotal Assistance Listing 84.425D				<u>1,784,800</u>
Direct Award:				
COVID-19: Higher Education Emergency Relief Fund (HEERF)	84.425N	N/A		166,731
Subtotal Education Stabilization Fund				<u>1,951,531</u>
Total U.S. Department of Education				<u>39,238,157</u>
<u>U.S. Department of Agriculture:</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	096-119		178,306
National School Lunch Program	10.555	096-119		243,511
COVID-19: CARES Food & Nutrition Lunch Program	10.555	096-119		7,069
COVID-19: CARES Food & Nutrition Breakfast Program	10.555	096-119		7,437
Donated Foods	10.555	096-119		38,041
Subtotal Assistance Listing 10.553				<u>178,306</u>
Subtotal Assistance Listing 10.555				<u>296,058</u>
Total Child Nutrition Cluster				<u>474,364</u>
Total U.S. Department of Agriculture				<u>474,364</u>
<u>U.S. Department of Labor:</u>				
WIOA Cluster:				
Passed through St. Louis Agency on Training and Employment:				
WIOA Adult Program	17.258	N/A		105,840
Passed through Madison County Government:				
WIOA Adult Program	17.258	N/A		86,928
Passed Through Jefferson-Franklin Counties Office of Job Training Programs:				
WIOA Adult Program	17.258	N/A		2,769
Passed through Girls Inc of St. Louis:				
WIOA Adult Program	17.258	N/A		1,390
Passed through St. Clair County, Illinois:				
WIOA Adult Program	17.258	N/A		41,190
Passed through Missouri Department of Higher Education and Workforce Development:				
WIOA Dislocated Worker	17.278	N/A		19,414
Subtotal Assistance Listing 17.258				<u>238,117</u>
Subtotal Assistance Listing 17.278				<u>19,414</u>
Total WIOA Cluster				<u>257,531</u>
Total U.S. Department of Labor				<u>257,531</u>
<u>U.S. Department of the Treasury:</u>				
Passed through Missouri Department of Elementary and Secondary Education:				
COVID-19: Coronavirus Relief Fund - K-12 Support	21.019	096-119		275,028
COVID-19: Coronavirus Relief Fund - CARES PPE/Medical/Sanitation	21.019	096-119		76,006
Passed through St. Louis County, Missouri:				
COVID-19: Coronavirus Relief Fund - CARES PPE/Medical/Sanitation	21.019	096-119		92,451
Subtotal Assistance Listing 21.019				<u>443,485</u>
Total U.S. Department of the Treasury				<u>443,485</u>
<u>U.S. Department of Health & Human Services:</u>				
Passed through Missouri Department of Health and Senior Services:				
Workplace Wellness Mini Grant	93.758	096-119		4,389
Total U.S. Department of Health & Human Services				<u>4,389</u>
TOTAL				<u>\$ 40,417,926</u>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District under programs of the federal government for the fiscal year ended June 30, 2021. The District's reporting entity is defined in Note 1 to the District's financial statements. The information reported 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, changes in net position or cash flows of the District.

Note 2 - Significant Accounting Policies

The District prepares its Schedule of Expenditures of Federal Awards on the modified accrual basis of accounting which is described in Note 1 to the District's financial statements. 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 reimbursement.

Note 3 – Indirect Cost Rate

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 - Food Distribution

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

Note 5 - Insurance

The District did not have any federal insurance in effect during the fiscal year ended June 30, 2021.

Note 6 - Loans (Loan Guarantees)

Federal Direct Loan Program:

The District is responsible only for the performance of certain administrative duties with respect to the Federal Direct Loan Program. During the fiscal year ended June 30, 2021, the District processed \$889,821 under the Federal Loan Program. The balance of loans outstanding at June 30, 2021, is \$739,335.

Note 7 – Donated Personal Protective Equipment (Unaudited)

The District did not receive any donations of personal protective equipment during the fiscal year ended June 30, 2021.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified:	_____ Yes	<u> X </u> No	
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	<u> X </u> None reported	
Noncompliance material to financial statements noted?	_____ Yes	<u> X </u> No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified:	_____ Yes	<u> X </u> No	
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes	<u> X </u> None reported	
Type of auditors' report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)	_____ Yes	<u> X </u> No	

Identification of major programs:

Federal Assistance Listing

84.027, 84.173
84.425D, 84.425N

Name of Federal Program or Cluster

Special Education Cluster
Education Stabilization Fund

Dollar threshold used to distinguish between
Type A and Type B programs:

\$1,212,538

Auditee qualified as low-risk auditee?

 X Yes _____ No

2. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings which are required to be reported.

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings and questioned costs related to Federal Awards.