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

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

***JUNE 30, 2023***

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## INDEPENDENT AUDITORS' REPORT

Members of the Board of Education  
Special School District of St. Louis County, MO  
Town & Country, Missouri

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of Special School District of St. Louis County, MO (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 the District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison 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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

***Supplementary 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 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Capital Projects Fund, Combining Balance Sheet – Debt Service Fund by Component Unit, Combining Balance Sheet – Capital Projects Fund by Component Unit, Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Debt Service Fund by Component Unit, Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Projects Fund by Component Unit, and the schedule of expenditures of federal awards (SEFA) as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our

opinion, the accompany supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Schedule of Selected Statistics, except for the budgetary procedures, pupil attendance and pupil transportation records, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the 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 27, 2023, 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 solely 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.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
November 27, 2023

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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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, 2023. 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**

The District remains financially solvent with a 73.00% unrestricted (assigned/unassigned) fund balance in the general and special revenue funds. The District's increase in fund balances from 72.39% in fiscal year 2022 in the general fund was due to increases in revenue.

The School District's financial net position is 118.7 million, reflecting an increase from \$78.4 million in 2022. The increase in net position is mainly represented by the decrease in other post-employment; largely offset by an increase in deferred amounts related to pensions and other post-employment benefits, as well as an increase in cash and investments, capital assets and other assets. Overall, the District's financial position is strong at June 30, 2023.

General revenues totaled \$398.1 million, an increase of \$33.8 million over the prior year. These general revenues are 72.7% of all revenues, and are comprised mainly of local property taxes, which totaled \$321.5 million during fiscal year 2023. Program revenues, which include all grants and tuition fees, totaled \$149.6 million or 27.31% of total revenues in fiscal year 2023. Total revenue funded an average salary increase of 3.0% - 4.0%. Total expenses for the year were \$504.4 million, of which \$354.8 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 12 and 13) 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 14. 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.



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

### *Management's Discussion and Analysis (continued)*

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#### 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 12. 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 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 14 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.

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

*Management's Discussion and Analysis (continued)*

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The School District as a Whole

The School District's net position was \$118.7 million at June 30, 2023. Of this amount, 7.5 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 2023 compared to fiscal year 2022.

**(In Millions)**

	<b>Governmental Activities June 30,</b>	
	<b>2023</b>	<b>2022</b>
Current and Other Assets	\$ 426.8	\$ 403.0
Capital Assets	140.0	129.3
Deferred amounts related to pensions and Other Post-Emp Benefits	164.3	159.4
<b>Total Assets and Deferred Outflows of Resources</b>	<b>731.2</b>	<b>691.7</b>
Current and Other Liabilities	45.6	56.0
Long-term Liabilities	518.4	227.1
Deferred amounts related to pensions and Other Post-Emp Benefits	48.4	333.2
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>612.5</b>	<b>616.3</b>
Net Position		
Investment in Capital Assets	102.5	99.7
Restricted	8.7	4.7
Unrestricted	7.5	(29.0)
<b>Total Net Position</b>	<b>\$ 118.7</b>	<b>\$ 75.4</b>

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

*Management's Discussion and Analysis (continued)*

The results of this year's operations for the School District as a whole are reported in the Statement of Activities on page 13. This information is summarized below.

	<b>CHANGE IN NET POSITION</b>			<b>Total Percentage Change</b>
	<b>(In Millions)</b>			
	<b>Governmental Activities June 30,</b>			
	2023	2022		
Revenues:				
Program Revenues:				
Charges for Services	\$ 12.3	\$ 14.3		-13.7%
Operating Grants and Contributions	135.6	112.1		20.9%
Capital Grants and Contributions	1.7	0.2		725.3%
General Revenues:				
Property and Sales Taxes	331.0	312.2		6.0%
State Aid	51.5	51.4		0.1%
Other	15.6	0.7		2132.0%
<b>Total Revenues</b>	<b>547.7</b>	<b>490.9</b>		<b>11.6%</b>
Functions/Program Expenses:				
Instruction - Special Education	279.7	224.1		24.8%
Instruction - Vocational Education	10.6	12.3		-13.8%
Student Services	98.5	84.7		16.3%
Instructional Staff Support	13.0	10.6		22.6%
Building Administration	16.7	13.4		24.6%
Executive Administration	21.2	21.2		0.0%
Business Services	17.5	15.5		12.9%
Operation of Plant	9.9	9.2		7.9%
Transportation	32.1	31.6		1.6%
Food Services	0.8	0.9		-15.1%
Adult Education	3.1	2.6		21.1%
Community Services	0.8	0.6		26.6%
Unallocated Depreciation	0.1	0.1		33.9%
Debt Service:				
Interest and other charges	0.3	1.0		-65.0%
<b>Total Functions/Program Expenses</b>	<b>504.4</b>	<b>427.8</b>		<b>17.9%</b>
Decrease in Net Position	\$ 43.3	\$ 63.1		

**Governmental Activities**

The cost of all governmental activities totaled \$504.4 million in fiscal year 2023. The School District's taxpayers funded \$354.8 million or 70.3% 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%, offset by savings from attrition and vacancies and a one-time stipend in 2023. The one-time board approved stipend given in 2023 was charged to executive administration.

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

### Management's Discussion and Analysis (continued)

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In addition to taxpayer funding, charges for services funded \$14.3 million or 2.4% of the governmental activities' cost and grants funded \$135.6 million or 26.9% of such costs in fiscal year 2023.

The School District's increase in net position is mainly attributable to an increase of \$23.5 million in operating grants and contributions which consists of an increase of \$5.3 million in IDEA Grants, \$6.0 million in Medicaid, \$13.2 million in transportation, offset by a decrease of (\$0.4) million in Child Nutrition funding, (\$0.1) million in Pell Grants. Total expense increased by \$76.5 million, or 17.9% from fiscal year 2022.

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 70.3% for fiscal year 2023, a decrease of 0.1% over 2022, which was 70.4%.

	<b>Year Ended June 30,</b>			
	<b>(in millions)</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Governmental Activities:				
Instruction - Special Education	\$ 279.7	\$ 156.1	\$ 224.1	\$ 110.2
Instruction - Vocational Education	10.6	9.0	12.3	10.7
Student Services	98.5	98.5	84.7	84.7
Transportation	32.1	12.1	31.6	24.6
Administration	37.9	37.9	34.6	34.6
Other Support Services	45.1	40.8	39.4	35.3
Interest and Other Charges	0.3	0.3	1.0	1.0
Unallocated Depreciation	0.1	0.1	0.1	0.1
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Governmental Activities</b>	<b>\$ 504.4</b>	<b>\$ 354.8</b>	<b>\$ 427.8</b>	<b>\$ 301.2</b>

### 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 \$371.2 million at June 30, 2023, which represented an increase of \$29.6 million from the prior year.

### 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 2023 was approved by the School Board and the Governing Council in May and June 2022, respectively. A revised budget was presented to the School Board and Governing Council in November and December 2022, respectively.

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

*Management's Discussion and Analysis (continued)*

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The final revised budget for general fund revenue totaled \$277.5 million compared to the original budget of \$241.7 million.

The final revised budget for general fund expenditures totaled \$238.5 million compared to the original budget of \$226.4 million.

**Special Revenue Fund Budget Highlights**

The final revised budget for special revenue fund revenue totaled \$238.9 million compared to the original budget of \$230.2 million.

The final revised budget for special revenue fund expenditures totaled \$262.7 million compared to the original budget of \$263.6 million.

**Capital Assets and Debt Administration**

*Capital Assets:*

At June 30, 2023, the School District had capital assets with a net book value of \$144.0 million which is an increase of \$14.8 million from fiscal year 2022. This reflects net capital additions of \$19.1 million partially offset by net depreciation and amortization expense of \$7.6 million and a loss of \$0.3 million on disposal of assets.

**NET BOOK VALUE**

	<b>Governmental Activities</b>	
	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Land	\$ 2,738,098	\$ 2,738,100
Buildings, land improvements and construction in progress	124,564,509	114,191,043
Vehicles and equipment	10,377,023	10,694,780
Leased buildings, equipment and vehicles	2,351,579	1,646,535
SBITA	3,994,545	-
<b>Total</b>	<b>\$ 144,025,754</b>	<b>\$ 129,270,458</b>

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

### Management's Discussion and Analysis (continued)

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#### *Debt:*

At June 30, 2023, the School District had \$22.3 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.

<b>Facilities Authority</b>	<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>
Leasehold Revenue Bonds - by issue date:		
February 2020	\$ 4,635,000	\$ 5,460,000
January 2022	17,700,000	19,055,000
<b>Total Facilities Authority</b>	<b>22,335,000</b>	<b>24,515,000</b>

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, leases payable, and other liabilities that amount to approximately \$496.1 million. Refer to Notes 4, 5 and 10 for more information concerning long-term liabilities.

#### 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 Deedra Sagerty, Chief Operations Officer, at Special School District, 12110 Clayton Road, Town & Country, Missouri 63131.

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## Basic Financial Statements

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

**STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<b>Governmental Activities</b>
	Consolidated Trial Balance
<b>-- ASSETS --</b>	\$ 359,180,292
Cash and investments	\$ 359,180,292
Property taxes receivable, net of allowance for uncollectible amount of \$3,943,490	8,032,122
Grants and other receivables	54,457,892
Prepaid items	591,411
Inventory	347,633
Restricted cash and investments	220,059
Subscription asset, net of accumulated amortization	3,994,545
Capital Assets:	
Land	2,738,098
Construction in progress	5,594,495
Other capital assets, net of accumulated depreciation and amortization	131,698,616
<b>Total Assets</b>	<b>566,855,163</b>
<b>-- DEFERRED OUTFLOWS OF RESOURCES --</b>	
Deferred amounts related to pensions	139,886,311
Deferred amounts related to other post-employment benefits	24,440,332
<b>Total Deferred Outflows of Resources</b>	<b>164,326,643</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 731,181,806</b>
<b>-- LIABILITIES --</b>	
Accounts payable	\$ 39,044,882
Accrued expenditures:	
Salaries and related benefits	1,991,826
Medical and dental claims	3,498,999
Interest	223,350
Other liabilities	697,488
Due to student activity program	173,169
Unearned revenues	3,151
Long-term liabilities:	
Due within one year	12,908,455
Due in more than one year	29,040,505
Net pension liability	380,863,190
Other post-employment benefits liability	95,617,709
<b>Total Liabilities</b>	<b>564,062,725</b>
<b>-- DEFERRED INFLOWS OF RESOURCES --</b>	
Deferred charge on refunding	280,162
Deferred amounts related to pensions	17,291,887
Deferred amounts related to other post-employment benefits	30,852,063
<b>Total Deferred Inflows of Resources</b>	<b>48,424,112</b>
<b>-- NET POSITION --</b>	
Net investment in capital assets	102,522,080
Restricted for:	
Capital projects	8,496,384
Workers' compensation claims	202,220
Unrestricted	7,474,286
<b>Total Net Position</b>	<b>118,694,970</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 731,181,806</b>

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, 2023**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions		
Expenses				Total Governmental Activities	
<b>GOVERNMENTAL ACTIVITIES:</b>					
Instruction	\$ 290,290,027	\$ 11,307,459	\$ 112,229,377	\$ 1,650,583	\$ (165,102,608)
Attendance	11,467,015	-	-	-	(11,467,015)
Guidance	3,969,338	-	-	-	(3,969,338)
Health services	83,068,425	-	-	-	(83,068,425)
Improvement of instruction	12,456,093	-	276,158	-	(12,179,935)
Professional development	499,649	-	-	-	(499,649)
Media services	657,246	-	-	-	(657,246)
Board of Education services	2,843,185	-	-	-	(2,843,185)
Executive administration	17,654,008	-	-	-	(17,654,008)
Building level administration	16,685,877	-	-	-	(16,685,877)
Business, fiscal and internal services	5,334,415	-	-	-	(5,334,415)
Operation of plant	10,050,267	14,308	-	-	(10,035,959)
Pupil transportation	32,099,848	-	20,036,326	-	(12,063,522)
Food services	764,166	48,280	531,455	-	(184,431)
Central office support services	12,159,339	-	-	-	(12,159,339)
Adult continuing education	3,149,368	971,094	1,754,868	-	(423,406)
Community services	759,844	-	753,547	-	(6,297)
Debt service:					
Interest	349,519	-	-	-	(349,519)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 504,391,503</b>	<b>\$ 12,341,141</b>	<b>\$ 135,581,731</b>	<b>\$ 1,650,583</b>	<b>(354,818,048)</b>

**General Revenues**

Taxes:	
Property	321,520,645
Sales	9,466,698
State aid	51,466,978
Investment earnings	13,636,063
Miscellaneous	1,987,898

**TOTAL GENERAL REVENUES** 398,078,282

**CHANGE IN NET POSITION** 43,260,234

**NET POSITION, BEGINNING OF  
YEAR** 75,434,736

**NET POSITION, END OF YEAR** \$ 118,694,970

See accompanying notes to basic financial statements

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

**BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>-- ASSETS --</b>					
Cash and investments	\$ 359,180,292	\$ -	\$ -	\$ -	\$ 359,180,292
Property taxes - net of allowance for uncollectible amount	3,600,017	3,875,495	-	556,610	8,032,122
Grants and other receivables	48,092,870	4,906,862	-	1,458,160	54,457,892
Interfund receivables	-	-	-	6,826,373	6,826,373
Prepaid items	591,411	-	-	-	591,411
Inventory	347,633	-	-	-	347,633
Restricted cash and investments	213,191	-	2,183	4,685	220,059
<b>TOTAL ASSETS</b>	<b>\$ 412,025,414</b>	<b>\$ 8,782,357</b>	<b>\$ 2,183</b>	<b>\$ 8,845,828</b>	<b>\$ 429,655,782</b>
<b>-- LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES --</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 39,044,882	\$ -	\$ -	\$ -	\$ 39,044,882
Accrued expenditures:					
Salaries and related benefits	1,247,490	744,336	-	-	1,991,826
Medical and dental claims	3,498,999	-	-	-	3,498,999
Other liabilities	365,745	-	-	331,743	697,488
Due to student activity program	173,169	-	-	-	173,169
Unavailable revenues	3,151	-	-	-	3,151
Interfund payables	1,797,892	5,028,481	-	-	6,826,373
<b>Total Liabilities</b>	<b>46,131,328</b>	<b>5,772,817</b>	<b>-</b>	<b>331,743</b>	<b>52,235,888</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	2,795,064	3,009,540	-	447,043	6,251,647
<b>FUND BALANCES:</b>					
Nonspendable:					
Inventory	347,633	-	-	-	347,633
Prepaid items	591,411	-	-	-	591,411
Restricted for:					
Capital projects	10,971	-	-	8,067,042	8,078,013
Debt service	-	-	2,183	-	2,183
Workers' compensation claims	202,220	-	-	-	202,220
Assigned for subsequent budget deficit	28,524,157	-	-	-	28,524,157
Unassigned	333,422,630	-	-	-	333,422,630
<b>Total Fund Balances</b>	<b>363,099,022</b>	<b>-</b>	<b>2,183</b>	<b>8,067,042</b>	<b>371,168,247</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 412,025,414</b>	<b>\$ 8,782,357</b>	<b>\$ 2,183</b>	<b>\$ 8,845,828</b>	<b>\$ 429,655,782</b>

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, 2023**

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<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 371,168,247
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$5,238,876 and the accumulated amortization is \$1,244,331	3,994,545
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$229,096,377 and the accumulated depreciation and amortization is \$89,059,889	140,031,209
Unpaid property taxes at June 30, 2022 less July and August receipts are recorded as deferred revenue in the governmental funds.	6,251,647
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	(223,350)
Long-term liabilities, including bonds and lease liability, are not due and payable in the current period and therefore are not reported in the governmental funds:	
Subscriptions	(4,028,907)
Leases	(2,297,445)
Leasehold revenue bonds	(22,335,000)
PTO leave benefits	(2,590,351)
Workers' compensation claims	(5,618,979)
Unemployment benefits	(25,106)
Vacation pay	(2,575,541)
Unamortized bond premium	(2,545,496)
Deferred amount on refunding	(280,162)
Liability claims	67,864
Other post-employment benefits	(95,617,709)
Net pension liability – PSRS	(324,550,455)
Net pension liability – PEERS	(56,312,735)
Deferred outflows of resources – PSRS	117,608,268
Deferred outflows of resources – PEERS	22,278,043
Deferred inflows of resources – PSRS	(15,260,558)
Deferred inflows of resources - PEERS	(2,031,329)
Deferred inflows of resources – other post-employment benefits, net	(6,411,731)
Total	<u>(402,527,328)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 118,694,970</u></u>

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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>					
Local Sources:					
Property taxes	\$ 141,081,248	\$ 151,892,071	\$ -	\$ 22,192,218	\$ 315,165,537
Sales tax	-	9,466,698	-	-	9,466,698
Adult education	971,094	-	-	-	971,094
Investment income	13,633,612	-	2,320	-	13,635,932
Food service	48,280	-	-	-	48,280
Desegregation program	6,260,633	-	-	-	6,260,633
Other local	778,007	259,968	-	38,114	1,076,089
<b>Total Local</b>	<b>162,772,874</b>	<b>161,618,737</b>	<b>2,320</b>	<b>22,230,332</b>	<b>346,624,263</b>
County Sources:					
Fines, forfeitures, escheat	-	17,436	-	-	17,436
State assessed	2,374,683	2,556,651	-	373,540	5,304,874
<b>Total County</b>	<b>2,374,683</b>	<b>2,574,087</b>	<b>-</b>	<b>373,540</b>	<b>5,322,310</b>
State Sources:					
Basic formula	12,610,010	38,856,968	-	-	51,466,978
Transportation	20,036,326	-	-	-	20,036,326
High needs fund	16,840,540	-	-	-	16,840,540
Early childhood	17,211,009	10,548,683	-	-	27,759,692
Vocational tech aid	1,137,492	-	-	150,821	1,288,313
State grants and contributions	1,223,629	-	-	-	1,223,629
<b>Total State</b>	<b>69,059,006</b>	<b>49,405,651</b>	<b>-</b>	<b>150,821</b>	<b>118,615,478</b>
Federal Sources:					
Medicaid	17,379,647	-	-	-	17,379,647
Entitlement	13,326,851	26,700,000	-	-	40,026,851
School breakfast/lunch	517,191	-	-	-	517,191
Early childhood	3,603,219	-	-	-	3,603,219
Other federal sources	7,415,526	291,642	-	1,499,761	9,206,929
<b>Total Federal</b>	<b>42,242,434</b>	<b>26,991,642</b>	<b>-</b>	<b>1,499,761</b>	<b>70,733,837</b>
Contracted educational services	6,098,040	-	-	-	6,098,040
<b>Total Revenues</b>	<b>282,547,037</b>	<b>240,590,117</b>	<b>2,320</b>	<b>24,254,454</b>	<b>547,393,928</b>

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, 2023**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Total Governmental Funds</b>
<b>EXPENDITURES:</b>					
Current:					
Instruction	122,374,327	164,186,022	-	-	286,560,349
Attendance	11,292,568	220,112	-	-	11,512,680
Guidance	1,033,806	2,960,412	-	-	3,994,218
Health services	26,247,901	57,112,669	-	-	83,360,570
Improvement of instruction	2,897,547	9,508,562	-	-	12,406,109
Professional development	476,324	23,767	-	-	500,091
Media services	480,824	160,214	-	-	641,038
Board of Education services	2,532,392	307,381	-	-	2,839,773
Executive administration	9,265,556	8,384,652	-	-	17,650,208
Building level administration	2,848,061	13,755,871	-	-	16,603,932
Business, fiscal and internal services	4,786,056	68,426	-	-	4,854,482
Operation of plant	9,645,827	-	-	-	9,645,827
Pupil transportation	30,689,398	-	-	-	30,689,398
Food services	683,842	-	-	-	683,842
Central office support services	10,534,807	969,688	-	-	11,504,495
Adult continuing education	1,615,177	1,536,079	-	-	3,151,255
Community services	475,250	291,642	-	-	766,892
Capital outlay	-	-	-	16,891,943	16,891,943
Debt service:					
Principal	-	-	2,180,000	445,892	2,625,892
Interest	-	-	980,600	4,223	984,823
<b>Total Expenditures</b>	<b>237,879,664</b>	<b>259,485,496</b>	<b>3,160,600</b>	<b>17,342,058</b>	<b>517,867,818</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>44,667,373</b>	<b>(18,895,379)</b>	<b>(3,158,280)</b>	<b>6,912,396</b>	<b>29,526,110</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfer (to) from other funds	(18,895,379)	18,895,379	3,157,249	(3,157,249)	-
Proceeds from the sale of capital assets	-	-	-	103,674	103,674
<b>Total Other Financing Sources (Uses)</b>	<b>(18,895,379)</b>	<b>18,895,379</b>	<b>3,157,249</b>	<b>(3,053,575)</b>	<b>103,674</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>25,771,994</b>	<b>-</b>	<b>(1,031)</b>	<b>3,858,821</b>	<b>29,629,784</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>337,327,028</b>	<b>-</b>	<b>3,214</b>	<b>4,208,221</b>	<b>341,538,463</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 363,099,022</b>	<b>\$ -</b>	<b>\$ 2,183</b>	<b>\$ 8,067,042</b>	<b>\$ 371,168,247</b>

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, 2023**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL BALANCES** \$ 29,629,784

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 or amortization expense. This is

Capital asset additions	17,481,264	
Subscription asset additions	5,238,876	
Depreciation and amortization expense	<u>(7,625,593)</u>	15,094,547

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. 493,382

The governmental funds report bond proceeds and lease liability 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:

Inception of lease liability and leasehold revenue bonds	(1,607,912)	
Repayment of bond and lease principal	3,152,138	
Inception of subscription assets	(5,160,211)	
Repayment of subscription liabilities	1,131,304	
Interest expense	21,800	
Amortization of deferred amount on refunding	57,955	
Amortization of bond premium	<u>555,550</u>	(1,849,377)

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	-	
Gain (loss) on disposal of capital assets	<u>(339,248)</u>	(339,248)

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	(221,257)	
Workers' compensation claims	(1,227,608)	
Unemployment benefits	(1,161)	
Liability claims	608,533	
Other post-employment benefits	(4,929,156)	
Pension expense - PSRS	5,166,602	
Pension expense - PEERS	<u>835,193</u>	231,146

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 43,260,234

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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**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.

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

### *Notes to Basic Financial Statements (continued)*

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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 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.

#### 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.



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

### *Notes to Basic Financial Statements (continued)*

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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 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.

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

### *Notes to Basic Financial Statements (continued)*

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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 property taxes, available generally means expected to be received within sixty (60) days of year end. For grants, entitlements and donations, available generally means expected to be received within nine (9) months 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.

*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.

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

*Notes to Basic Financial Statements (continued)*

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The assessed valuations of the tangible taxable property for the calendar years 2023 and 2022 for purposes of local taxation were \$30,457,910,080 and \$29,270,136,151, respectively.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2023 and 2022 for purposes of local taxation were:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
General Fund	\$ 0.4698	\$ 0.4596
Special Revenue Fund	0.5058	0.4944
Capital Projects Fund	0.0739	0.0618
Total	<u>\$ 1.0495</u>	<u>\$ 1.0158</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2023, aggregated approximately 96.0% of the current assessment computed on the basis of the levy as shown above.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, 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 construction projects.

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.

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

*Notes to Basic Financial Statements (continued)*

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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:

<b>Assets</b>	<b>Years</b>
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

**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, 2023, amounted to approximately \$2,576,000 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 \$2,590,000 and has been recorded as an expense in the government-wide financial statements.

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

### *Notes to Basic Financial Statements (continued)*

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#### 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 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. An Annual Comprehensive Financial Report (ACFR) can be obtained at [www.psrs-peers.org](http://www.psrs-peers.org).

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

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

### *Notes to Basic Financial Statements (continued)*

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#### 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, 2023, 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 District's restricted fund balance at June 30, 2023, 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, 2023.

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."

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.

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

### *Notes to Basic Financial Statements (continued)*

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#### 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, 2023, 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 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, 2023, 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, 2023.

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, 2023.

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

### *Notes to Basic Financial Statements (continued)*

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#### 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.

#### Adoption of New Accounting Standard

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. This standard requires the recognition of a subscription liability and an intangible right-to-use subscription asset for SBITA arrangements that a government has with software vendors.

The District adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period adoption.

## **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).



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

*Notes to Basic Financial Statements (continued)*

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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) and in the Missouri Capital Asset Advantage Treasury (MOCAAT). MOSIP and MOCAAT are external investment pools 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 for each program, comprised of Missouri school administrators, school board members, and school business officials provides governance and oversight of MOSIP's and MOCAAT's operations. The boards seek to maintain a stable net position value of \$1 per share. A separately issued financial statement for MOSIP can be obtained by contacting 1-877-MY-MOSIP. A separately issued financial statement for MOCAAT can be obtained by contacting PMA Financial Network, LLC, at 1-866-403-4638.

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

*Notes to Basic Financial Statements (continued)*

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The deposits and investments held at June 30, 2023, are as follows:

<b>Type</b>	<b>Carrying Value</b>
Deposits:	
Demand deposits	\$ 18,116,721
Certificates of deposit	35,000,000
Cash on hand	2,000
<b>Total Deposits</b>	<b>53,118,721</b>
Investments:	
U.S. Treasury Bills	11,784,960
External investment pools	113,811,675
Federal agency bonds	9,885,111
Money market mutual funds	6,866
Commercial paper	170,793,013
<b>Total Investments</b>	<b>306,281,625</b>
<b>Total Deposits and Investments</b>	<b>\$ 359,400,346</b>

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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, 2023, 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, 2023, are provided as follows:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Investment Maturities (In Years)</b>		
		<b>No Maturity</b>	<b>Less than 1</b>	<b>1 - 5</b>
U.S. Treasury Bills	\$ 11,784,960	\$ -	\$ 11,784,960	\$ -
U.S. Treasury Notes	-	-	-	-
External investment pool	113,811,675	113,811,675	-	-
Federal agency bonds	9,885,111	-	9,885,111	-
* Money market mutual funds	6,866	6,866	-	-
Commercial paper	170,793,013	-	170,793,013	-
	<b>\$ 306,281,625</b>	<b>\$ 113,818,541</b>	<b>\$ 192,463,084</b>	<b>\$ -</b>

\* 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, 2023, the District's investments were rated as follows:

<b>Description</b>	<b>Financial Institution</b>	<b>Amount</b>	<b>Rating</b>
U.S. Treasury Bills	UMB	\$ 11,784,960	N/A
External Investment Pool -			
MOSIP Liquid Series	MOSIP	81,906,609	AAAm
MOCAAT Liquid Series	MOCAAT	31,905,066	AAAm
Federal agency bonds	Commerce	9,885,111	AAAm
* Money market mutual funds	UMB Bank	6,866	AAAm
Commercial paper	UMB Bank	67,264,175	P-1
Commercial paper	Commerce	103,528,838	P-1

\* Represents investments of the Facilities Authority

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

*Notes to Basic Financial Statements (continued)*

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, 2023, the District did not have any concentrations of investment credit risk required to be disclosed.

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, 2023 is as follows:

	<b>Balance June 30, 2022</b>	<b>Additions and Transfers</b>	<b>Disposals and Transfers</b>	<b>Balance June 30, 2023</b>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,738,098	\$ -	\$ -	\$ 2,738,098
Construction in Progress	10,386,078	5,228,930	10,020,513	5,594,495
<b>Total Capital Assets, Not Being Depreciated</b>	<b>13,124,176</b>	<b>5,228,930</b>	<b>10,020,513</b>	<b>8,332,593</b>
Capital Assets, Being Depreciated or Amortized:				
Land improvements	2,644,912	-	-	2,644,912
Buildings and building improvements	155,851,436	18,757,460	-	174,608,896
Machinery and equipment	24,114,981	1,982,108	386,283	25,710,806
Vehicles	14,956,755	-	72,138	14,884,617
Leased buildings	1,408,503	-	-	1,408,503
Leased machinery and equipment	230,051	1,405,259	45,593	1,589,717
Leased vehicles	570,474	128,018	12,920	685,572
Subscriptions	-	5,238,876	-	5,238,876
<b>Total Capital Assets, Being Depreciated</b>	<b>199,777,112</b>	<b>27,511,721</b>	<b>516,934</b>	<b>226,771,899</b>
Less - Accumulated Depreciation For:				
Land improvements	2,295,588	108,074	-	2,403,662
Buildings and building improvements	52,395,795	3,507,324	22,987	55,880,132
Machinery and equipment	18,862,314	1,027,013	78,152	19,811,175
Vehicles	9,514,642	910,618	18,035	10,407,225
Less - Accumulated Amortization For:				
Leased assets	562,493	807,516	37,796	1,332,213
Less - Accumulated Amortization For: SBITA	-	1,244,331	-	1,244,331
<b>Total Accumulated Depreciation and Amortization</b>	<b>83,630,832</b>	<b>7,604,876</b>	<b>156,970</b>	<b>91,078,738</b>
<b>Total Capital Assets, Being Depreciated or Amortized, Net</b>	<b>116,146,280</b>	<b>19,906,845</b>	<b>359,964</b>	<b>135,693,161</b>
<b>Governmental Activities, Capital Assets, Net</b>	<b>\$ 129,270,456</b>	<b>\$ 25,135,775</b>	<b>\$ 10,380,477</b>	<b>\$ 144,025,754</b>

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

*Notes to Basic Financial Statements (continued)*

Depreciation and amortization were charged to functions of the District as follows:

Instruction	\$ 4,014,501
Attendance	12,147
Guidance	4,555
Health services	59,215
Improvement of instruction	63,929
Media services	5,559
Executive administration	837,726
Building level administration	67,760
Business, fiscal and internal services	453,735
Operation of plant	552,941
Pupil transportation	1,409,640
Food services	92,005
Adult continuing education	31,163
	<u>\$ 7,604,876</u>

**4. LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2023, is as follows:

	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2023</b>	<b>Amounts Due Within One Year</b>
Governmental Activities:					
Leasehold revenue bonds	\$ 24,515,000	\$ -	\$ 2,180,000	\$ 22,335,000	\$ 2,295,000
Plus: bond premium	3,101,046	-	555,550	2,545,496	-
Leasehold revenue bonds, net	<u>27,616,046</u>	-	<u>2,735,550</u>	<u>24,880,496</u>	<u>2,295,000</u>
Leases	1,661,671	1,533,277	897,503	2,297,445	801,130
Sick leave benefits	2,694,021	20,113,155	20,216,825	2,590,351	414,743
Vacation pay	2,250,614	2,732,484	2,407,557	2,575,541	2,575,541
Workers' compensation claims	4,391,371	5,329,234	4,101,626	5,618,979	5,618,979
Unemployment benefits	23,945	43,631	42,470	25,106	25,106
Liability claims	540,669	2,097,631	2,706,164	(67,864)	(67,864)
Subscriptions	-	5,238,876	1,209,969	4,028,907	1,245,819
Total governmental activities	<u>\$ 39,178,337</u>	<u>\$ 37,088,288</u>	<u>\$ 34,317,664</u>	<u>\$ 41,948,961</u>	<u>\$ 12,908,454</u>

Leasehold Revenue Bonds

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

Leases Payable

The District leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028 and provide for renewal options ranging from one month to five years.

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

*Notes to Basic Financial Statements (continued)*

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Total future minimum lease payments under lease agreements are as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 801,130	\$ 58,818	\$ 859,948
2025	593,784	35,919	629,703
2026	566,936	15,535	582,471
2027	172,244	7,679	179,923
2028	163,351	2,354	165,705
	<b>\$ 2,297,445</b>	<b>\$ 120,305</b>	<b>\$ 2,417,750</b>

Subscriptions

The future principal and interest payments on subscriptions are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 1,245,819	\$ 107,189	\$ 1,353,008
2025	978,580	70,800	1,049,380
2026	598,911	47,502	646,413
2027	589,700	28,332	618,032
2028	482,088	10,527	492,615
2028 - 2033	133,809	535	134,344
<b>Total</b>	<b>\$ 4,028,907</b>	<b>\$ 264,885</b>	<b>\$ 4,293,792</b>

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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

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

*Notes to Basic Financial Statements (continued)*

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

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

### *Notes to Basic Financial Statements (continued)*

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*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.psrs-peers.org](http://www.psrs-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 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.



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

### *Notes to Basic Financial Statements (continued)*

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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 2021, 2022 and 2023. 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 2021, 2022 and 2023. 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 \$32,020,500 and \$9,891,153, respectively, for the year ended June 30, 2023.

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

At June 30, 2023, the District recorded a liability of \$324,550,455 for its proportionate share of the PSRS net pension liability and \$56,312,735 for its proportionate share of the PEERS net pension liability. In total the District recorded net pension liabilities of \$380,863,190. The net pension liability for the plans in total was measured as of June 30, 2022, 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 \$32,047,559 and \$8,922,674, respectively, for the year ended June 30, 2022, relative to the total contributions of \$763,765,597 for PSRS and \$133,912,935 for PEERS from all participating employers. June 30, 2022, the District's proportionate share was 4.1962% for PSRS and 6.6634% for PEERS.

For the year ended June 30, 2023, the District recognized pension expense (income) of \$26,839,182 for PSRS and \$9,068,243 for PEERS, its proportionate share of the total pension expense (income). Pension expense is the change in the net pension liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

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

*Notes to Basic Financial Statements (continued)*

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	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	\$ 58,139,899	\$ 4,775,716	\$ 8,984,625	\$ 59,745	\$ 67,124,524	\$ 4,835,461
Changes in assumptions	21,179,364	-	2,105,097	-	23,284,461	-
Net difference between projected and actual earnings on pension plan investments	-	9,358,406	-	1,401,612	-	10,760,018
Changes in proportion and differences between District contributions and proportionate share of contributions	6,268,339	1,126,270	1,297,334	570,138	7,565,673	1,696,408
Employer contributions subsequent to the measurement date	32,020,500	-	9,891,153	-	41,911,653	-
<b>Total</b>	<b>\$ 117,608,102</b>	<b>\$ 15,260,392</b>	<b>\$ 22,278,209</b>	<b>\$ 2,031,495</b>	<b>\$ 139,886,311</b>	<b>\$ 17,291,887</b>

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2022, will be recognized as a reduction to the net pension liability in the year ended June 30, 2023. 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
2024	\$ 11,676,166	\$ 5,427,505	\$ 17,103,671
2025	3,730,121	1,215,091	4,945,212
2026	(7,254,820)	(5,038,646)	(12,293,466)
2027	58,352,404	8,751,755	67,104,159
2028	3,821,786	-	3,821,786
<b>Total</b>	<b>\$ 70,325,657</b>	<b>\$ 10,355,705</b>	<b>\$ 80,681,362</b>

***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 May 2021. All economic and demographic assumptions were reviewed and certain assumptions were updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuation. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

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

*Notes to Basic Financial Statements (continued)*

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

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Measurement date	June 30, 2022
Valuation date	June 30, 2022
Expected return on investments	7.30 %, net of investment expenses and including 2.00% inflation
Inflation	2.00% per annum
Total payroll growth	<p>PSRS 2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.</p> <p>PEERS 2.50% per annum, consisting of 2.00% 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>
Future salary increases	<p>PSRS 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.125% of real wage growth due to productivity, and real wage growth for merit.</p> <p>PEERS 3.25% - 9.75%, depending on service and including 2.00% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, 0.25% of real wage growth due to productivity, and real wage growth for merit.</p>
Cost-of-living increases	<p>PSRS &amp; PEERS Given that the actual increase in the CPI-U index from June 2021 to June 2022 was 9.06%, the Board approved an actual cost-of-living adjustment (COLA) as for January 1, 2023 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2024 and January 1, 2025, and 1.35% each January 1, thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. 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"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> <li>- If the CPI decreases, no COLA is provided.</li> </ul> <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)*

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

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Mortality assumptions:

Actives	PSRS	Experience-adjusted Pub-2010 Teachers Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.
	PEERS	Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees with generational projection using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.
Non-disabled retirees, beneficiaries and survivors	PSRS	Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 Teachers Mortality Table for Healthy Retirees and the Pub-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experienced-based adjustment factors shown in the tables below at all ages for both males and females.

	<u>Males</u>	<u>Females</u>
Non-Disabled	1.10	1.04
Contingent Survivor	1.18	1.07

PEERS	Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the Pub-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected generationally using the MP-2020 improvement scale and multiplied by the experienced-based adjustment factors shown in the tables below at all ages for both males and females.
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	<u>Males</u>	<u>Females</u>
Non-Disabled	1.13	0.94
Contingent Survivor	1.01	1.07

Disabled retirees	PSRS	Experience-adjusted Pub-2010 Teacher Disability Mortality Table, projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.
	PEERS	Experience-adjusted Pub-2010 General Disability Mortality Table projected generationally using the MP-2020 improvement scale. Experience adjustments are equal to the healthy retiree experience-based adjustment factors at all ages for both males and females.

Changes in Actuarial Assumptions and Methods	PSRS & PEERS	An experience study was completed in May 2021 resulting in an updates to the actuarial assumptions for the June 30,2021 valuation. There were no further updated to the actuarial assumptions and methods for the June 30, 2022 valuation.
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Fiduciary net position	The Systems issue a publicly available financial report (ACFR) that can be obtained at <a href="http://www.psr-peers.org">www.psr-peers.org</a> .
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## SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

### *Notes to Basic Financial Statements (continued)*

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

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, <i>Selection of Economic Assumptions for Measuring Pension Obligations</i> . ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2022 are summarized below.
Discount rate	The long-term expected rate of return used to measure the total pension liability was 7.30% as of June 30, 2022, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return of 7.30% consistent with the June 30, 2021 valuations based on the actuarial experience studies conducted during the 2021 fiscal year. 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 liabilities to changes in the discount rate is presented below. The District's net pension liabilities calculated using the discount rate of 7.30% is presented as well as the net pension liabilities (assets) using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

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

*Notes to Basic Financial Statements (continued)*

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<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Real Return Arithmetic Basis</b>
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	15.0%	-0.02%
U.S. TIPS	0.0%	0.29%
Private Credit	8.0%	5.61%
Private Equity	21.0%	10.90%
Private Real Estate	11.0%	7.47%
Total	<u>100.0%</u>	

	Discount rate	1.0% Decrease	Current Rate	1.0% Increase
PSRS	Proportionate share of the Net Pension Liability / (Asset)	\$ 616,649,985	\$ 324,550,455	\$ 82,580,910
PEERS	Proportionate share of the Net Pension Liability / (Asset)	\$ 112,935,634	\$ 56,312,735	\$ 9,054,069

As of June 30, 2023, the District reported \$88,986 and \$82,891 payable to PSRS and PEERS, respectively, for legally required contributions.

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

*Notes to Basic Financial Statements (continued)*

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**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, 2023, the estimated liability for payment of medical and dental, and unemployment claims is approximately \$3,499,000 and \$25,000, 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.

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, 2023, the estimated liability for payment of workers' compensation claims under the self-insurance plan was approximately \$5,619,000 and is recorded in the government-wide financial statements.

Included in restricted cash and investments is an investment in a Money Market Fund of approximately \$202,000 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, 2023 and 2022, are as follows:

	<b>Prescription Drugs, Medical and Dental Benefits</b>	<b>Workers' Compensation</b>	<b>Unemployment Benefits</b>
Balance - June 30, 2021	\$ 3,628,099	\$ 2,929,623	\$ 5,029
Add: claims, fees, and change in estimates	56,697,253	4,089,273	147,705
Less: claim payments	(56,902,296)	(2,627,525)	(128,789)
Balance - June 30, 2022	3,423,056	4,391,371	23,945
Add: claims, fees, and change in estimates	61,821,064	5,329,234	43,631
Less: claim payments	(61,745,121)	(4,101,626)	(42,470)
Balance - June 30, 2023	<u>\$ 3,498,999</u>	<u>\$ 5,618,979</u>	<u>\$ 25,106</u>

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

*Notes to Basic Financial Statements (continued)*

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**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 \$489,000 per person and approximately \$3,258,000 per occurrence.

**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.



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

*Notes to Basic Financial Statements (continued)*

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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. During the year ended June 30, 2022, the 2014 certificates were currently refunded with the issuance of \$19,055,000 Refunding Lease Participation Certificates, Series 2022 dated January 5, 2022, as described below.

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 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.

On January 5, 2022, the Authority issued \$19,055,000 in Refunding Lease Participation Certificates, Series 2022 with an interest rate of 4.0%. The Authority issued the bonds to currently refund the remaining \$22,830,000 of outstanding principal and accrued interest on the Series 2014 Lease Participation Certificates. The net proceeds of \$21,612,004 (after bond premium of \$2,825,915 and issuance cost of \$268,911) plus a District contribution of \$1,598,091 were used to purchase United States government securities. These securities were deposited in an irrevocable trust with an escrow agent to refund the outstanding bonds and accrued interest on April 1, 2022 on the 2014 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 \$2,426,000.

The Series 2022 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 2022 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 2022 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 \$3,157,249 during the year ended June 30, 2023. 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.

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

*Notes to Basic Financial Statements (continued)*

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Bonds payable at June 30, 2023, consist of:

\$7,010,000 leasehold revenue bonds due in varying installments through April 1, 2028, interest at 4.00%	\$ 4,635,000
\$19,055,000 leasehold revenue bonds due in varying installments through April 1, 2034, interest at 4.00%	17,700,000
	<u>\$ 22,335,000</u>

The following is a summary of bond transactions for the year ended June 30, 2023:

Bonds payable, July 1, 2022	\$ 24,515,000
Bonds retired	<u>(2,180,000)</u>
Total bonds payable, June 30, 2023	<u>\$ 22,335,000</u>

The following are debt service requirements on the outstanding bonds at June 30, 2023:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 2,295,000	893,400	\$ 3,188,400
2025	2,365,000	801,600	3,166,600
2026	2,460,000	707,000	3,167,000
2027	2,560,000	608,600	3,168,600
2028	2,660,000	506,200	3,166,200
2029-2033	8,050,000	1,100,400	9,150,400
2034-2035	1,945,000	77,800	2,022,800
	<u>\$ 22,335,000</u>	<u>\$ 4,695,000</u>	<u>\$ 27,030,000</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.

As of June 30, 2023, the District had open construction commitments of approximately \$7,181,000.

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

*Notes to Basic Financial Statements (continued)*

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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.

**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 effective for January 1, 2022, are as follows:

<u>Coverage Tier</u>	PPO <u>Pre-65</u>	PPO <u>Medicare Eligible *</u>
Retiree	\$795.26	\$795.26
Retiree + Spouse	\$1,590.52	\$1,590.52
Retiree + Child	\$1,164.08	\$1,164.08
Retiree + 2 Children	\$1,199.16	-
Retiree + 3 Children	\$1,259.02	-
Retiree + Spouse + Child	\$1,959.34	\$1,959.34
Retiree + Spouse + 2 Children	\$1,994.42	-
Retiree + Spouse + 3 Children	\$2,054.28	-

\* 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)*

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<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, 2023, the following employees were covered by the benefit terms:

Inactive employees and surviving spouses* currently receiving benefits	903
Spouses of inactive employees currently** receiving benefits	35
Active employees	5,259
Total	<u>6,197</u>

\* Includes 321, 876, and 670 with medical, dental, and vision coverage respectively.

\*\*With medical coverage.

Total OPEB Liability

The District's total liability of \$95,617,709 was measured as of June 30, 2023, and was determined by an actuarial valuation as of June 30, 2023.

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

*Notes to Basic Financial Statements (continued)*

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*Actuarial assumptions and other inputs*

The total OPEB liability in the June 30, 2023 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	3.54%
Healthcare cost trend rates	Medical cost trend rate of 6.00% for 2022, gradually decreasing to an ultimate rate of 3.80% for 2073 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-2021.

Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Total OPEB Liability at June 30, 2022	<u>\$ 87,360,290</u>
Change for the year:	
Service cost	5,384,902
Interest cost	3,243,843
Changes in assumptions or other inputs	1,870,590
Benefit payments	<u>(2,241,916)</u>
Net change in total OPEB liability	<u>8,257,419</u>
Total OPEB Liability at June 30, 2023	<u><u>\$ 95,617,709</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.

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

*Notes to Basic Financial Statements (continued)*

*Impact of Changes of Assumptions*

The impact of changes in assumptions is valued at a gain of \$1,870,590 in respect to the total OPEB liability. This occurred mainly due to a change in the discount rate based on the 20 year GO index at the fiscal year end, and a change in the medical trend assumption updated to reflect inflation trends.

*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 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current discount rate:

	<b>1% Decrease (2.65%)</b>	<b>Current Discount Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB liability	\$ 107,574,288	\$ 95,617,709	\$ 85,365,946

*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:

	<b>1% Decrease</b>	<b>Current Trend</b>	<b>1% Increase</b>
Total OPEB liability	\$ 81,901,884	\$ 95,617,709	\$ 112,598,024

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$7,171,072. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ (18,396,738)	\$ 14,564,078
Changes of assumptions/inputs	(12,455,325)	9,876,254
Total	<u>\$ (30,852,063)</u>	<u>\$ 24,440,332</u>

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

*Notes to Basic Financial Statements (continued)*

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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:

<b>Year Ending June 30,</b>	<b>Net Deferred Outflows and (Inflows) of Resources</b>
2023	\$ (1,457,673)
2024	(1,457,673)
2025	(1,457,673)
2026	(1,278,496)
2027	(1,407,700)
Thereafter	647,484
	<u>\$ (6,411,731)</u>

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

*Notes to Basic Financial Statements (continued)*

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**11. TAX ABATEMENTS**

As of June 30, 2023, the District is subject to the following tax abatement programs initiated by other governmental entities:

	<b><u>Real Estate Tax and Surcharge</u></b>	<b><u>Property Tax and Surcharge</u></b>
Enhanced enterprise zones/Chapter 135		
City of Berkley	\$ 6,089	\$ -
City of Hazelwood	55,794	-
City of Pagedale	1,900	-
Industrial development bonds/Chapter 68		
St. Louis County Port Authority	120,978	-
Industrial development bonds/Chapter 100		
City of Bellerive	19,784	-
City of Bridgeton	465	1,954
City of Clayton	400,622	20,125
City of Eureka	19,432	-
City of Ferguson	31,407	446
City of Hazelwood	488,821	65,187
City of Jennings	1,047	506
City of Maryland Heights	56,950	
City of St. Ann	-	1,467
City of University City	3,033	375
St. Louis County	914,656	112,551
Land Clearance Redevelopment Authority (LCRA)/Chapter 99		
City of University City	69,751	-
Urban redevelopment corporations/Chapter 353		
City of Brentwood	66,457	-
City of Bridgeton	137,990	-
City of Clayton	24,793	-
City of Edmundson	73,234	-
City of Frontenac	67,820	-
City of Hazelwood	776,170	-
City of Kinloch	305,183	-
City of Maplewood	81,758	-
City of Maryland Heights	49,115	-
City of Normandy	13,545	-
City of Northwoods	5,257	
City of Overland	25,053	-
City of Richmond Heights	139,589	-
City of Rock Hill	13,677	-
City of Sunset Hills	8,066	-
City of Woodson Terrace	1,061	-
St. Louis County	64,602	-
<b>Total</b>	<b>\$ 4,044,099</b>	<b>\$ 202,611</b>



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**Required Supplementary Information**

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**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, 2023**

	Budgeted Amounts		Actual Amounts	Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Local	\$ 140,754,267	\$ 159,907,111	\$ 162,772,874	\$ 2,865,763
County	2,321,075	2,373,320	2,374,683	1,363
State	64,670,755	69,808,952	69,059,006	(749,946)
Federal	27,244,658	38,739,168	42,242,434	3,503,266
Contracted educational services	6,675,000	6,675,000	6,098,040	(576,960)
<b>Total Revenues</b>	<b>241,665,755</b>	<b>277,503,551</b>	<b>282,547,037</b>	<b>5,043,486</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	108,648,598	116,788,548	122,374,327	(5,585,779)
Attendance	11,244,800	11,358,714	11,292,568	66,146
Guidance	1,034,556	1,119,751	1,033,806	85,945
Health services	27,867,675	28,967,010	26,247,901	2,719,109
Improvement of instruction	3,134,369	3,292,446	2,897,547	394,899
Professional development	472,914	567,961	476,324	91,637
Media services	564,906	451,071	480,824	(29,753)
Board of Education services	2,020,664	2,440,664	2,532,392	(91,728)
Executive administration	6,507,067	11,036,750	9,265,556	1,771,194
Building level administration	3,266,079	3,192,942	2,848,061	344,881
Business, fiscal and internal services	4,444,828	4,222,430	4,786,056	(563,626)
Operation of plant	9,564,144	9,624,286	9,645,827	(21,541)
Pupil transportation	32,342,314	32,374,818	30,689,398	1,685,420
Food services	958,200	958,097	683,842	274,255
Central office support services	12,589,335	10,245,603	10,534,807	(289,204)
Adult continuing education	1,326,113	1,394,919	1,615,177	(220,258)
Community services	461,109	441,304	475,250	(33,946)
<b>Total Expenditures</b>	<b>226,447,671</b>	<b>238,477,314</b>	<b>237,879,664</b>	<b>597,650</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>15,218,084</b>	<b>39,026,237</b>	<b>44,667,373</b>	<b>5,641,136</b>
<b>OTHER FINANCING USES:</b>				
Transfers to other funds	(33,422,733)	(23,829,561)	(18,895,379)	4,934,182
<b>Total Other Financing Uses</b>	<b>(33,422,733)</b>	<b>(23,829,561)</b>	<b>(18,895,379)</b>	<b>4,934,182</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(18,204,649)</b>	<b>15,196,676</b>	<b>25,771,994</b>	<b>10,575,318</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>310,368,000</b>	<b>337,327,028</b>	<b>337,327,028</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 292,163,351</b>	<b>\$ 352,523,704</b>	<b>\$ 363,099,022</b>	<b>\$ 10,575,318</b>

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, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Local	\$ 152,244,925	\$ 161,385,368	\$ 161,618,737	\$ 233,369
County	2,516,822	2,573,319	2,574,087	768
State	50,349,392	49,636,892	49,405,651	(231,241)
Federal	25,069,480	25,311,150	26,991,642	1,680,492
<b>Total Revenues</b>	<b>230,180,619</b>	<b>238,906,729</b>	<b>240,590,117</b>	<b>1,683,388</b>
<b>EXPENDITURES:</b>				
Current:				
Instruction	167,174,707	167,212,670	164,186,022	3,026,648
Attendance	344,047	327,587	220,112	107,475
Guidance	3,189,203	3,066,601	2,960,412	106,189
Health services	57,470,281	56,163,370	57,112,669	(949,299)
Improvement of instruction	9,537,796	10,064,996	9,508,562	556,434
Professional development	128,996	126,252	23,767	102,485
Media services	124,303	225,207	160,214	64,993
Board of Education services	310,265	310,265	307,381	2,884
Executive administration	6,920,011	7,622,072	8,384,652	(762,580)
Building level administration	13,867,140	13,867,140	13,755,871	111,269
Business, fiscal and internal services		217,599	68,426	149,173
Central office support services	2,981,259	1,741,667	969,688	771,979
Adult continuing education	1,554,648	1,549,194	1,536,079	13,115
Community services	696	241,670	291,642	(49,972)
<b>Total Expenditures</b>	<b>263,603,352</b>	<b>262,736,290</b>	<b>259,485,496</b>	<b>3,250,794</b>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<b>(33,422,733)</b>	<b>(23,829,561)</b>	<b>(18,895,379)</b>	<b>4,934,182</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from other funds	33,422,733	23,829,561	18,895,379	(4,934,182)
<b>Total Other Financing Sources</b>	<b>33,422,733</b>	<b>23,829,561</b>	<b>18,895,379</b>	<b>(4,934,182)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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, 2023**

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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 24, 2022, or as amended by the Board of Education at various times during the fiscal year. The Governing Council approved the original budget on June 6, 2022.

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, 2023**

	Year Ended June 30,					
	2023	2022	2021	2020	2019	2018
<b>Total OPEB liability</b>						
Service cost	\$ 5,384,902	\$ 7,053,266	\$ 5,622,253	\$ 4,083,417	\$ 5,199,531	\$ 5,145,755
Interest cost	3,243,843	1,781,609	1,663,128	3,147,670	3,152,974	2,835,382
Effect of liability gains or losses	-	18,898,624	-	(32,151,310)	-	-
Changes in assumptions or other inputs	1,870,590	(14,870,166)	499,362	10,707,616	3,752,212	(2,758,133)
Benefit payments	(2,241,916)	(1,853,365)	(2,122,003)	(1,883,447)	(3,157,479)	(2,857,808)
Net change in total OPEB liability	8,257,419	11,009,968	5,662,740	(16,096,054)	8,947,238	2,365,196
Total OPEB Liability, beginning	87,360,290	76,350,322	70,687,582	86,783,636	77,836,398	75,471,202
Total OPEB Liability, ending	<u>\$ 95,617,709</u>	<u>\$ 87,360,290</u>	<u>\$ 76,350,322</u>	<u>\$ 70,687,582</u>	<u>\$ 86,783,636</u>	<u>\$ 77,836,398</u>
Covered payroll	\$ 309,213,000	\$ 298,908,000	\$ 293,000,000	\$ 276,619,000	\$ 270,131,000	\$ 262,287,000
Total OPEB liability as a percentage of covered payroll	30.9%	29.2%	26.1%	25.6%	32.1%	29.7%

**Note:**

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

**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*

**2023** - The impact of changes in assumptions is valued at a gain of approximately \$1,871,000 in respect to the total OPEB liability. This occurred mainly due to a change in the discount rate based on the 20 year GO index at the fiscal year end. The remainder of the changes are due to the updated mortality scale, termination assumption, and retirement assumption.

**2022** - The impact of changes in assumptions is valued at a loss of approximately \$14,870,000 in respect to the total OPEB liability. This occurred mainly due to a change in the discount rate based on the 20 year GO index at the fiscal year end. The remainder of the changes are due to the updated mortality scale, termination assumption, and retirement assumption.

**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.

**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.

**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.

**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.

**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, 2023**

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

<b>Year Ended * June 30,</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Net Pension Liability</b>	<b>Actual Covered Member Payroll</b>	<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Fiduciary Net Position as a Percentage of Total Pension Liability</b>
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%
2021	4.2112%	\$ 93,226,608	\$ 220,963,081	42.19%	95.81%
2022	4.1962%	\$ 324,550,455	\$ 225,493,256	143.93%	86.04%

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, 2023**

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

<b>Year Ended June 30,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Employer Contributions</b>	<b>Contribution Excess / (Deficiency)</b>	<b>Actual Covered Member Payroll</b>	<b>Contribution as a Percentage of Covered Payroll</b>
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%
2021	\$ 31,363,754	\$ 31,363,754	\$ -	\$ 220,963,081	14.19%
2022	\$ 32,047,559	\$ 32,047,559	\$ -	\$ 225,493,256	14.21%

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, 2023**

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

<b>Year Ended * June 30,</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Net Pension Liability</b>	<b>Actual Covered Member Payroll</b>	<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Fiduciary Net Position as a Percentage of Total Pension Liability</b>
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%
2021	6.7819%	\$ 7,303,590	\$ 124,271,712	5.88%	98.36%
2022	6.6634%	\$ 56,312,735	\$ 129,651,459	43.43%	87.92%

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, 2023**

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

<b>Year Ended June 30,</b>	<b>Statutorily Required Contribution</b>	<b>Actual Employer Contributions</b>	<b>Contribution Excess / (Deficiency)</b>	<b>Actual Covered Member Payroll</b>	<b>Contribution as a Percentage of Covered Payroll</b>
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%
2021	\$ 8,525,442	\$ 8,525,442	\$ -	\$ 124,271,712	6.86%
2022	\$ 8,922,674	\$ 8,922,674	\$ -	\$ 129,651,459	6.88%

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

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**Additional Supplementary Information**

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**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, 2023**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES:</b>				
Local	\$ 17,968,115	\$ 22,229,021	\$ 22,230,201	\$ 1,180
County	312,103	373,326	373,540	214
State	10,568	10,568	150,821	140,253
Federal	42,000	3,925,975	1,499,761	(2,426,214)
<b>Total Revenues</b>	<b>18,332,786</b>	<b>26,538,890</b>	<b>24,254,323</b>	<b>(2,284,567)</b>
<b>EXPENDITURES:</b>				
Capital outlay	16,381,725	22,094,852	16,891,943	5,202,909
Debt service:				
Principal	2,254,545	2,625,893	2,625,892	1
Interest	984,823	984,823	981,472	3,351
<b>Total Expenditures</b>	<b>19,621,093</b>	<b>25,705,568</b>	<b>20,499,307</b>	<b>5,206,261</b>
<b>EXCESS OF REVENUES UNDER EXPENDITURES</b>	<b>(1,288,307)</b>	<b>833,322</b>	<b>3,755,016</b>	<b>2,921,694</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from the sale of capital assets	25,000	92,667	103,674	11,007
<b>Total Other Financing Sources</b>	<b>25,000</b>	<b>92,667</b>	<b>103,674</b>	<b>11,007</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,263,307)</b>	<b>925,989</b>	<b>3,858,690</b>	<b>2,932,701</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>1,266,000</b>	<b>4,203,669</b>	<b>4,203,669</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 2,693</b>	<b>\$ 5,129,658</b>	<b>\$ 8,062,359</b>	<b>\$ 2,932,701</b>

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, 2023**

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	<b>Special School District</b>	<b>Special School District Educational Facilities Authority</b>	<b>Eliminations</b>	<b>Total</b>
<b>-- ASSETS --</b>				
Restricted cash and investments	\$ -	\$ 2,183	\$ -	\$ 2,183
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 2,183</b>	<b>\$ -</b>	<b>\$ 2,183</b>
<b>-- LIABILITIES AND FUND BALANCES --</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Restricted for:				
Debt service	-	2,183	-	2,183
<b>Total Fund Balances</b>	<b>-</b>	<b>2,183</b>	<b>-</b>	<b>2,183</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 2,183</b>	<b>\$ -</b>	<b>\$ 2,183</b>

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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, 2023**

	<b>Special School District</b>	<b>Special School District Educational Facilities Authority</b>	<b>Eliminations</b>	<b>Total</b>
<b>-- ASSETS --</b>				
Property taxes receivable - net of allowance for uncollectible amount	\$ 556,610	\$ -	\$ -	\$ 556,610
Grants and other receivables	1,458,160	-	-	1,458,160
Interfund receivables	6,826,373	-	-	6,826,373
Restricted cash and investments	2	4,683	-	4,685
<b>TOTAL ASSETS</b>	<b>\$ 8,841,145</b>	<b>\$ 4,683</b>	<b>\$ -</b>	<b>\$ 8,845,828</b>
<b>-- LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES --</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	331,743	-	-	331,743
<b>Total Liabilities</b>	<b>331,743</b>	<b>-</b>	<b>-</b>	<b>331,743</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	447,043	-	-	447,043
<b>FUND BALANCES:</b>				
Restricted for:				
Capital projects	8,062,359	4,683	-	8,067,042
<b>Total Fund Balance</b>	<b>8,062,359</b>	<b>4,683</b>	<b>-</b>	<b>8,067,042</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 8,841,145</b>	<b>\$ 4,683</b>	<b>\$ -</b>	<b>\$ 8,845,828</b>

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, 2023**

	<b>Special School District</b>	<b>Special School District Educational Facilities Authority</b>	<b>Eliminations</b>	<b>Total</b>
<b>REVENUES:</b>				
Local	\$ -	\$ 2,320	\$ -	\$ 2,320
Lease/purchase payments from District	-	3,157,249	(3,157,249)	-
<b>Total Revenues</b>	<b>-</b>	<b>3,159,569</b>	<b>(3,157,249)</b>	<b>2,320</b>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	-	2,180,000	-	2,180,000
Interest	-	980,600	-	980,600
Other Charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>3,160,600</b>	<b>-</b>	<b>3,160,600</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(1,031)</b>	<b>(3,157,249)</b>	<b>(3,158,280)</b>
<b>OTHER FINANCING SOURCES (USES) :</b>				
Transfers from other funds	-		3,157,249	3,157,249
Bond proceeds	-		-	-
Premium	-		-	-
Debt service principal	-		-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>3,157,249</b>	<b>3,157,249</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>-</b>	<b>(1,031)</b>	<b>-</b>	<b>(1,031)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>-</b>	<b>3,214</b>	<b>-</b>	<b>3,214</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 2,183</b>	<b>\$ -</b>	<b>\$ 2,183</b>

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, 2023**

	<b>Special School District</b>	<b>Special School District Educational Facilities Authority</b>	<b>Eliminations</b>	<b>Total</b>
<b>REVENUES:</b>				
Local	\$ 22,230,201	\$ 131	\$ -	\$ 22,230,332
County	373,540	-	-	373,540
State	150,821	-	-	150,821
Federal	1,499,761	-	-	1,499,761
<b>EXPENDITURES:</b>				
Capital outlay	16,891,943	-	-	16,891,943
Debt service:				
Principal	2,625,892	-	(2,180,000)	445,892
Interest	981,472	-	(977,249)	4,223
Other charges	-	-	-	-
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>				
	3,755,016	131	3,157,249	6,912,396
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers to other funds	-		(3,157,249)	(3,157,249)
Bond proceeds	-		-	-
Proceeds from the sale of capital assets	103,674	-	-	103,674
	-	-	-	-
<b>NET CHANGES IN FUND BALANCES</b>				
	3,858,690	131	-	3,858,821
<b>FUND BALANCES, BEGINNING OF YEAR</b>				
	4,203,669	4,552	-	4,208,221
<b>FUND BALANCES, END OF YEAR</b>				
	\$ 8,062,359	\$ 4,683	\$ -	\$ 8,067,042

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, 2023**

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**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	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1015	1-12	34,846.2000	-	-	-	-	34,846.2000
1059	9-12	74,234.6835	3,351.5665	-	1,109.7500	2,139.2500	80,835.2500
1069	9-12	55,792.8333	5,228.8667	-	-	2,154.0900	63,175.7900
1089	9-12	114,737.7332	6,809.3667	-	-	3,221.7000	124,768.7999
1100	10-12	30,142.0835	245,938.8164	-	357.7667	-	276,438.6666
1150	11-12	241.8334	266,525.2673	-	21,310.1334	-	288,077.2341
4029	K-8	125,773.0502	2,446.7999	-	-	4,256.0000	132,475.8501
4069	K-8	82,367.3506	10,565.1830	-	-	2,483.9900	95,416.5236
4269	K-8	47,188.5528	4,013.3000	-	-	1,612.1500	52,814.0028
9990	K-12	256,491.1400	33,999.9676	-	3,070.0000	39,775.8367	333,336.9443
		<u>821,815.4605</u>	<u>578,879.1341</u>	<u>-</u>	<u>25,847.6501</u>	<u>55,643.0167</u>	<u>1,482,185.2614</u>

Notes:

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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	Other	Total
1015	1-12	30.00	-	-	30.00
1059	9-12	82.00	2.90	1.00	85.90
1069	9-12	63.00	4.94	-	67.94
1089	9-12	139.00	4.85	-	143.85
1100	10-12	39.00	305.73	0.43	345.16
1150	11-12	-	308.74	25.80	334.54
4029	K-8	128.00	1.65	-	129.65
4069	K-8	86.00	6.76	-	92.76
4269	K-8	44.00	2.49	-	46.49
9990	K-12	314.00	51.41	3.43	368.84
		<u>925.00</u>	<u>689.47</u>	<u>30.66</u>	<u>1,645.13</u>

Notes:

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

*Schedule of Selected Statistics (continued)*

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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	30.00	-	-	30.00
1059	9-12	82.00	2.90	1.00	85.90
1069	9-12	63.00	4.94	-	67.94
1089	9-12	139.00	4.85	-	143.85
1100	10-12	39.00	305.73	0.43	345.16
1150	11-12	-	308.74	25.80	334.54
4029	K-8	128.00	1.65	-	129.65
4069	K-8	86.00	6.76	-	92.76
4269	K-8	44.00	2.49	-	46.49
9990	K-12	314.00	51.41	3.43	368.84
		<u>925.00</u>	<u>689.47</u>	<u>30.66</u>	<u>1,645.13</u>

Notes:

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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	19.00	-	N/A	N/A	19.00
1015	19.00	-	N/A	N/A	19.00
1059	26.55	4.00	1.00	N/A	31.55
1069	12.48	3.76	N/A	N/A	16.24
1089	128.33	-	N/A	N/A	128.33
1100	323.68	-	0.43	N/A	324.11
1150	21.07	1.72	8.60	1.29	32.68
4029	137.05	-	N/A	N/A	137.05
4069	97.77	-	N/A	N/A	97.77
4269	17.53	5.99	N/A	N/A	23.52
9990	133.81	1.00	2.00	1.00	137.81
	<u>936.27</u>	<u>16.47</u>	<u>12.03</u>	<u>2.29</u>	<u>967.06</u>

Notes:

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

*Schedule of Selected Statistics (continued)*

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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 schools treasurer or as required by section 160.405, RSMo, a bond was purchased for the charter schools chief financial officer or an insurance policy issued by an insurance company that proved coverae in the event of employee theft 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., and the Missouri Financial Accounting Manual.	TRUE

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

*Schedule of Selected Statistics (continued)*

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Section	Question	Answer
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. This includes payment for Teacher Baseline Salary Grants and Career Ladder if applicable.	<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. (Not applicable to charter schools.)	<u>TRUE</u>
5.12	The amount spent for approved professional development committee plan activities was:	<u>\$400,091</u>
5.13	The district/charter school has posted, at-least quarterly, a searchable expenditure and revenue document or database detailing actual income, expenditures, and disbursement for the current calendar or fiscal year on the District or school website or other form of social media as required by Section 160.066, RSMo.	<u>TRUE</u>

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

*Schedule of Selected Statistics (continued)*

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6. Transportation (Section 163.161, RSMo)

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

Section	Question	Answer
6.1	The school transportation allowable costs substantially conform to 5 CSR 30-261.040, Allowable Costs for State Transportation Aid.	<u>TRUE</u>
6.2	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>
6.3	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: <ul style="list-style-type: none"><li>• Eligible ADT</li><li>• Ineligible ADT</li></ul>	<u>3,521.5</u> <u>-</u>
6.4	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>
6.5	Actual odometer records show the total District/charter-operated and contracted mileage for the year was:	<u>4,213,122</u>
6.6	Of this total, the eligible non-disabled and students with disabilities route miles and ineligible non-route and disapproved miles (combined) was: <ul style="list-style-type: none"><li>• Eligible Miles</li><li>• Ineligible Miles (Non-Route/Disapproved)</li></ul>	<u>4,144,981</u> <u>68,141</u>
6.7	Number of days the District operated the school transportation system during the regular school year:	<u>171</u>

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



## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Members of the Board of Education  
Special School District of St. Louis County, MO  
Town & Country, Missouri

We have examined management's assertion that Special School District of St. Louis County, MO (the District) complied with the requirements of Missouri laws and regulations regarding budgetary and disbursement procedures, attendance and pupil transportation records and other statutory requirements as listed in the Schedule of Selected Statistics during the period July 01, 2022 to June 30, 2023. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the District's compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, management's assertions that the District complied with the aforementioned requirements for the year ended June 30, 2023 are fairly stated, in all material respects.

This report is intended solely for the information and use the administration, Board, management, and the MO DESE, and is not intended to be and should not be used by anyone other than the specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
November 27, 2023



## INDEPENDENT ACCOUNTANTS' REPORT ON TRANSPORTATION COSTS PAID ELIGIBLE FOR STATE AID

Members of the Board of Education  
Special School District of St. Louis County, MO  
Town & Country, Missouri

### Report on Transportation Costs

We have audited the accompanying basis financial statements of the governmental activities, and each major fund information of Special School District of St. Louis County, MO (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. We have issued our report thereon dated November 27, 2023, which contained unmodified opinions on those financial statements.

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

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

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
November 27, 2023

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**Federal Compliance Section**

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**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***

Members of the Board of Education  
Special School District of St. Louis County, MO  
Town & Country, 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 Special School District of St. Louis County, MO (the District), as of and for the year ended June 30, 2023, 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 27, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal controls, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

### **Report on 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 2023-001.

### **The District's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Report on 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
November 27, 2023



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

Members of the Board of Education  
Special School District of St. Louis County, MO  
Town & Country, Missouri

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Special School District of St. Louis County, MO's (the District) compliance with the types of compliance requirements identified as subject to audit 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, 2023. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the 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, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

**BOARD OF EDUCATION  
SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MO**

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**BOARD OF EDUCATION  
SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MO**

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs the District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal controls over compliance that we considered to be a significant deficiency.


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 a 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. We consider the deficiency in internal controls over compliance described in the accompanying schedule of findings and questioned costs as items 2023-002, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

**BOARD OF EDUCATION  
SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MO**

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



**CliftonLarsonAllen LLP**

St. Louis, Missouri  
November 27, 2023

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Program Title</b>	<b>Federal Assistance Listing</b>	<b>Pass-Through Identification Number</b>	<b>Passed through to Subrecipients</b>	<b>Expenditures</b>
<b><u>U.S. Department of Education:</u></b>				
Direct Award - Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	N/A	\$ -	\$ 704,700
Federal Direct Student Loans	84.268	N/A		1,144,325
<b>Total Student Financial Assistance Cluster</b>			<b>-</b>	<b>1,849,025</b>
Passed through Missouri Department of Elementary and Secondary Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027A	096-119		40,026,851
Special Education High Needs Fund	84.027A	096-119		310,084
Assistive Technology Reimbursement Program	84.027A	096-119		55,603
ARP IDEA Special Education - Grants to States	84.027X	096-119		5,475,361
Subtotal Assistance Listing 84.027			-	45,867,899
Special Education - Preschool Grants	84.173A	096-119		3,603,219
ARP IDEA Special Education - Preschool Grants	84.173X	096-119		268,693
Subtotal Assistance Listing 84.173			-	3,871,912
<b>Total Special Education Cluster</b>			<b>-</b>	<b>49,739,811</b>
Title IA Grants to Local Education Agencies	84.010A	096-119		414,320
Title ID Grants to Local Education Agencies (Delinquent)	84.010A	096-119		119,966
Subtotal Assistance Listing 84.010			-	534,286
Title IIA Improving Teacher Quality State Grants	84.367A	096-119		26,687
Career and Technical Education	84.048A	096-119	9,082	150,884
Education Stabilization Fund:				
COVID-19: Teacher Retention ESSER II	84.425D	096-119		276,158
COVID-19: ARP - ESSER III	84.425U	096-119		753,547
Subtotal Education Stabilization Fund			-	1,029,705
<b>Total U.S. Department of Education</b>			<b>9,082</b>	<b>53,330,398</b>
<b><u>U.S. Department of Agriculture:</u></b>				
Passed through Missouri Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	096-119		299,396
National School Lunch Program	10.555	096-119		165,828
Lunch Supply Chain	10.555	096-119		51,968
Donated Foods	10.555	096-119		63,411
Fresh Fruits and Vegetables	10.582	096-119		11,954
Subtotal Assistance Listing 10.553			-	299,396
Subtotal Assistance Listing 10.555			-	281,207
Subtotal Assistance Listing 10.582			-	11,954
<b>Total Child Nutrition Cluster</b>			<b>-</b>	<b>592,557</b>
<b>Total U.S. Department of Agriculture</b>			<b>-</b>	<b>592,557</b>

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

<b>Program Title</b>	<b>Federal Assistance Listing</b>	<b>Pass-Through Identification Number</b>	<b>Passed through to Subrecipients</b>	<b>Expenditures</b>
<b><u>U.S. Department of Labor:</u></b>				
WIOA Cluster:				
Passed through St. Louis Agency on Training and Employment: WIOA Adult Program	17.258	N/A		101,008
Passed through Madison County Government: WIOA Adult Program	17.258	N/A		57,614
Passed Through Jefferson-Franklin Counties Office of Job Training Programs: WIOA Adult Program	17.258	N/A		11,911
Passed through St. Charles County, Missouri: WIOA Adult Program	17.258	N/A		44,432
Passed through St. Clair County, Illinois: WIOA Adult Program	17.258	N/A		71,058
Passed through Missouri Department of Higher Education and Workforce Development: WIOA Adult Program	17.258	N/A		8,853
WIOA Dislocated Worker	17.278	N/A		22,500
Subtotal Assistance Listing 17.258			-	294,876
Subtotal Assistance Listing 17.278			-	22,500
<b>Total WIOA Cluster</b>			-	317,376
Passed through H-CAP, Inc. H-1B Job Training Grants	17.268	N/A		27,880
<b>Total U.S. Department of Labor</b>			-	345,256
<b><u>U.S. Department of the Treasury:</u></b>				
Passed through Missouri Department of Elementary and Secondary Education: COVID-19: ARPA Missouri Area Career Center Opportunity (MACCO) Grant	21.027	096-119		293,867
<b>Total U.S. Department of the Treasury</b>			-	293,867
<b><u>U.S. Department of Health &amp; Human Services:</u></b>				
Passed through Missouri Department of Elementary and Secondary Education: Missouri School Health Profiles	93.079	096-119		100
<b>Total U.S. Department of Health &amp; Human Services</b>			-	100
<b>TOTAL</b>			\$ 9,082	\$ 54,562,178



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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2023**

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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, 2023. 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, 2023.

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, 2023, the District processed \$1,144,325 under the Federal Loan Program.

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, 2023.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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**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?	<u>    X    </u>	Yes	_____ 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?	<u>    X    </u>	Yes	_____ 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)	<u>    X    </u>	Yes	_____ No

Identification of major programs:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173	Special Education Cluster
84.425D, 84.425U	Education Stabilization Fund
84.063, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,636,865
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Auditee qualified as low-risk auditee?	<u>    X    </u>	Yes	_____ No
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**SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI**

*Schedule of Findings and Questioned Costs (continued)*

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**2. FINANCIAL STATEMENT FINDINGS**

<b>2023-001</b>	Prior year accounting error
<b>Type of Finding</b>	Significant Deficiency in Internal Controls Over Financial Reporting
<b>Criteria or specific requirement</b>	The County's internal controls over financial reporting did not identify errors in prior year accounting for E-Rate funds.
<b>Condition</b>	Management is required to establish internal controls over financial reporting to ensure that there are no material misstatements.
<b>Context</b>	E-rate funding was recognized as a liability from 2013-2020. This was discovered by the current Chief Operations Officer, Deedra Sagerty's during the transition to assume the financial responsibilities of the district in July 2023. These funds should have been recognized as revenue in the year funding was received. The error was not considered material to restate the prior year opening fund balance or net position.
<b>Cause</b>	Management did not perform a periodic review of the E-Rate funding liability account to ensure that revenue was recorded in the period the funding was earned.
<b>Effect</b>	The general fund and statement of activities included approximately \$1,825,110 of revenue earned in prior years. This error was not considered material to restate prior periods.
<b>Recommendation</b>	Annual review of all balance sheet accounts and reconciliations by the accounting manager to ensure that assets and liability are appropriately stated.
<b>Repeat Finding</b>	No
<b>Views of Responsible Officials</b>	There is no disagreement with the audit finding.

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

*Schedule of Findings and Questioned Costs (continued)*

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**3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**2022-002                      Suspension and Debarment**

**Federal Agency**                      U.S. Department of Education

**Federal Program Name**              Special Education Cluster

**Assistance Listing  
Number**                                  84.173 and 84.027

**Federal Award  
Identification Number  
and Year:**                              H027A210040, 2023;  
H027A220040, 2023;  
H027X210040, 2023;  
H173A210103, 2023;  
H173A220103, 2023

**Award Period**                              2023

**Pass-through Entity**                    096-119

**Questioned Costs**                      None

**Type of Finding**                        Significant Deficiency in Internal Control over Compliance, Other Matters

**Criteria or Specific  
Requirement**                      Some federal programs are subject to suspension and debarment requirements, which are designed to ensure that federal funds are not awarded to individuals or entities that have a history of noncompliance with federal regulations or that pose a risk to the integrity of federal programs. The suspension and debarment regulations require recipients of federal funding to ensure contractors and subrecipients are not suspended or debarred by the federal government prior to executing a contract.

**Condition**                                The District's internal controls over compliance are not designed to ensure compliance with the suspension and debarment requirements.

**Context**                                    Procurement was direct and material to the Special Education Cluster. For five of the seven contracts selected for testing, the District did not have evidence to support that the suspension and debarment process was performed.

**Cause**                                      The District has not designed and implemented internal controls to ensure compliance with suspension and debarment requirements outlined in 2 CFR sections 416.1(a), 416.1(b) and 417.215(a)(1) and in 7 CFR section 210.21(g), 215.14a(e), 220.16(f), and 225.17(e).

**Effect**                                      Federal funding could be spent on organizations that are suspended or disbarred.

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

*Schedule of Findings and Questioned Costs (continued)*

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**Recommendation**            We recommend the District implement internal control to ensure that suspension and debarment assessment are performed during the procurement and contracting phase. In addition, sufficient documentation should be retained to evidence suspension and debarment is performed.

**Repeat Finding**            No

**Views of Responsible Officials**    There is no disagreement with the audit finding.



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