

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

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

JUNE 30, 2022



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

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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, 2022, 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 of the District, as of June 30, 2022, 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

. The 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 15, 2022, 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 15, 2022

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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, 2022. 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 72.39% unrestricted (assigned/unassigned) fund balance in the general and special revenue funds. The District's decrease in fund balances from 74.52% in fiscal year 2021 in the general fund was due to a planned increase of spending down reserves.

The School District's financial net position is \$75.4 million, reflecting an increase from \$12.4 million in 2021. The increase in net position is mainly represented by the decrease in long-term liabilities; 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, 2022, even though the total unrestricted net position is (\$29.0) million. This negative net position is a result of the adoption of GASB Statement No. 68 and GASB Statement No. 75 in prior years.

General revenues totaled \$364.3 million, an increase of \$0.2 million over the prior year. These general revenues are 74.2% of all revenues, and are comprised mainly of local property taxes, which totaled \$303.3 million during fiscal year 2022. Program revenues, which include all grants and tuition fees, totaled \$126.6 million or 25.8% of total revenues in fiscal year 2022. Total revenue funded an average salary increase of 3.0% - 4.0%. Total expenses for the year were \$427.8 million, of which \$301.2 million were funded by general revenues.

Using This Annual Report

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

Reporting the School District as a Whole

The Statement of Net Position and the Statement of Activities:

The analysis of the School District as a whole begins on page 11. This analysis provides answers as to whether the School District is financially stronger or weaker as a result of the year's activities. The Statement of Net

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

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

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

The School District as a Whole

The School District's net position was \$75.4 million at June 30, 2022. Of this amount, (\$29.0) 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 2022 compared to fiscal year 2021.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

	(In Millions)	
	Governmental Activities June 30,	
	2022	2021
Current and Other Assets	\$ 403.0	\$ 398.6
Capital Assets	129.3	116.0
Deferred amounts related to pensions and Other Post-Emp Benefits	159.4	136.5
Total Assets and Deferred Outflows of Resources	691.7	651.1
Current and Other Liabilities	56.0	52.1
Long-term Liabilities	227.1	542.8
Deferred amounts related to pensions and Other Post-Emp Benefits	333.2	43.8
Total Liabilities and Deferred Inflows of Resources	616.3	638.7
Net Position		
Investment in Capital Assets	99.7	85.6
Restricted	4.7	10.6
Unrestricted	(29.0)	(83.8)
Total Net Position	\$ 75.4	\$ 12.4

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

CHANGE IN NET POSITION				
(In Millions)				
	Governmental		Total	
	Activities		Percentage	
	June 30,		Change	
	2022	2021		
Revenues:				
Program Revenues:				
Charges for Services	\$ 14.3	\$ 13.2		8.3%
Operating Grants and Contributions	112.1	97.5		15.0%
Capital Grants	0.2	0.2		0.0%
General Revenues:				
Property and Sales Taxes	312.2	311.6		0.2%
State Aid	51.4	51.7		-0.6%
Other	0.7	0.8		-12.5%
Total Revenues	490.9	475.0		3.3%
Functions/Program Expenses:				
Instruction - Special Education	224.1	267.8		-16.3%
Instruction - Vocational Education	12.3	13.8		-10.9%
Student Services	84.7	103.9		-18.5%
Instructional Staff Support	10.6	10.8		-1.9%
Building Administration	13.4	18.5		-27.6%
Executive Administration	21.2	13.4		58.2%
Business Services	15.5	15.7		-1.3%
Operation of Plant	9.2	9.1		1.1%
Transportation	31.6	28.2		12.1%
Food Services	0.9	0.7		28.6%
Adult Education	2.6	3.0		-13.3%
Community Services	0.6	0.7		-14.3%
Unallocated Depreciation	0.1	0.1		0.0%
Debt Service:				
Interest and other charges	1.0	0.9		11.1%
Total Functions/Program Expenses	427.8	486.6		-12.1%
Increase / (Decrease) in Net Position	\$ 63.1	\$ (11.6)		

Governmental Activities

The cost of all governmental activities totaled \$427.8 million in fiscal year 2022. The School District's taxpayers funded \$301.2 million or 70.4% 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 charged to those functions in 2021. The one time board approved stipend given in 2022 was charged to executive administration.

In addition to taxpayer funding, charges for services funded \$14.3 million or 3.3% of the governmental activities' cost and grants funded \$112.3 million or 26.3% of such costs in fiscal year 2022.

The School District's increase in net position is mainly attributable to an increase of \$14.6 million in operating grants and contributions which consists of an increase of \$9.8 million in IDEA Grants, \$6.7 million in Medicaid,

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

\$1.0 million in transportation, \$0.4 million in Child Nutrition funding, \$0.3 million in ECSE funding, \$0.2 million in Pell Grants, offset by a decrease of (\$2.6) million in High Needs and (\$1.2) million in COVID funding. Total expense decreased by \$58.8 million, or 12.1% from fiscal year 2021.

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 70.4% for fiscal year 2022, a decrease of 6.8% over 2021, which was 77.2%.

	Year Ended June 30,			
	(in millions)			
	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Governmental Activities:				
Instruction - Special Education	\$ 224.1	\$ 110.2	\$ 267.9	\$ 167.7
Instruction - Vocational Education	12.3	10.7	13.8	12.2
Student Services	84.7	84.7	103.9	103.3
Transportation	31.6	24.6	28.2	22.7
Administration	34.6	34.6	31.9	31.9
Other Support Services	39.4	35.3	39.9	36.8
Interest and Other Charges	1.0	1.0	0.9	0.9
Unallocated Depreciation	0.1	0.1	0.1	0.1
Total Governmental Activities	\$ 427.8	\$ 301.2	\$ 486.6	\$ 375.6

The School District's Funds

As discussed above, the School District uses funds to account for a wide range of financial transactions. A review of the funds provides some insight into the School District's financial condition. In total, governmental funds had a fund balance of \$341.5 million at June 30, 2021, which represented an increase of \$0.8 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 2025 was approved by the School Board and the Governing Council in May and June 2021, respectively. A revised budget was presented to the School Board and Governing Council in November and December 2021, respectively.

The final revised budget for general fund revenue totaled \$222.6 million compared to the original budget of \$222.3 million.

The final revised budget for general fund expenditures totaled \$219.6 million compared to the original budget of \$216.0 million. This increase is due several factors, including an increase of \$1.0 million in e-rates expenditures and a transfer of \$1.2 million budgeted expenditures from the special revenue fund to the general fund for outsourcing of substitutes.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

Special Revenue Fund Budget Highlights

The final revised budget for special revenue fund revenue totaled \$234.4 million compared to the original budget of \$241.3 million. The decrease is primarily due to a decrease in local funding of property taxes.

The final revised budget for special revenue fund expenditures totaled \$258.1 million compared to the original budget of \$259.3 million. The decrease is primarily due to a transfer of \$1.2 million budgeted expenditures from the special revenue fund to the general fund for outsourcing of substitutes.

Capital Assets and Debt Administration

Capital Assets:

At June 30, 2022, the School District had capital assets with a net book value of \$129.3 million which is an increase of \$13.3 million from fiscal year 2021. This reflects net capital additions of \$20.3 million partially offset by net depreciation and amortization expense of \$6.2 million and a loss of \$0.8 million on disposal of assets.

NET BOOK VALUE

	Governmental Activities	
	June 30,	
	2022	2021
Land	\$ 2,738,098	\$ 2,738,098
Buildings, land improvements and construction in progress	114,191,043	102,863,305
Vehicles and equipment	10,694,780	10,351,439
Leased buildings, equipment and vehicles	1,646,535	-
Total	\$ 129,270,456	\$ 115,952,842

Debt:

At June 30, 2022, the School District had \$24.5 million in leasehold revenue bonds outstanding. These bonds are the legal obligation of the Facilities Authority payable solely from rental payments received from the School District. Additional information about the bonds is provided in Note 8.

	June 30,	
Facilities Authority	2022	2021
Leasehold Revenue Bonds - by issue date:		
November 2014	\$ -	\$ 22,830,000
February 2020	5,460,000	6,250,000
	19,055,000	-
Total Facilities Authority	\$ 24,515,000	\$ 29,080,000

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 \$202.6 million. Refer to Notes 4, 5 and 10 for more information concerning long-term liabilities.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Management's Discussion and Analysis (continued)

Economic Factors and Fiscal Year 2023 Budget

The fiscal year 2023 budget reflects a large increase in revenue. Total revenue is projected to increase by \$14.9 million or 3.1% in fiscal year 2023. This increase is mainly due to an increase in state funding of transportation to fully fund the program as well as an increase of CCEIS carryover.

As the national economy continues to wrestle with inflation numbers, the State of Missouri is flush with cash. The Federal Reserve has raised interest rates throughout the spring and summer and voices a plan to continue to raise rates to help slow inflation. The Missouri General Assembly has voted to fully fund the Transportation Formula and Prop C continues to generate revenues higher than expected. COVID 19 is on the decline and any future closures, at this point, do not seem to be on the horizon.

Contacting the School District's Financial Management

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

Basic Financial Statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities
-- ASSETS --	
Cash and investments	\$ 350,379,233
Property taxes receivable, net of allowance for uncollectible amount of \$3,943,490	7,628,285
Grants and other receivables	43,757,055
Prepaid items	637,939
Inventory	370,543
Restricted cash and investments	238,868
Capital Assets:	
Land	2,738,098
Construction in progress	10,386,078
Other capital assets, net of accumulated depreciation and amortization	116,146,280
Total Assets	532,282,379
-- DEFERRED OUTFLOWS OF RESOURCES --	
Deferred amounts related to pensions	132,874,464
Deferred amounts related to other post-employment benefits	26,549,737
Total Deferred Outflows of Resources	159,424,201
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 691,706,580
-- LIABILITIES --	
Accounts payable	\$ 41,938,633
Accrued expenditures:	
Salaries and related benefits	7,489,640
Medical and dental claims	3,423,056
Interest	245,150
Other liabilities	2,668,020
Due to student activity program	142,812
Unearned revenues	53,034
Long-term liabilities:	
Due within one year	10,364,092
Due in more than one year	28,814,245
Net pension liability	100,530,198
Other post-employment benefits liability	87,360,290
Total Liabilities	283,029,170
-- DEFERRED INFLOWS OF RESOURCES --	
Deferred charge on refunding	338,116
Deferred amounts related to pensions	296,614,827
Deferred amounts related to other post-employment benefits	36,289,731
Total Deferred Inflows of Resources	333,242,674
-- NET POSITION --	
Net investment in capital assets	99,659,175
Restricted for:	
Capital projects	4,553,995
Workers' compensation claims	200,000
Unrestricted	(28,978,434)
Total Net Position	75,434,736
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 691,706,580

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, 2022**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
GOVERNMENTAL ACTIVITIES:					
Instruction	\$ 236,436,203	\$ 13,115,364	\$ 102,285,679	\$ 162,745	\$ (120,872,415)
Attendance	10,212,318	-	-	-	(10,212,318)
Guidance	3,184,023	-	-	-	(3,184,023)
Health services	71,266,868	-	208	-	(71,266,660)
Improvement of instruction	10,158,629	-	-	-	(10,158,629)
Professional development	482,188	-	-	-	(482,188)
Media services	572,263	-	-	-	(572,263)
Board of Education services	2,134,413	-	-	-	(2,134,413)
Executive administration	18,486,925	-	-	-	(18,486,925)
Building level administration	13,395,338	-	-	-	(13,395,338)
Business, fiscal and internal services	4,573,099	-	-	-	(4,573,099)
Operation of plant	9,234,323	37,950	-	-	(9,196,373)
Pupil transportation	31,571,222	-	6,866,004	68,140	(24,637,078)
Food services	928,563	13,540	977,541	-	62,518
Central office support services	10,898,530	-	992	-	(10,897,538)
Adult continuing education	2,566,063	1,112,791	1,589,350	-	136,078
Community services	573,012	-	401,038	-	(171,974)
Unallocated depreciation	136,439	-	-	-	(136,439)
Debt service:					
Interest	775,041	-	-	-	(775,041)
Other charges	266,768	-	-	-	(266,768)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 427,852,228	\$ 14,279,645	\$ 112,120,812	\$ 230,885	(301,220,886)

General Revenues

Taxes:

Property	303,347,744
Sales	8,922,363
State aid	51,370,114
Investment earnings	442,761
Miscellaneous	212,037

TOTAL GENERAL REVENUES 364,295,019

CHANGE IN NET POSITION 63,074,133

**NET POSITION, BEGINNING OF
YEAR** 12,360,603

NET POSITION, END OF YEAR \$ 75,434,736

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
-- ASSETS --					
Cash and investments	\$ 350,379,233	\$ -	\$ -	\$ -	\$ 350,379,233
Property taxes - net of allowance for uncollectible amount	3,451,427	3,712,763	-	464,095	7,628,285
Grants and other receivables	28,853,292	14,835,623	-	68,140	43,757,055
Interfund receivables	7,724,013	-	-	4,512,165	12,236,178
Prepaid items	637,939	-	-	-	637,939
Inventory	370,543	-	-	-	370,543
Restricted cash and investments	231,100	-	3,214	4,554	238,868
TOTAL ASSETS	\$ 391,647,547	\$ 18,548,386	\$ 3,214	\$ 5,048,954	\$ 415,248,101

-- LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES --

LIABILITIES:

Accounts payable	\$ 41,938,633	\$ -	\$ -	\$ -	\$ 41,938,633
Accrued expenditures:					
Salaries and related benefits	3,980,037	3,509,603	-	-	7,489,640
Medical and dental claims	3,423,056	-	-	-	3,423,056
Other liabilities	2,177,613	-	-	490,407	2,668,020
Due to student activity program	142,812	-	-	-	142,812
Unavailable revenues	53,034	-	-	-	53,034
Interfund payables	-	12,236,178	-	-	12,236,178
Total Liabilities	51,715,185	15,745,781	-	490,407	67,951,373

DEFERRED INFLOWS OF RESOURCES:

Unavailable revenue - property taxes	2,605,334	2,802,605	-	350,326	5,758,265
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FUND BALANCES:

Nonspendable:					
Inventory	370,543	-	-	-	370,543
Prepaid items	637,939	-	-	-	637,939
Restricted for:					
Capital projects	31,100	-	-	4,208,221	4,239,321
Debt service	-	-	3,214	-	3,214
Workers' compensation claims	200,000	-	-	-	200,000
Assigned for subsequent budget deficit	19,467,956	-	-	-	19,467,956
Unassigned	316,619,490	-	-	-	316,619,490
Total Fund Balances	337,327,028	-	3,214	4,208,221	341,538,463

**TOTAL LIABILITIES,
DEFERRED INFLOWS OF RESOURCES,
AND FUND BALANCES**

	\$ 391,647,547	\$ 18,548,386	\$ 3,214	\$ 5,048,954	\$ 415,248,101
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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, 2022**

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 341,538,463
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$212,901,288 and the accumulated depreciation and amortization is \$83,630,832	129,270,456
Unpaid property taxes at June 30, 2022 less July and August receipts are recorded as deferred revenue in the governmental funds.	5,758,265
Interest on long-term debt is not accrued in governmental funds but rather is recognized as an expenditure when due.	(245,150)
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:	
Leases	(1,661,671)
Leasehold revenue bonds	(24,515,000)
Sick leave benefits	(2,694,021)
Workers' compensation claims	(4,391,371)
Unemployment benefits	(23,945)
Vacation pay	(2,250,614)
Unamortized bond premium	(3,101,046)
Deferred amount on refunding	(338,116)
Liability claims	(540,669)
Other post-employment benefits	(87,360,290)
Net pension liability - PSRS	(93,226,608)
Net pension liability - PEERS	(7,303,590)
Deferred outflows of resources - PSRS	113,257,097
Deferred outflows of resources - PEERS	19,617,367
Deferred inflows of resources - PSRS	(247,399,836)
Deferred inflows of resources - PEERS	(49,214,991)
Deferred inflows of resources - other post-employment benefits, net	(9,739,994)
Total	<u>(400,887,298)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 75,434,736</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, 2022**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Property taxes	\$ 134,461,101	\$ 144,642,229	\$ -	\$ 18,080,278	\$ 297,183,608
Sales tax	-	8,922,363	-	-	8,922,363
Adult education	1,112,791	-	-	-	1,112,791
Investment income	440,150	-	1,412	1,199	442,761
Food service	13,540	-	-	-	13,540
Desegregation program	4,720,752	-	-	-	4,720,752
Other local	968,732	693,350	-	86,440	1,748,522
Total Local	141,717,066	154,257,942	1,412	18,167,917	314,144,337
County Sources:					
Fines, forfeitures, escheat	-	8,245	-	-	8,245
State assessed	2,277,076	2,449,491	-	306,186	5,032,753
Total County	2,277,076	2,457,736	-	306,186	5,040,998
State Sources:					
Basic formula	12,583,111	38,787,003	-	-	51,370,114
Transportation	6,510,425	-	-	-	6,510,425
High needs fund	19,239,454	-	-	-	19,239,454
Early childhood	10,687,962	14,590,774	-	-	25,278,736
Vocational tech aid	1,319,575	-	-	115,908	1,435,483
State grants and contributions	1,842,204	-	-	-	1,842,204
Total State	52,182,731	53,377,777	-	115,908	105,676,416
Federal Sources:					
Medicaid	11,333,249	-	-	-	11,333,249
Entitlement	4,484,000	35,925,663	-	-	40,409,663
School breakfast/lunch	895,195	-	-	-	895,195
Early childhood	3,616,400	-	-	-	3,616,400
Other federal sources	3,289,237	205,109	-	114,978	3,609,324
Total Federal	23,618,081	36,130,772	-	114,978	59,863,831
Contracted educational services	6,496,192	-	-	-	6,496,192
Total Revenues	226,291,146	246,224,227	1,412	18,704,989	491,221,774

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, 2022**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
EXPENDITURES:					
Current:					
Instruction	99,502,685	162,342,501	-	-	261,845,186
Attendance	10,690,550	210,545	-	-	10,901,095
Guidance	918,165	2,747,654	-	-	3,665,819
Health services	24,915,831	55,935,299	-	-	80,851,130
Improvement of instruction	2,592,350	8,670,890	-	-	11,263,240
Professional development	411,253	86,786	-	-	498,039
Media services	509,064	113,608	-	-	622,672
Board of Education services	1,995,193	168,434	-	-	2,163,627
Executive administration	10,296,998	10,222,344	-	-	20,519,342
Building level administration	2,503,456	12,932,096	-	-	15,435,552
Business, fiscal and internal services	4,393,607	-	-	-	4,393,607
Operation of plant	9,013,481	-	-	-	9,013,481
Pupil transportation	29,459,706	-	-	-	29,459,706
Food services	820,333	-	-	-	820,333
Central office support services	9,772,038	1,346,233	-	-	11,118,271
Adult continuing education	1,322,174	1,420,016	-	-	2,742,190
Community services	387,440	256,466	-	-	643,906
Capital outlay	-	-	-	21,213,724	21,213,724
Debt service:					
Principal	-	-	790,000	71,276	861,276
Interest	-	-	1,212,349	7,492	1,219,841
Other charges	-	-	-	266,768	266,768
Total Expenditures	209,504,324	256,452,872	2,002,349	21,559,260	489,518,805
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	16,786,822	(10,228,645)	(2,000,937)	(2,854,271)	1,702,969
OTHER FINANCING SOURCES (USES):					
Transfer (to) from other funds	(10,228,645)	10,228,645	3,228,934	(3,228,934)	-
Bond proceeds	-	-	18,786,090	268,910	19,055,000
Premium	-	-	2,825,915	-	2,825,915
Payment to refunding escrow agent	-	-	(22,830,000)	-	(22,830,000)
Proceeds from the sale of capital assets	-	-	-	29,244	29,244
Total Other Financing Sources (Uses)	(10,228,645)	10,228,645	2,010,939	(2,930,780)	(919,841)
NET CHANGE IN FUND BALANCES	6,558,177	-	10,002	(5,785,051)	783,128
FUND BALANCES, BEGINNING OF YEAR	330,768,851	-	(6,788)	9,993,272	340,755,335
FUND BALANCES, END OF YEAR	\$ 337,327,028	\$ -	\$ 3,214	\$ 4,208,221	\$ 341,538,463

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, 2022**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL BALANCES \$ 783,128

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 the amount by which capital outlay exceeded depreciation and amortization expense in the current period:

Capital asset additions	20,326,341	
Depreciation and amortization expense	<u>(6,221,962)</u>	
		14,104,379

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.

(297,663)

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	(21,061,998)	
Repayment of bond and lease principal	1,337,357	
Payment to refunding escrow agent	22,830,000	
Premium received	(2,825,915)	
Interest expense	17,436	
Deferred amount on refunding	(268,479)	
Amortization of deferred amount on refunding	21,844	
Amortization of bond premium	<u>673,999</u>	
		724,244

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	(159,147)	
Gain (loss) on disposal of capital assets	<u>(627,618)</u>	
		(786,765)

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	141,513	
Workers' compensation claims	(1,461,748)	
Unemployment benefits	(18,916)	
Liability claims	325,995	
Other post-employment benefits	(5,309,320)	
Pension expense - PSRS	46,292,508	
Pension expense - PEERS	<u>8,576,778</u>	
		48,546,810

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 63,074,133**

See accompanying notes to basic financial statements

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2022

1. DESCRIPTION OF ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Principles Determining the Scope of Reporting Entity

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

Fund Accounting

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

Governmental Funds

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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

General Fund

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

Special Revenue Fund

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

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest and fiscal charges on long-term debt.

Capital Projects Fund

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

Basis of Presentation

Government-wide Financial Statements:

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

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

The statement of net position presents the financial condition of the governmental activities of the District at year end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* include (a) charges paid by the recipient of the goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

program revenues are presented as general revenues and include all property taxes. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

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

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

Basis of Accounting

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

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

Nonexchange transactions, in which the District receives value without directly giving value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized. For 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 six (6) 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.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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

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

Property Taxes

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

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

The assessed valuations of the tangible taxable property for the calendar years 2021 and 2020 for purposes of local taxation were \$29,270,136,151 and \$27,790,767,381, respectively.

The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar years 2021 and 2020 for purposes of local taxation were:

	December 31, 2021	December 31, 2020
General Fund	\$ 0.4596	\$ 0.5012
Special Revenue Fund	0.4944	0.5391
Capital Projects Fund	0.0618	0.0674
Total	<u>\$ 1.0158</u>	<u>\$ 1.1077</u>

The receipts of current and delinquent property taxes during the fiscal year ended June 30, 2022, aggregated approximately 97.03% of the current assessment computed on the basis of the levy as shown above.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Restricted Cash and Investments

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

Inventory

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

Capital Assets

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

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

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

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

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Interfund Balances

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

Payroll Disbursements

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

Compensated Absences

Vacation pay is accrued as a liability of the District in the government-wide financial statements when earned. Vacation benefits are available to all regular full-time employees who work 12 months. The amount of vacation earned is determined based on job classification and the number of months of continuous service. Accumulated unused earned vacation pay at June 30, 2022, amounted to approximately \$2,251,000 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 \$2,694,000 and has been recorded as an expense in the government-wide financial statements.

Accrued Liabilities and Long-Term Liabilities

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

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

Pensions

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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

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

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

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

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

Other Post-Employment Benefit Liability

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

Governmental Fund Balances

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

Nonspendable - This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The District's nonspendable fund balance at June 30, 2022, consists of prepaid items and inventory.

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

District's restricted fund balance at June 30, 2022, 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, 2022.

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.

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, 2022, 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.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2022, 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, 2022.

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, 2022.

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 June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use and underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of 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). 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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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.

The deposits and investments held at June 30, 2022, are as follows:

Type	Carrying Value
Deposits:	
Demand deposits	\$ 31,633,196
Cash on hand	2,255
Total Deposits	31,635,451
Investments:	
U.S. Treasury Bills	54,928,282
U.S. Treasury Notes	45,965,313
External investment pools	49,013,668
Federal agency bonds	10,959,245
* Money market mutual funds	7,767
Commercial paper	158,108,375
Total Investments	318,982,650
Total Deposits and Investments	\$ 350,618,101

* Represents investments of the Facilities Authority

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District has a custodial credit risk policy for repurchase agreement investments and for certificate of deposits which requires these funds to be collateralized at least 100% or greater of the balance plus any demand deposit with the depository, less any insurance (Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund), as applicable. As of June 30, 2022, 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, 2022, are provided as follows:

Investment Type	Fair Value	Investment Maturities (In Years)		
		No Maturity	Less than 1	1 - 5
U.S. Treasury Bills	\$ 54,928,282	\$ 200,000	\$ 54,728,282	\$ -
U.S. Treasury Notes	45,965,313	-	45,965,313	-
External investment pool	49,013,668	49,013,668	-	-
Federal agency bonds	10,959,245	-	10,959,245	-
* Money market mutual funds	7,767	7,767	-	-
Commercial paper	158,108,375	-	158,108,375	-
	<u>\$ 318,982,650</u>	<u>\$ 49,221,435</u>	<u>\$ 269,761,215</u>	<u>\$ -</u>

* Represents investments of the Facilities Authority

Investment Credit Risk

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

At June 30, 2022, the District's investments were rated as follows:

Description	Financial Institution	Amount	Rating
U.S. Treasury Bills	Commerce	\$ 54,928,282	N/A
U.S. Treasury Notes	Commerce, MOSIP	45,965,313	N/A
External Investment Pool -			
MOSIP Liquid Series	MOSIP	28,984,039	AAAm
MOCAAT Liquid Series	MOCAAT	20,029,629	AAAm
Federal agency bonds	Commerce	10,959,245	P-1
* Money market mutual funds	UMB Bank	7,767	AAAm
Commercial paper	UMB Bank	74,721,549	P-1
Commercial paper	Commerce	73,424,743	P-1
Commercial paper	FHN Financial	9,962,083	P-1

* Represents investments of the Facilities Authority

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the District for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

investments in other pooled investments). At June 30, 2022, the District had the following concentrations of investment credit risk required to be disclosed:

Description	Issuer	Financial Institution	Fair Value	Percentage of Total Investments
Commercial paper	Westpac Securities NZ LT	Commerce	16,853,124	5.28%

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, 2022, is as follows:

	Balance June 30, 2021 as Restated	Additions and Transfers	Disposals and Transfers	Balance June 30, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,738,098	\$ -	\$ -	\$ 2,738,098
Construction in Progress	1,105,134	10,284,177	1,003,233	10,386,078
Total Capital Assets, Not Being Depreciated	3,843,232	10,284,177	1,003,233	13,124,176
Capital Assets, Being Depreciated or Amortized:				
Land improvements	2,644,912	-	-	2,644,912
Buildings and building improvements	151,342,901	6,218,519	1,709,984	155,851,436
Machinery and equipment	23,426,783	747,470	59,272	24,114,981
Vehicles	14,983,960	1,870,380	1,897,585	14,956,755
Leased buildings	1,408,503	-	-	1,408,503
Leased machinery and equipment	220,411	9,640	-	230,051
Leased vehicles	502,283	68,191	-	570,474
Total Capital Assets, Being Depreciated	194,529,753	8,914,200	3,666,841	199,777,112
Less - Accumulated Depreciation For:				
Land improvements	2,184,602	110,986	-	2,295,588
Buildings and building improvements	50,045,039	3,503,002	1,152,246	52,395,795
Machinery and equipment	17,973,473	921,116	32,275	18,862,314
Vehicles	10,287,862	1,124,365	1,897,585	9,514,642
Less - Accumulated Amortization For:				
Leased assets	-	562,493	-	562,493
Total Accumulated Depreciation and Amortization	80,490,976	6,221,962	3,082,106	83,630,832
Total Capital Assets, Being Depreciated or Amortized, Net	114,038,777	2,692,238	584,735	116,146,280
Governmental Activities, Capital Assets, Net	\$ 117,882,009	\$ 12,976,415	\$ 1,587,968	\$ 129,270,456

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	\$3,408,680
Attendance	10,808
Guidance	4,053
Health services	52,688
Improvement of instruction	56,883
Media services	4,946
Executive administration	13,443
Building level administration	60,291
Business, fiscal and internal services	481,374
Operation of plant	421,050
Pupil transportation	1,461,715
Food services	81,864
Adult continuing education	27,728
Unallocated	136,439
	<u>\$6,221,962</u>

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022, is as follows:

	Balance			Balance	Amounts Due
	June 30,			June 30,	Within
	2021			2022	One Year
	as Restated	Additions	Deductions		
Governmental Activities:					
Leasehold revenue bonds	\$ 29,080,000	\$ 19,055,000	\$ 23,620,000	\$ 24,515,000	\$ 2,180,000
Plus: bond premium	949,130	2,825,915	673,999	3,101,046	-
Leasehold revenue bonds, net	<u>30,029,130</u>	<u>21,880,915</u>	<u>24,293,999</u>	<u>27,616,046</u>	<u>2,180,000</u>
Leases	2,131,197	77,831	547,357	1,661,671	536,500
Sick leave benefits	2,848,714	17,635,842	17,790,535	2,694,021	440,993
Vacation pay	2,237,434	2,338,205	2,325,025	2,250,614	2,250,614
Workers' compensation claims	2,929,623	4,089,273	2,627,525	4,391,371	4,391,371
Unemployment benefits	5,029	147,705	128,789	23,945	23,945
Liability claims	866,664	1,229,048	1,555,043	540,669	540,669
Total governmental activities	<u>\$ 41,047,791</u>	<u>\$ 47,398,819</u>	<u>\$ 49,268,273</u>	<u>\$ 39,178,337</u>	<u>\$ 10,364,092</u>

Leasehold Revenue Bonds

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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 2032 and provide for renewal options ranging from one month to five years.

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

Year Ending June 30,	Principal	Interest	Total
2023	\$ 536,500	\$ 40,959	\$ 577,459
2024	453,102	26,921	480,023
2025	214,887	17,575	232,462
2026	172,528	11,463	183,991
2027	144,389	6,556	150,945
2028-2032	140,265	2,064	142,329
	<u>\$ 1,661,671</u>	<u>\$ 105,538</u>	<u>\$ 1,767,209</u>

Sick Leave, Vacation, and Insurance

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

5. RETIREMENT PLANS

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

General Information about the Pension Plans

Plan Description. PSRS is a mandatory cost-sharing multiple employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the state of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989. The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-thirds statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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.

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.psr-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.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

- If the CPI decreases, no COLA is provided.

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

Contributions. PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2020, 2021 and 2022. 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 2020, 2021 and 2022. 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 \$32,056,092 and \$8,911,092, respectively, for the year ended June 30, 2022.

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

At June 30, 2022, the District recorded a liability of \$93,226,608 for its proportionate share of the PSRS net pension liability and \$7,303,590 for its proportionate share of the PEERS net pension liability. In total the District recorded net pension liabilities of \$100,530,198. The net pension liability for the plans in total was measured as of June 30, 2021, 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 \$31,363,752 and \$8,525,443, respectively, for the year ended June 30, 2021, relative to the total contributions of \$744,694,744 for PSRS and \$125,712,392 for PEERS from all participating employers. At June 30, 2021, the District's proportionate share was 4.2112% for PSRS and 6.7819% for PEERS.

For the year ended June 30, 2022, the District recognized pension expense (income) of (\$14,255,166) for PSRS and \$331,078 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, 2022, the District reported deferred outflows of resources and deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

Balance of Deferred Outflows and Inflows Due to:	PSRS		PEERS		District Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 34,825,542	\$ 8,344,264	\$ 4,225,307	\$ 379,091	\$ 39,050,849	\$ 8,723,355
Changes in assumptions	38,249,352	-	3,927,977	-	42,177,329	-
Net difference between projected and actual earnings on pension plan investments	-	238,531,132	-	48,835,900	-	287,367,032
Changes in proportion and differences between District contributions and proportionate share of contributions	8,126,111	524,440	2,552,991	-	10,679,102	524,440
Employer contributions subsequent to the measurement date	32,056,092	-	8,911,092	-	40,967,184	-
Total	\$ 113,257,097	\$ 247,399,836	\$ 19,617,367	\$ 49,214,991	\$ 132,874,464	\$ 296,614,827

Amounts reported as deferred outflows of resources resulting from contribution subsequent to the measurement date of June 30, 2021, 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
2023	\$ (34,413,972)	\$ (7,136,524)	\$ (41,550,496)
2024	(37,914,617)	(6,426,639)	(44,341,256)
2025	(45,888,528)	(10,698,238)	(56,586,766)
2026	(56,912,408)	(14,247,315)	(71,159,723)
2027	8,930,694	-	8,930,694
Total	\$ (166,198,831)	\$ (38,508,716)	\$ (204,707,547)

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' Comprehensive Annual Financial Report ("CAFR"). The next experience studies are scheduled for 2026.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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

Measurement date	June 30, 2021
Valuation date	June 30, 2021
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 & PEERS Given that the actual increase in the CPI-U index from June 2020 to June 2021 was 5.39%, the Board approved an actual cost-of-living adjustment (COLA) as for January 1, 2022 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, 2023 and January 1, 2024, 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"> - If the June to June change in the CPI-U is less than 2% for one or more consecutive one year periods, a cost-of-living increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted. - If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a cost-of-living increase of 2% will be granted. - If the June to June change in the CPI-U is greater than or equal to 5%, a cost-of-living increase of 5% will be granted. - If the CPI decreases, no COLA is provided. <p>The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.</p>
Mortality assumptions:	
Actives	<p>PSRS Experience-adjusted Pub-2010 Teachers Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by 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.</p> <p>PEERS Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by 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.</p>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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

Non-disabled retirees, beneficiaries and survivors	PSRS	<p>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 from 2010 to 2018 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, with generational improvement after 2018 using the MP-2020 improvement scale.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Males</th> <th style="text-align: center; border-bottom: 1px solid black;">Females</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">Non-Disabled</td> <td style="text-align: center;">1.10</td> <td style="text-align: center;">1.04</td> </tr> <tr> <td style="padding-left: 20px;">Contingent Survivor</td> <td style="text-align: center;">1.18</td> <td style="text-align: center;">1.07</td> </tr> </tbody> </table>		Males	Females	Non-Disabled	1.10	1.04	Contingent Survivor	1.18	1.07
	Males	Females									
Non-Disabled	1.10	1.04									
Contingent Survivor	1.18	1.07									
	PEERS	<p>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 from 2010 to 2018 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, with generational improvement after 2018 using the MP-2020 improvement scale.</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Males</th> <th style="text-align: center; border-bottom: 1px solid black;">Females</th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">Non-Disabled</td> <td style="text-align: center;">1.13</td> <td style="text-align: center;">0.94</td> </tr> <tr> <td style="padding-left: 20px;">Contingent Survivor</td> <td style="text-align: center;">1.01</td> <td style="text-align: center;">1.07</td> </tr> </tbody> </table>		Males	Females	Non-Disabled	1.13	0.94	Contingent Survivor	1.01	1.07
	Males	Females									
Non-Disabled	1.13	0.94									
Contingent Survivor	1.01	1.07									
Disabled retirees	PSRS	<p>Experience-adjusted Pub-2010 Teacher Disability Mortality Table, projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by 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.</p>									
	PEERS	<p>Experience-adjusted Pub-2010 General Disability Mortality Table projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by 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.</p>									
Changes in Actuarial Assumptions and Methods		<p>An experience study was completed in May 2021 resulting in an update to the following assumptions:</p>									
	PSRS & PEERS	<ul style="list-style-type: none"> - The long-term inflation assumption was decreased from 2.25% to 2.00%. - The expected return on assets assumption was decreased from 7.50% to 7.30%. - The cost-of-living increase assumption was changed to be 2.00% on January 1, 2022, 2023, and 2024, and 1.35% on each January 1 thereafter. 									
	PSRS	<ul style="list-style-type: none"> - The total payroll growth assumption was decreased from 2.75% to 2.25%. - The future salary growth assumption was decreased from 3.00%-9.50%, depending on service, to 2.625%-8.875%, depending on service. - The mortality assumptions were changed to reflect the PubT-2010 (Teacher) mortality tables, with adjustments based on actual member mortality experience from 2015-2020, and to incorporate future mortality improvement on a generational basis in accordance with the MP-2020 improvement scale. - Other demographic assumptions were also changed based on actual number demographic experience from 2015-2020. 									
	PEERS	<ul style="list-style-type: none"> - The total payroll growth assumption was decreased from 3.25% to 2.50%. - The future salary growth assumption was decreased from 4.00%-11.00%, depending on service, to 3.25%-9.75%, depending on service. - The mortality assumptions were changed to reflect the PubG-2010(B) (General Employee, Below-Median Income) mortality tables, with adjustments based on actual member mortality experience from 2015-2020, and to incorporate future mortality improvement on a generational basis in accordance with the MP-2020 improvement scale. - Other demographic assumptions were also changed based on actual number demographic experience from 2015-2020. 									

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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

Fiduciary net position The Systems issue a publicly available financial report (ACFR) that can be obtained at www.psr-peers.org.

Expected rate of return The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on 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, 2021 are summarized below.

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

Discount rate The long-term expected rate of return used to measure the total pension liability was 7.30% as of June 30, 2021, and is consistent with the long-term expected geometric return on plan investments. The Board of Trustees adopted a new actuarial assumed rate of return of 7.30% effective with the June 30, 2021 valuations based on the actuarial experience studies conducted during the current 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.

		Discount rate	1.0% Decrease (6.30%)	Current Rate (7.30%)	1.0% Increase (8.30%)
PSRS	Proportionate share of the Net Pension Liability / (Asset)	\$	375,323,347	\$ 93,226,608	\$ (140,335,121)
PEERS	Proportionate share of the Net Pension Liability / (Asset)	\$	61,846,784	\$ 7,303,590	\$ (38,213,912)

As of June 30, 2022, the District reported \$474,162 and \$252,078 payable to PSRS and PEERS, respectively, for legally required contributions.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2022, the estimated liability for payment of medical and dental, and unemployment claims is approximately \$3,423,000 and \$24,000, 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, 2022, the estimated liability for payment of workers' compensation claims under the self-insurance plan was approximately \$4,391,000 and is recorded in the government-wide financial statements.

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

Changes in the claim liabilities for the years ended June 30, 2022, and June 30, 2021, are as follows:

	Prescription Drugs, Medical and Dental Benefits	Workers' Compensation	Unemployment Benefits
Balance - June 30, 2020	\$ 3,926,951	\$ 4,123,777	\$ 18,527
Add: claims, fees, and change in estimates	52,758,271	661,694	-
Less: claim payments	(53,057,123)	(1,855,848)	(13,498)
Balance - June 30, 2021	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	<u>\$ 3,423,056</u>	<u>\$ 4,391,371</u>	<u>\$ 23,945</u>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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 \$460,000 per person and approximately \$3,066,000 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.

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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 \$3,220,331 during the year ended June 30, 2022. 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)

Bonds payable at June 30, 2022, consist of:

\$7,010,000 leasehold revenue bonds due in varying installments through April 1, 2028, interest at 4.00%	\$ 5,460,000
\$19,055,000 leasehold revenue bonds due in varying installments through April 1, 2034, interest at 4.00%	<u>19,055,000</u>
	<u>\$ 24,515,000</u>

The following is a summary of bond transactions for the year ended June 30, 2022:

Bonds payable, July 1, 2021	\$ 29,080,000
Bonds retired	<u>(23,620,000)</u>
Total bonds payable, June 30, 2022	<u>\$ 24,515,000</u>

The following are debt service requirements on the outstanding bonds at June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,180,000	\$ 980,600	\$ 3,160,600
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
2028-2032	9,960,000	1,498,800	11,458,800
2033-2034	2,695,000	185,600	2,880,600
	<u>\$ 24,515,000</u>	<u>\$ 5,675,600</u>	<u>\$ 30,190,600</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, 2022, the District had open construction commitments of approximately \$6,634,000.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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.

Coronavirus Pandemic

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

10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

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

Benefits Provided

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Retiree medical contributions effective for January 1, 2022, are as follows:

<u>Coverage Tier</u>	<u>PPO Pre-65</u>	<u>PPO 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.

<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, 2022, 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 \$87,360,290 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

Actuarial assumptions and other inputs

The total OPEB liability in the June 30, 2022, 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 5.50% 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

	Total OPEB Liability
Total OPEB Liability at June 30, 2021	<u>\$ 76,350,322</u>
Change for the year:	
Service cost	7,053,266
Interest cost	1,781,609
Effect of liability gains or losses	18,898,624
Changes in assumptions or other inputs	(14,870,166)
Benefit payments	<u>(1,853,365)</u>
Net change in total OPEB liability	<u>11,009,968</u>
Total OPEB Liability at June 30, 2022	<u><u>\$ 87,360,290</u></u>

Impact of Changes of Benefit Terms

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

Impact of Plan Experience

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

Impact of Changes of Assumptions

The impact of changes in assumptions is valued at a loss of \$14,870,166 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.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

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 3.54%, 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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 98,598,404	\$ 87,360,290	\$ 77,759,036

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

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

	1% Decrease	Current Trend	1% Increase
Total OPEB liability	\$ 75,141,945	\$ 87,360,290	\$ 102,473,864

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$7,162,685. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (21,835,381)	\$ 16,731,351
Changes of assumptions/inputs	(14,454,350)	9,818,386
Total	\$ (36,289,731)	\$ 26,549,737

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

Year Ending June 30,	Net Deferred Outflows and (Inflows) of Resources
2023	\$ (1,672,190)
2024	(1,672,190)
2025	(1,672,190)
2026	(1,672,190)
2027	(1,493,013)
Thereafter	(1,558,221)
	\$ (9,739,994)

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

11. TAX ABATEMENTS

As of June 30, 2022, the District is subject to the following tax abatement programs initiated by other governmental entities:

	<u>Real Estate Tax and Surcharge</u>	<u>Property Tax and Surcharge</u>
Enhanced enterprise zones/Chapter 135		
City of Berkley	\$ 13,757	\$ -
City of Hazelwood	46,337	-
Industrial development bonds/Chapter 68		
St. Louis County Port Authority	117,481	-
Industrial development bonds/Chapter 100		
City of Bellerive	19,212	-
City of Bridgeton	452	2,035
City of Clayton	389,043	24,171
City of Eureka	18,870	-
City of Ferguson	30,674	733
City of Hazelwood	352,697	44,808
City of Jennings	1,017	490
City of St. Ann	-	1,774
St. Louis County	928,616	152,879
Land Clearance Redevelopment Authority (LCRA)/Chapter 99		
City of University City	74,642	-
Urban redevelopment corporations/Chapter 353		
City of Brentwood	48,552	-
City of Bridgeton	133,665	-
City of Clayton	24,011	-
City of Edmundson	71,118	-
City of Ferguson	5,142	-
City of Frontenac	64,926	-
City of Hazelwood	753,694	-
City of Kinloch	299,583	-
City of Maplewood	79,250	-
City of Maryland Heights	48,162	-
City of Normandy	13,110	-
City of Olivette	13,332	-
City of Overland	24,329	-
City of Richmond Heights	137,020	-
City of Rock Hill	13,272	-
City of Sunset Hills	7,833	-
City of Woodson Terrace	1,031	-
St. Louis County	62,735	-
Total	<u>\$ 3,793,563</u>	<u>\$ 226,890</u>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Notes to Basic Financial Statements (continued)

12. RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

Required Supplementary Information

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Local	\$ 145,734,914	\$ 140,692,043	\$ 141,717,066	\$ 1,025,023
County	2,434,283	2,278,092	2,277,076	(1,016)
State	53,580,482	59,174,895	52,182,731	(6,992,164)
Federal	13,841,798	13,753,272	23,618,081	9,864,809
Contracted educational services	6,675,000	6,675,000	6,496,192	(178,808)
Total Revenues	222,266,477	222,573,302	226,291,146	3,717,844
EXPENDITURES:				
Current:				
Instruction	101,377,913	102,954,758	99,502,685	3,452,073
Attendance	11,335,415	11,328,916	10,690,550	638,366
Guidance	994,708	1,000,554	918,165	82,389
Health services	25,788,197	25,869,152	24,915,831	953,321
Improvement of instruction	2,800,933	3,026,746	2,592,350	434,396
Professional development	356,155	415,633	411,253	4,380
Media services	560,141	555,941	509,064	46,877
Board of Education services	1,576,487	1,576,487	1,995,193	(418,706)
Executive administration	5,594,714	8,638,319	10,296,998	(1,658,679)
Building level administration	3,198,134	3,316,698	2,503,456	813,242
Business, fiscal and internal services	4,549,442	4,192,342	4,393,607	(201,265)
Operation of plant	9,641,717	9,505,979	9,013,481	492,498
Pupil transportation	33,827,552	33,846,052	29,459,706	4,386,346
Food services	957,100	957,200	820,333	136,867
Central office support services	12,103,252	10,619,674	9,772,038	847,636
Adult continuing education	1,329,954	1,382,160	1,322,174	59,986
Community services	21,721	381,085	387,440	(6,355)
Total Expenditures	216,013,535	219,567,696	209,504,324	10,063,372
EXCESS OF REVENUES OVER EXPENDITURES	6,252,942	3,005,606	16,786,822	13,781,216
OTHER FINANCING USES:				
Transfers to other funds	(17,990,405)	(23,656,457)	(10,228,645)	13,427,812
Total Other Financing Uses	(17,990,405)	(23,656,457)	(10,228,645)	13,427,812
NET CHANGE IN FUND BALANCE	(11,737,463)	(20,650,851)	6,558,177	27,209,028
FUND BALANCE, BEGINNING OF YEAR	301,840,000	330,768,851	330,768,851	-
FUND BALANCE, END OF YEAR	\$ 290,102,537	\$ 310,118,000	\$ 337,327,028	\$ 27,209,028

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, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Local	\$ 157,525,706	\$ 150,615,054	\$ 154,257,942	\$ 3,642,888
County	2,638,361	2,470,585	2,457,736	(12,849)
State	49,279,279	49,466,070	53,377,777	3,911,707
Federal	31,904,729	31,904,729	36,130,772	4,226,043
Total Revenues	241,348,075	234,456,438	246,224,227	11,767,789
EXPENDITURES:				
Current:				
Instruction	166,163,727	165,251,610	162,342,501	2,909,109
Attendance	333,202	323,549	210,545	113,004
Guidance	2,939,615	2,939,615	2,747,654	191,961
Health services	57,626,313	57,092,558	55,935,299	1,157,259
Improvement of instruction	8,677,648	8,644,369	8,670,890	(26,521)
Professional development	112,474	85,929	86,786	(857)
Media services	116,424	116,424	113,608	2,816
Board of Education services	169,189	169,189	168,434	755
Executive administration	5,647,133	7,040,859	10,222,344	(3,181,485)
Building level administration	13,143,192	13,143,192	12,932,096	211,096
Central office support services	2,893,186	1,493,186	1,346,233	146,953
Adult continuing education	1,515,681	1,515,681	1,420,016	95,665
Community services	696	296,734	256,466	40,268
Total Expenditures	259,338,480	258,112,895	256,452,872	1,660,023
EXCESS OF REVENUES UNDER EXPENDITURES	(17,990,405)	(23,656,457)	(10,228,645)	13,427,812
OTHER FINANCING SOURCES:				
Transfers from other funds	17,990,405	23,656,457	10,228,645	(13,427,812)
Total Other Financing Sources	17,990,405	23,656,457	10,228,645	(13,427,812)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
JUNE 30, 2022**

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 25, 2021, or as amended by the Board of Education at various times during the fiscal year. The Governing Council approved the original budget on June 7, 2021.

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, 2022**

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 7,053,266	\$ 5,622,253	\$ 4,083,417	\$ 5,199,531	\$ 5,145,755
Interest cost	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	(14,870,166)	499,362	10,707,616	3,752,212	(2,758,133)
Benefit payments	(1,853,365)	(2,122,003)	(1,883,447)	(3,157,479)	(2,857,808)
Net change in total OPEB liability	11,009,968	5,662,740	(16,096,054)	8,947,238	2,365,196
Total OPEB Liability, beginning	76,350,322	70,687,582	86,783,636	77,836,398	75,471,202
Total OPEB Liability, ending	\$ 87,360,290	\$ 76,350,322	\$ 70,687,582	\$ 86,783,636	\$ 77,836,398
Covered payroll	\$ 298,908,000	\$ 293,000,000	\$ 276,619,000	\$ 270,131,000	\$ 262,287,000
Total OPEB liability as a percentage of covered payroll	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

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, 2022**

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

Year Ended * June 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
2014	4.1314%	\$ 169,493,799	\$ 188,504,965	89.91%	89.34%
2015	4.0894%	\$ 236,075,341	\$ 190,042,904	124.22%	85.78%
2016	4.0773%	\$ 303,377,575	\$ 193,253,990	156.98%	82.18%
2017	4.0735%	\$ 294,168,830	\$ 196,622,063	149.61%	83.77%
2018	4.0891%	\$ 304,329,487	\$ 201,129,737	151.31%	84.06%
2019	4.1002%	\$ 302,597,645	\$ 205,740,537	147.08%	84.62%
2020	4.0897%	\$ 365,239,502	\$ 208,739,238	174.97%	82.01%
2021	4.2112%	\$ 93,226,608	\$ 220,963,081	42.19%	95.81%

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, 2022**

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

Year Ended June 30,	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contribution as a Percentage of Covered Payroll
2013	\$ 26,425,261	\$ 26,425,261	\$ -	\$ 187,116,249	14.12%
2014	\$ 26,601,171	\$ 26,601,171	\$ -	\$ 188,504,965	14.11%
2015	\$ 26,849,095	\$ 26,849,095	\$ -	\$ 190,042,904	14.13%
2016	\$ 27,319,781	\$ 27,319,781	\$ -	\$ 193,253,990	14.14%
2017	\$ 27,860,211	\$ 27,860,211	\$ -	\$ 196,622,063	14.17%
2018	\$ 28,511,275	\$ 28,511,275	\$ -	\$ 201,129,737	14.18%
2019	\$ 29,188,396	\$ 29,188,396	\$ -	\$ 205,740,537	14.19%
2020	\$ 29,622,214	\$ 29,622,214	\$ -	\$ 208,739,238	14.19%
2021	\$ 31,363,752	\$ 31,363,752	\$ -	\$ 220,963,081	14.19%

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

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND RELATED RATIOS - PEERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

Year Ended * June 30,	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
2014	5.9502%	\$ 21,728,104	\$ 86,774,147	25.04%	91.33%
2015	6.1444%	\$ 32,498,110	\$ 92,136,896	35.27%	88.28%
2016	6.1230%	\$ 49,126,989	\$ 94,567,382	51.95%	83.32%
2017	6.2525%	\$ 47,703,502	\$ 100,477,166	47.48%	85.35%
2018	6.2485%	\$ 48,282,929	\$ 103,972,234	46.44%	86.06%
2019	6.3260%	\$ 50,036,198	\$ 108,646,251	46.05%	86.38%
2020	6.3950%	\$ 62,067,141	\$ 114,119,635	54.39%	84.06%
2021	6.7819%	\$ 7,303,590	\$ 124,271,712	5.88%	98.36%

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, 2022**

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

Year Ended June 30,	Statutorily Required Contribution	Actual Employer Contributions	Contribution Excess / (Deficiency)	Actual Covered Member Payroll	Contribution as a Percentage of Covered Payroll
2013	\$ 5,709,941	\$ 5,709,941	\$ -	\$ 83,235,752	6.86%
2014	\$ 5,952,711	\$ 5,952,711	\$ -	\$ 86,774,147	6.86%
2015	\$ 6,320,594	\$ 6,320,594	\$ -	\$ 92,136,896	6.86%
2016	\$ 6,487,318	\$ 6,487,318	\$ -	\$ 94,567,382	6.86%
2017	\$ 6,892,741	\$ 6,892,741	\$ -	\$ 100,477,166	6.86%
2018	\$ 7,132,498	\$ 7,132,498	\$ -	\$ 103,972,234	6.86%
2019	\$ 7,532,428	\$ 7,532,428	\$ -	\$ 108,646,251	6.93%
2020	\$ 7,893,843	\$ 7,893,843	\$ -	\$ 114,119,635	6.92%
2021	\$ 8,525,443	\$ 8,525,443	\$ -	\$ 124,271,712	6.86%

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

Additional Supplementary Information

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Local	\$ 18,731,687	\$ 17,864,395	\$ 18,166,718	\$ 302,323
County	327,356	306,323	306,186	(137)
State	10,568	10,568	115,908	105,340
Federal	42,000	42,000	114,978	72,978
Total Revenues	19,111,611	18,223,286	18,703,790	480,504
EXPENDITURES:				
Capital outlay	19,290,977	23,417,347	21,213,724	2,203,623
Debt service:				
Principal	2,241,277	2,241,277	2,234,646	6,631
Interest	1,057,836	1,057,836	1,064,453	(6,617)
Other charges	-	-	1,060	(1,060)
Total Expenditures	22,590,090	26,716,460	24,513,883	2,202,577
EXCESS OF REVENUES UNDER EXPENDITURES	(3,478,479)	(8,493,174)	(5,810,093)	2,683,081
OTHER FINANCING SOURCES:				
Proceeds from the sale of capital assets	25,000	25,000	29,244	4,244
Total Other Financing Sources	25,000	25,000	29,244	4,244
NET CHANGE IN FUND BALANCE	(3,453,479)	(8,468,174)	(5,780,849)	2,687,325
FUND BALANCE, BEGINNING OF YEAR	7,955,000	9,984,518	9,984,518	-
FUND BALANCE, END OF YEAR	\$ 4,501,521	\$ 1,516,344	\$ 4,203,669	\$ 2,687,325

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, 2022**

	Special School District		Special Educational Facilities Authority	Eliminations	Total
	Special School District				
-- ASSETS --					
Restricted cash and investments	\$	-	\$ 3,214	\$	-
					\$ 3,214
TOTAL ASSETS	\$	-	\$ 3,214	\$	-
					\$ 3,214
-- LIABILITIES AND FUND BALANCES --					
LIABILITIES:					
Accounts payable	\$	-	\$	-	\$
Other liabilities		-		-	-
Total Liabilities		-		-	-
FUND BALANCES:					
Restricted for:					
Debt service		-	3,214		-
					3,214
Total Fund Balances		-	3,214		-
					3,214
TOTAL LIABILITIES AND FUND BALANCES	\$	-	\$ 3,214	\$	-
					\$ 3,214

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, 2022**

	Special School District	Special School District Educational Facilities Authority	Eliminations	Total
-- ASSETS --				
Property taxes receivable - net of allowance for uncollectible amount	\$ 464,095	\$ -	\$ -	\$ 464,095
Grants and other receivables	68,140	-	-	68,140
Interfund receivables	4,512,165	-	-	4,512,165
Restricted cash and investments	2	4,552	-	4,554
TOTAL ASSETS	\$ 5,044,402	\$ 4,552	\$ -	\$ 5,048,954
-- LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES --				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Other liabilities	490,407	-	-	490,407
Total Liabilities	490,407	-	-	490,407
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	350,326	-	-	350,326
FUND BALANCES:				
Restricted for:				
Capital projects	4,203,669	4,552	-	4,208,221
Total Fund Balance	4,203,669	4,552	-	4,208,221
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,044,402	\$ 4,552	\$ -	\$ 5,048,954

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, 2022**

	Special School District	Special School District Educational Facilities Authority	Eliminations	Total
REVENUES:				
Local	\$ -	\$ 1,412	\$ -	\$ 1,412
Lease/purchase payments from District	-	3,220,331	(3,220,331)	-
Total Revenues	-	3,221,743	(3,220,331)	1,412
EXPENDITURES:				
Debt service:				
Principal	-	790,000	-	790,000
Interest	-	1,212,349	-	1,212,349
Other Charges	-	-	-	-
Total Expenditures	-	2,002,349	-	2,002,349
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,219,394	(3,220,331)	(2,000,937)
OTHER FINANCING SOURCES (USES) :				
Transfers from other funds	-	8,603	3,220,331	3,228,934
Bond proceeds	-	18,786,090	-	18,786,090
Premium	-	2,825,915	-	2,825,915
Debt service principal	-	(22,830,000)	-	(22,830,000)
Total Other Financing Sources (Uses)	-	(1,209,392)	3,220,331	2,010,939
NET CHANGE IN FUND BALANCES	-	10,002	-	10,002
FUND BALANCES, BEGINNING OF YEAR	-	(6,788)	-	(6,788)
FUND BALANCES, END OF YEAR	\$ -	\$ 3,214	\$ -	\$ 3,214

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, 2022**

	Special School District	Special School District Educational Facilities Authority	Eliminations	Total
REVENUES:				
Local	\$ 18,166,718	\$ 1,199	\$ -	\$ 18,167,917
County	306,186	-	-	306,186
State	115,908	-	-	115,908
Federal	114,978	-	-	114,978
Total Revenues	18,703,790	1,199	-	18,704,989
EXPENDITURES:				
Capital outlay	21,213,724	-	-	21,213,724
Debt service:				
Principal	2,234,646	-	(2,163,370)	71,276
Interest	1,064,453	-	(1,056,961)	7,492
Other charges	1,060	265,708	-	266,768
Total Expenditures	24,513,883	265,708	(3,220,331)	21,559,260
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,810,093)	(264,509)	3,220,331	(2,854,271)
OTHER FINANCING SOURCES (USES):				
Transfers to other funds	-	(8,603)	(3,220,331)	(3,228,934)
Bond proceeds	-	268,910	-	268,910
Proceeds from the sale of capital assets	29,244	-	-	29,244
Total Other Financing Sources (Uses)	29,244	260,307	(3,220,331)	(2,930,780)
NET CHANGES IN FUND BALANCES	(5,780,849)	(4,202)	-	(5,785,051)
FUND BALANCES, BEGINNING OF YEAR	9,984,518	8,754	-	9,993,272
FUND BALANCES, END OF YEAR	\$ 4,203,669	\$ 4,552	\$ -	\$ 4,208,221

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, 2022**

County District Number 096-119

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

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

School Code	Begin Grade	End Grade	Half Day Indicator	Standard Day Length	Days	Hours in Session
1015	1	12	-	7.0000	171	1,197.0000
1059	9	12	-	6.3333	169	1,070.3330
1069	9	12	-	6.2500	169	1,056.2500
1089	9	12	-	6.3333	169	1,070.3333
1100	9	12	-	6.3333	169	1,070.3333
1150	10	12	-	6.4166	169	1,084.4167
4029	K	8	-	6.4166	169	1,084.4167
4069	K	8	-	6.4166	169	1,084.4167
4269	K	8	-	6.2500	169	1,056.2500
9990	K	12	-	7.0000	176	1,232.0000

Notes:

2. Attendance Hours

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

School Code	Grade Level	Full-Time	Part-Time	Remedial Hours	Other	Summer School	Total
1015	1-12	33,298.5000	-	-	518.0000	-	33,816.5000
1059	9-12	81,716.6900	4,742.2500	-	1,043.0200	2,763.0000	90,264.9600
1069	9-12	61,025.9100	2,985.1300	-	-	2,935.0000	66,946.0400
1089	9-12	128,394.4900	4,988.8900	-	-	3,640.0000	137,023.3800
1100	9-12	107,959.1800	208,969.1300	-	332.0500	-	317,260.3600
1150	10-12	172.6700	269,955.3400	-	21,369.8900	-	291,497.9000
4029	K-8	129,659.7400	1,525.5300	-	-	3,656.0000	134,841.2700
4069	K-8	80,611.6600	9,698.1600	-	789.5800	2,796.0000	93,895.4000
4269	K-8	36,805.7700	4,220.3100	-	-	1,347.0000	42,373.0800
9990	K-12	286,892.6646	37,696.0800	-	3,810.6500	55,306.0000	383,705.3946
		<u>946,537.2746</u>	<u>544,780.8200</u>	<u>-</u>	<u>27,863.1900</u>	<u>72,443.0000</u>	<u>1,591,624.2846</u>

Notes:

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

3. September Membership

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

School Code	Grade Level	Full-Time	Part-Time	Other	Total
1015	1-12	24.00	-	1.00	25.00
1059	9-12	91.00	4.91	1.00	96.91
1069	9-12	67.00	1.52	-	68.52
1089	9-12	151.00	2.48	-	153.48
1100	9-12	118.00	260.15	0.43	378.58
1150	10-12	-	319.49	26.66	346.15
4029	K-8	129.00	0.58	-	129.58
4069	K-8	90.00	5.49	1.00	96.49
4269	K-8	39.00	2.04	-	41.04
9990	K-12	333.00	42.09	3.43	378.52
		<u>1,042.00</u>	<u>638.75</u>	<u>33.52</u>	<u>1,714.27</u>

Notes:

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

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

School Code	Free Lunch	Reduced Lunch	Deseg In Free	Deseg In Reduced	Total
N/A	12.00	-	N/A	N/A	12.00
1015	16.00	-	N/A	N/A	16.00
1059	28.54	5.00	N/A	N/A	33.54
1069	9.00	-	N/A	N/A	9.00
1089	140.89	-	N/A	N/A	140.89
1100	353.70	-	0.43	N/A	354.13
1150	30.10	5.59	13.76	0.43	49.88
4029	136.02	-	N/A	N/A	136.02
4069	94.56	-	1.00	N/A	95.56
4269	16.00	2.64	N/A	N/A	18.64
9990	156.69	-	3.43	N/A	160.12
	<u>993.50</u>	<u>13.23</u>	<u>18.62</u>	<u>0.43</u>	<u>1,025.78</u>

Notes:

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

5. Finance

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

Section	Question	Answer
5.1	The district/charter school maintained a calendar in accordance with 160.041, 171.029, 171.031, and 171.033, RSMo and all attendance hours were reported.	<u>TRUE</u>
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	<u>N/A</u>
	Career Exploration Program – Off Campus	<u>TRUE</u>
	Cooperative Occupational Education (COE) or Supervised Occupational Experience Program	<u>N/A</u>
	Dual enrollment	<u>TRUE</u>
	Homebound instruction	<u>TRUE</u>
	Missouri Options	<u>N/A</u>
	Prekindergarten eligible to be claimed for state aid	<u>N/A</u>
	Remediation	<u>TRUE</u>
	Sheltered Workshop participation	<u>N/A</u>
	Students participating in the school flex program	<u>N/A</u>
	Traditional instruction (full and part-time students)	<u>TRUE</u>
	Virtual instruction (MOCAP or other option)	<u>TRUE</u>
	Work Experience for Students with Disabilities	<u>TRUE</u>
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.	<u>TRUE</u>
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.	<u>TRUE</u>
5.5	As required by Section 162.401, RSMo, a bond was purchased for the district's/charter school's treasurer in the total amount of:	<u>\$50,000</u>
5.6	The district's\charter school's deposits were secured during the year as required by Sections 110.010 and 110.020, RSMo.	<u>TRUE</u>

See the accompanying independent auditors' report

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

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)	TRUE
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.	TRUE
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.)	N/A
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.	TRUE
5.11	The district has a professional development committee plan adopted by the Board with the professional development committee plan identifying the expenditure of seventy-five percent (75%) of one percent (1%) of the current year basic formula apportionment. Remaining 25% of 1% if not spent must be restricted and spent on appropriate expenditures in the future. Spending requirement is modified to seventy-five percent (75%) of one half percent (1/2%) of the current year basic formula apportionment if through fiscal year 2024 the amount appropriated and expended to public schools for transportation is less than twenty-five percent (25%) of allowable cost. (Not applicable to charter schools.)	TRUE
5.12	The amount spent for approved professional development committee plan activities was:	\$498,039
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.	TRUE

Notes:

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

Schedule of Selected Statistics (continued)

6. Transportation (Section 163.161, RSMo)

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

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"> • Eligible ADT • Ineligible ADT 	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">3,459.5</td> </tr> <tr> <td style="text-align: right;"><u>-</u></td> </tr> </table>	3,459.5	<u>-</u>
3,459.5				
<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-operated and contracted mileage for the year was:	<u>4,073,774</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"> • Eligible Miles • Ineligible Miles (Non-Route/Disapproved) 	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">3,931,345</td> </tr> <tr> <td style="text-align: right;"><u>142,429</u></td> </tr> </table>	3,931,345	<u>142,429</u>
3,931,345				
<u>142,429</u>				
6.7	Number of days the District operated the school transportation system during the regular school year:	<u>169</u>		

Finding #: _____

Management Letter Comment #: _____

Notes: _____



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, 2021 to June 30, 2022. 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, 2022 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 15, 2022

Federal Compliance Section



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

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, 2022, 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 15, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

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 15, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT 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, 2022. 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, 2022.

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.

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.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Board of Directors
Special School District of St. Louis County, MO

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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

St. Louis, Missouri
November 15, 2022

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Program Title	Federal Assistance Listing	Pass-Through Identification Number	Passed through to Subrecipients	Expenditures
U.S. Department of Education:				
Direct Award - Student Financial Assistance Cluster:				
Federal Pell Grant Program	84.063	N/A		\$ 781,767
Federal Direct Student Loans	84.268	N/A		1,305,265
Total Student Financial Assistance Cluster				<u>2,087,032</u>
Passed through Missouri Department of Elementary and Secondary Education:				
Special Education Cluster:				
Special Education - Grants to States	84.027	096-119		40,409,663
Special Education High Needs Fund	84.027	096-119		405,514
Assistive Technology Reimbursement Program	84.027	096-119		51,848
Subtotal Assistance Listing 84.027				<u>40,867,025</u>
Special Education - Preschool Grants	84.173	096-119		3,616,400
Total Special Education Cluster				<u>44,483,425</u>
Title IA Grants to Local Education Agencies	84.010	096-119		498,400
Title ID Grants to Local Education Agencies (Delinquent)	84.010	096-119		111,786
Subtotal Assistance Listing 84.010				<u>610,186</u>
Title IIA Improving Teacher Quality State Grants	84.367	096-119		80,972
Career and Technical Education	84.048	096-119	9,082	130,189
Education Stabilization Fund:				
COVID-19: GEER - Transportation Supplement	84.425C	096-119		423,719
COVID-19: ARP - ESSER III	84.425U	096-119		429,219
COVID-19: CRRSA - ESSER II	84.425D	096-119		208
COVID-19: CARES - MO Student Connectivity Connection	84.425D	096-119		98,534
Subtotal Assistance Listing 84.425D				<u>98,742</u>
Subtotal Education Stabilization Fund				<u>951,680</u>
Total U.S. Department of Education				<u>48,343,484</u>
U.S. Department of Agriculture:				
Passed through Missouri Department of Elementary and Secondary Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	096-119		356,616
National School Lunch Program	10.555	096-119		444,429
Food & Nutrition Services CNEOC	10.555	096-119		67,856
Donated Foods	10.555	096-119		33,959
Fresh Fruits and Vegetables	10.582	096-119		7,398
Subtotal Assistance Listing 10.553				<u>356,616</u>
Subtotal Assistance Listing 10.555				<u>546,244</u>
Subtotal Assistance Listing 10.582				<u>7,398</u>
Total Child Nutrition Cluster				<u>910,258</u>
Total U.S. Department of Agriculture				<u>910,258</u>
U.S. Department of Labor:				
WIOA Cluster:				
Passed through St. Louis Agency on Training and Employment:				
WIOA Adult Program	17.258	N/A		103,315
Passed through Madison County Government:				
WIOA Adult Program	17.258	N/A		79,842
Passed Through Jefferson-Franklin Counties Office of Job Training Programs:				
WIOA Adult Program	17.258	N/A		52,600
Passed through St. Charles County, Missouri:				
WIOA Adult Program	17.258	N/A		8,942
Passed through St. Clair County, Illinois:				
WIOA Adult Program	17.258	N/A		66,158
Passed through St. Louis County Career Center:				
WIOA Adult Program	17.258	N/A		5,358
Passed through Missouri Department of Higher Education and Workforce Development:				
WIOA Adult Program	17.258	N/A		16,166
WIOA Dislocated Worker	17.278	N/A		55,586
Subtotal Assistance Listing 17.258				<u>332,381</u>
Subtotal Assistance Listing 17.278				<u>55,586</u>
Total WIOA Cluster				<u>387,967</u>
Passed through H-CAP, Inc.				
H-1B Job Training Grants	17.268	N/A		103,021
Total U.S. Department of Labor				<u>490,988</u>
TOTAL				<u>\$ 49,744,730</u>

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022**

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, 2022. 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, 2022.

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, 2022, the District processed \$1,305,265 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, 2022.

SPECIAL SCHOOL DISTRICT OF ST. LOUIS COUNTY, MISSOURI

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

1. SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified:	_____ Yes <u> X </u> No
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes <u> X </u> None reported

Type of auditors' report issued on compliance for major programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)	_____ Yes <u> X </u> No
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Identification of major programs:

Federal Assistance Listing

Name of Federal Program or Cluster

84.027, 84.173

Special Education Cluster

84.425C, 84.425D, 84.425U

Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,492,342
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Auditee qualified as low-risk auditee?	<u> X </u> Yes _____ No
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2. FINANCIAL STATEMENT FINDINGS

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

3. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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