

# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
**June 30, 2012**

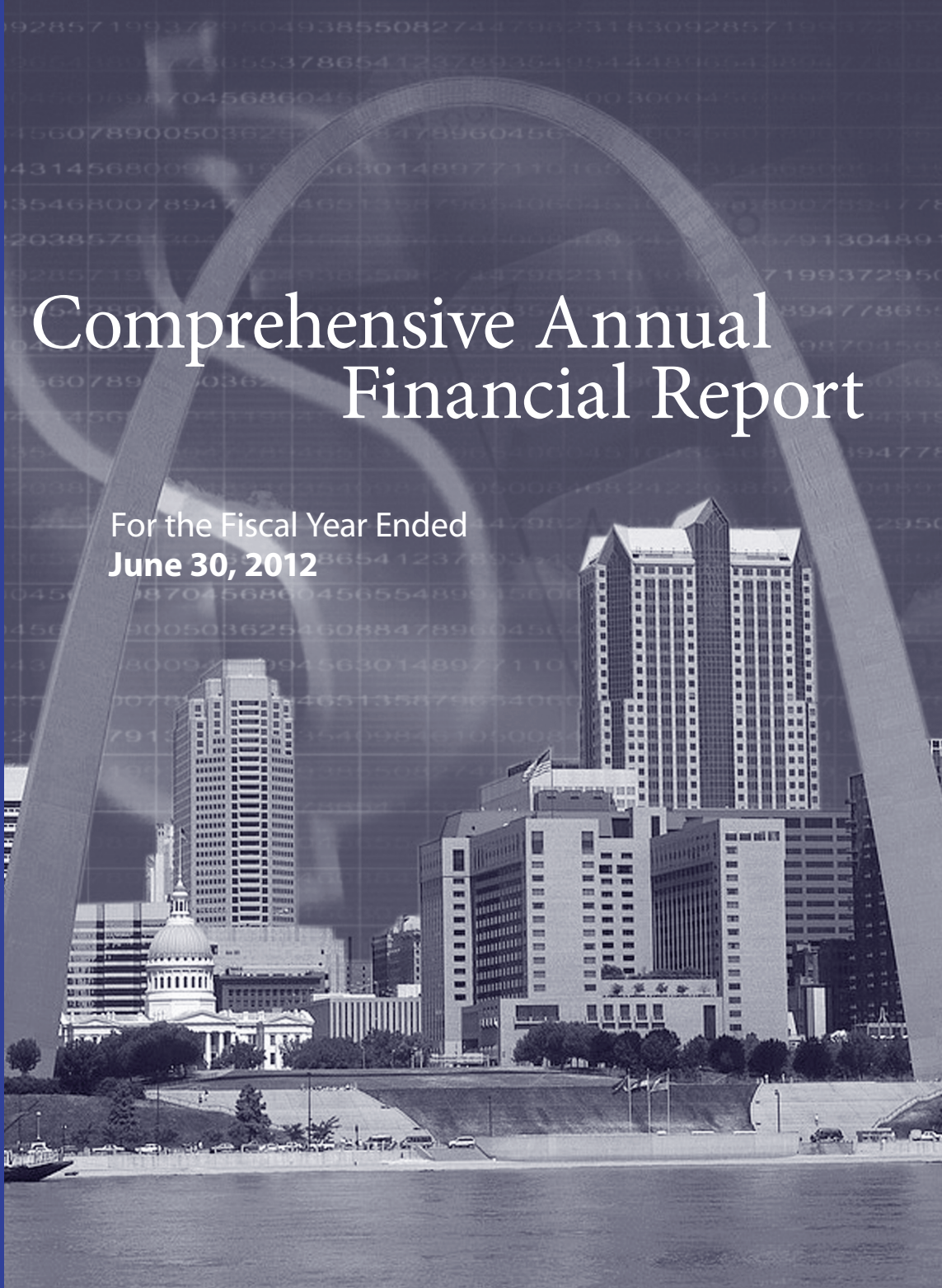
## SPECIAL ADMINISTRATIVE BOARD MEMBERS

**Rick Sullivan**  
*President/CEO*

**Melanie Adams**  
*Vice President*

**Richard K. Gaines**  
*Comprehensive Long Range  
Planning Chair*

**Kelvin R. Adams, Ph.D.**  
*Superintendent of Schools*



**St. Louis Public Schools**  
801 N. 11th Street  
St. Louis, Missouri 63101  
<http://www.slps.org/>



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***Special Administrative Board Of The Transitional  
School District Of The City Of St. Louis  
(St. Louis Public Schools)***

***Comprehensive Annual Financial Report***

***For The Year Ended June 30, 2012***

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**St. Louis, Missouri**

***Report Submitted by***

***Mr. Leon Fisher  
Chief Financial Officer and Treasurer***

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# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

## Introductory Section

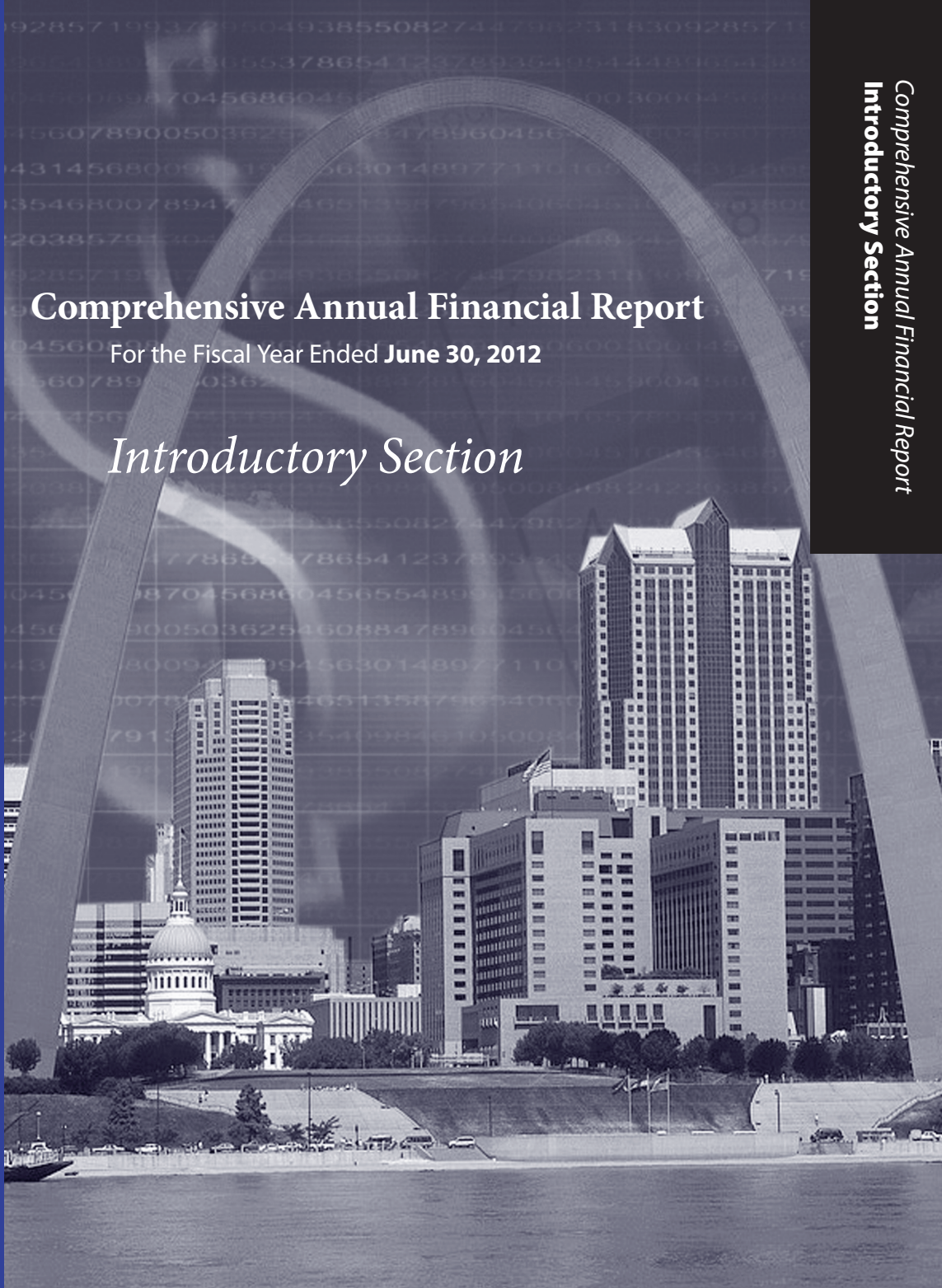
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***Kelvin R. Adams, Ph.D.***  
***Superintendent of Schools***

December 28, 2012

Members, Special Administrative Board (SAB) of the Transitional School District of the City of St. Louis and Citizens of City of St. Louis, Missouri  
St. Louis, Missouri

Dear Board Members:

In compliance with Section 162.641, Revised Statutes of Missouri, 2007, I am submitting the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012. This report has been prepared to provide you, representatives of financial institutions, the public and other interested parties information concerning the financial performance of the St. Louis Public Schools ("SLPS, the District").

Responsibility for the accuracy, completeness and clarity of this report rests with me, and the Chief Financial Officer/Treasurer. The report was prepared by the Chief Financial Officer/Treasurer, the Fiscal Control Office and the Budget Office. We believe that the data, as presented, is accurate in all material aspects; that it fairly sets forth the financial position and results of operations of the District as measured by the financial activities on a government-wide basis and of its various funds; and that readers have all disclosures necessary to gain an understanding of the District's financial affairs.

This report has three sections – Introductory, Financial and Statistical

1. **Introductory section:** This transmittal letter, and the District's organizational chart, the 2011 ASBO Certificate of Excellence and the 2011 GFOA Certificate of Achievement.
2. **Financial section:** Government-wide financial statements; fund financial statements, supplemental information for combined and individual fund financial statements and schedules; the independent auditors' report on the financial statements; and Management's Discussion and Analysis. It is designed to be an objective and easily readable analysis of the District's financial activities.
3. **Statistical section:** Unaudited tables of both financial and demographic data. This information is for the purpose of presenting social and economic information, financial trends and fiscal capacity of the District presented on a multi-year basis.

The District is required to undergo an annual single audit to conform with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the independent auditors' reports on internal control and compliance with applicable laws and regulations are included in a separate report.

This report includes all funds of the District. The District is a public school system offering full all-day pre-school and kindergarten through grade 12 educational opportunities for all eligible residents within its geographic boundaries.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found in the financial section immediately following the report of the independent auditors.

### **Summary of Accomplishments and Significant Events in Fiscal Year 2011-2012**

The following academic initiatives implemented in FY2009-10 continue in FY2011-12 as the backbone to improve time and effort on individual instruction, provide proper and sufficient resources to schools, maintain and improve school buildings for a safe, secure, and modern education: 1) After school programs at every elementary school that provide educational enhancements and health and social services to students, 2) Six independent, themed pilot schools designed to employ innovative school management and instruction techniques to increase student achievement, 3) School Turnaround Intervention Programs for all middle schools and select elementary schools that provide a clear and consistent focus on student achievement, 4) Thirteen Community Education Full Service Schools that foster collaborative partnerships between the district and community service providers to offer medical, dental, mental health services, and assistance with employment and housing, 5) An Innovative Concept Alternative School to ensure that students who would otherwise be out of school due to suspensions are given the support necessary to achieve academically, 6) A mentoring program for first and second year teachers to improve classroom management and instruction, 7) An International Welcome Center to provide transition services for new international/ESOL students to adapt to public schooling, 8) A partnership with the Zoo Museum District to provide targeted schools with direct access to their educational programs, 9) Facility improvements, funded through a \$155 million bond issue known as Proposition S, approved in August of 2010, will provide facility renovation and upgrades specifically designed to provide a safe and secure school environment, improve academic achievement, and promote a healthy lifestyle for students.

### **Current Initiatives and Accomplishments**

The St. Louis Public School District received \$96 million from the Desegregation Capital Fund to restore the fund balance and fund academic programs, of which \$71 million was transferred for utilization in the General Fund in FY 2012.



For the 2011-12 school year, the District placed a renewed emphasis on a series of initiatives and policies that continue to create higher quality school options and increase academic achievement.

**Early Childhood Education:** Opportunities must be increased for students to start school earlier so they are better prepared for elementary school and more successful throughout their school years.

- 25 additional Pre-K classrooms and two additional early childhood special education classrooms added to District schools throughout the city
- 11 District schools to provide before and after school programs for ECE students
- Additional future expansion or a dedicated ECE facility

**Portfolio of Schools - An Option for Growth:** Legitimate, quality school programs, in addition to the traditional school setting, must be provided so that students and their families can choose an educational setting to match their learning style, interest and abilities. These multiple pathways options will increase access to a more disciplined and small class-size setting, providing the environment for students to excel academically.

- Alternative classrooms
- School-within-a-school programming
- Separate alternative schools
- Second or last-chance schools for disruptive students

**School Choice:**

- Eighth graders who are not assigned to a magnet or choice high school will have the opportunity to select which of the four comprehensive high schools he/she would like to attend as a freshman in Fall 2012

**Performance-Based Schools:** Schools that are not adequately educating children should be closed. A SLPS school can and will be reconstituted or closed if it consistently fails to improve or provide a high quality education. Performance will be assessed in the following areas:

- District benchmark tests and the MAP test
- Attendance
- Free and Reduce Meal applications
- Course offerings and graduation rate (high schools)

These and other measures are intended to increase the educational options for the academic success of students in the Saint Louis Public Schools as well as return the District to an accreditation status.

## **Year End Audit and Financial Results**

The final independent audit for the 2012 fiscal year was completed by RubinBrown LLP in December 2012 and is the basis of the audited financials included in the Financial Section of this CAFR.

The District began the year with a \$54.5 million General Operating fund deficit and ended the year with a \$12.2 million surplus.

Additional comments can be found later in the Management's Discussion and Analysis (MD&A) section of this report and in Note 12.

## **Profile of Government**

The St. Louis Public School District (the “District”) encompasses approximately 61 square miles and includes the entire corporate limits of the City of St. Louis, Missouri (the “City”). The present estimated population of the City and, therefore, of the District is 319,000. The District operates as the largest public school system in the State of Missouri. The District was initially organized in 1833. In 1838, the Board opened its first school, and in 1853, the Board opened the first coeducational high school west of the Mississippi River.

Under a March 22, 2007 decision, the Missouri State Board of Education declared St. Louis Public Schools as unaccredited. In accordance with the laws of the State of Missouri, the governance of the school district was transferred from the divested board, except for auditing and reporting matters, and placed with the Special Administrative Board (SAB) of the Transitional School District. The transitional school district is subject to all laws pertaining to “seven member districts,” as defined in section 160.011, RSMO. The governing board of the transitional school district shall consist of three members: one shall be a chief executive officer nominated by the state board of education and appointed by the governor with the advice and consent of the senate, one shall be appointed by the mayor of the city not within a county and one shall be appointed by the president of the board of aldermen of the city not within a county. The SAB took full control of the operation of the St. Louis Public School District on June 15, 2007. Pursuant to Missouri Revised Statute §162.1100.4, the SAB is empowered to, among other things, (1) create an academic accountability plan, take corrective action in underperforming schools, and seek relief from state-mandated programs; (2) explore alternative forms of governance for the district; (3) contract with nonprofit corporations to provide for the operation of schools; (4) oversee facility planning, construction, improvement, repair, maintenance, and rehabilitation; (5) establish school site councils to facilitate site-based school management and improve the responsiveness of the schools to the needs of the local geographic attendance region of the school; and (6) submit a proposal to the district voters regarding establishment of neighborhood schools.

Prior to the transfer of governance to the SAB, the District existed as a metropolitan school district organized and governed pursuant to Sections 162.572 through 162.661 of the Revised Statutes of Missouri, 2007, as amended. The Board was responsible for the supervision and governance of the District. The Board also had final control over all school matters except as limited by state law, the courts, and the will of its citizenry as expressed in elections. The Board’s responsibilities were generally: to set policy for the District, to ensure efficient operations, to select and evaluate the Superintendent of Schools, to adopt an annual budget and its supporting tax rate, and to foster good community relations and communications. In addition, the Board appointed the Superintendent of Schools to carry out the policies set by the Board.

With the loss of the District’s accreditation, and the appointment of a chief executive officer, any powers granted to the existing school board on or before August 28, 1998, were vested with the Special Administrative Board of the Transitional School District as long as the Transitional School District exists, except as otherwise provided in section 162.621

The District has a total of approximately 4,443 full-time and part-time employees, including approximately 2,453 certified employees, including teachers and principals and approximately 1,246 classified employees.

Enrollment in the District has declined significantly over the past twenty years. Enrollment totaled 108,770 students and 111,233 students in 1960 and 1970, respectively. The average daily attendance in the District (including regular and vocational students) over the past six school years has been:

<b>School Year</b>	<b>Average Daily Attendance</b>
2012	20,608
2011	20,880
2010	22,754
2009	23,484
2008	24,813
2007	27,646

The Missouri State Board of Education voted unanimously to re-classify St. Louis Public Schools as Provisionally Accredited as of October 16, 2012. The Provisional Accreditation vote came following a recommendation by Missouri Department of Elementary and Secondary Education Commissioner Dr. Chris Nicastro, who analyzed multiple years of data and indications of district-wide improvements over the past five years.

In recommending Provisional Accreditation for the District, Commissioner Nicastro requested that the State Board review the District's progress under the standards of MSIP 5 in September of 2013, and each year thereafter until the District achieves full accreditation.

The District provides educational programs to students of all ages through its preschool, kindergarten through 12<sup>th</sup> grades and adult education programs. In addition, the District operates 10 Community Education Full Service Schools that offer educational and recreational programs to enrollees of all ages. In addition, there is high quality after school programs, which offers tutoring sessions for students.

The grade configuration of the District was reorganized in 1980. Prior to that year, the elementary schools served grades K-8 and the secondary schools served grades 9-12. Under the reorganization, middle schools were established for grades 6-8 and elementary schools serve grades K-5.

Elementary schools (grades PK-5) offer mathematics, communication arts (reading, writing, speaking and listening), science and social studies. Arts and physical education are also provided. Middle schools (grades 6-8) offer mathematics, communication arts, science and social studies. Additionally, the middle schools offer art, business education (in magnet schools), industrial arts, music (vocal and instrumental), physical education, career awareness and orientation, counseling, remedial reading and remedial mathematics.

High schools offer English (complete sequence), mathematics courses (basic mathematics through calculus), science (general science, chemistry and physics), social studies (complete sequence), advanced placement and college readiness courses, career technical education courses, music (vocal and instrumental), physical education, and athletic programs (all sports).

At all grade levels there is a range of services for special education and guidance services. In addition, the District operates alternative programs for students with specialized needs. These initiatives include programs for adjudicated students and students with disciplinary problems; special schools for physically challenged students; and tutoring for students who are hospitalized.

Included within the District's elementary, middle and high schools are magnet schools. In addition to a basic curriculum, magnet schools offer a specific focus, which makes it possible to match a student's unique needs or interests with a compatible teaching method or program.

### **Economic Condition and Outlook**

There have been no relevant financial policies that have had a significant impact on the current year's financial statement. The fiscal condition of the St. Louis Public Schools, which serve the residents of the City of St. Louis, is closely linked to the economic health and population trends of the City of St. Louis and the State of Missouri budgetary constraints. The City's share of regional employment and population has declined since 1985. While the 2010 Census showed that the City had dropped 8.3% in population to 319,294, significant reinvestment in the downtown area of the City over the decade has established a base for the City's future health and growth. In addition, the significant drops previously experienced by the District in student enrollment have slowed recently. In addition, the City's college-educated population is growing. The City ranked #1 in the nation with an 87% increase of those aged 25-34 who have a four-year degree or higher and live within three miles of downtown (USA Today). The St. Louis metro area's unemployment rate at August 2011 was 11.70% compared to 12.30% during 2010. However, downtown St. Louis has weathered the economic change well with over \$4.5 billion of investments since 1999. Downtown St. Louis continues as a major employment center of the region with approximately 90,000 jobs, it has also evolved into a residential center with over 12,000 residents. The District's revenue relies upon successful revitalization of the City, which in turn requires attracting new residents and growing the economic base. Currently underway or just recently completed are such notable projects as: the Peabody Opera House (\$75 million), the Laurel (\$142 million), the Central Library redevelopment (\$79 million), 600 Washington (\$60 million) and the Park Pacific Redevelopment (\$109 million). It should be noted that the average age of the District's facilities are about 75 years. Capital renovation needs are further discussed below.

### **Desegregation**

The St. Louis Public Schools had been involved in desegregation litigation since 1972, resulting in a court-ordered plan of desegregation originally implemented during the 1980-1981 school years, and a Metropolitan Voluntary Desegregation Settlement Plan involving the Board and 23 County School Districts developed and approved by the Court for implementation in 1983-1984.

In September 1987, as part of the desegregation litigation, the Court approved, ordered, and implemented a Capital Renovations Plan in the amount of \$110,306,671; the State of Missouri to pay half and the Board to pay half.

In August 1988, the Court approved a long-range Magnet School Plan. The Plan phased out several magnet schools, relocated and expanded others, and created new and additional magnet schools, bringing the number of magnet seats to 14,000. The Plan also created Unified Funding Formula for all magnet schools. Effective with the 1990-1991 school year, the cost of operating all magnet schools was shared equally by the Board and the State of Missouri.

In its orders, the Court authorized an additional \$56,043,801 in Capital Improvements for the magnet schools, including construction of three new facilities. The State of Missouri pays 72% of the cost and the Board pays the balance.

In March 1999, a settlement was reached and approved by the court in this case. This ended the courts supervision and monitoring of St. Louis Public Schools. The District is obligated to provide continuing remedial educational programs “to ensure that the enjoyment of full equality of opportunity by plaintiff school children is not impaired by the effects of past segregation.” These obligations include maintaining current court-ordered all-day kindergarten, summer school, college prep and preschool programs; and maintaining the magnet school program, with some modifications for at least ten years. The District also agreed to comply with State standards in many areas such as class size, libraries and counselors, and to establish standards or improvement of student outcomes. There are provisions for school improvement and accountability, giving children in a failing school the right to transfer to a successful school.

The State agreed to pay the District a total of \$180 million for construction of new schools to accommodate any increase in enrollment due to any decrease in the number of transfer students. All county districts, with the exception of Ladue, agree to continue to accept new students unless written notice is provided prior to the 2008-2009 school year. To economize on transportation costs, attendance zones were established for the transfer students. In the event of any phase-out of the transfer program, all city students then enrolled in county schools will have the right to complete high school in the county.

A five-year extension was unanimously approved by the VICC Board in June, 2007. Then, on October 19, 2012, an additional five-year extension was approved. As a result, new students can continue to be enrolled by participating districts through the 2018-2019 school year. With this extension, in the year 2019-2020, the program will cease accepting any new students, only allowing current students to remain until graduation. In 2031-2032, the program will be terminated.

The Voluntary Interdistrict Choice Corporation (VICC) was established to operate the transfer program and State funding was provided to operate the continuing voluntary transfer plan. Subsequent State education funding cuts have reduced the funds available to VICC for the maintenance of the transfer program.

These same State funding cuts have reduced the State funding available to the St. Louis Public Schools below the levels agreed to in the 1999 settlement case. As a result both SLPS and VICC joined in a suit against the State for re-instatement of past due amounts. As of June 30, 2005 the District’s claims amounted to approximately \$112 million.

In addition, one of the provisions called for in Senate Bill 781 was for the voters in the City of St. Louis to approve a city sales tax. On February 2, 1999 the city voters approved a 2/3<sup>rd</sup> cent sales tax.

As mentioned earlier, during fiscal year 2005, the District secured some flexibility in use of the desegregation funds for Clyde C. Miller and curriculum development. The District was also successful in renegotiating payments to assist with cash flow management.

On November 16, 2011, the District reached an agreement with the Plaintiffs in the desegregation lawsuit to use approximately \$96 million of previously restricted funds, to eliminate the debt and fund certain academic programs through FY 2014 (see additional comments in Note 12).

### **Capital Renovation Status**

In the fall of 1987, the District started an extensive Capital Renovation project involving 100 school facilities as part of the Desegregation Case. The renovations include envelope work (roofs, masonry, and windows), interior modifications and renovation, 43 gym additions and 2 classroom additions; and construction of 4 new magnet schools and one regular elementary school. Prior to interior renovations, each school was scheduled for asbestos abatement to comply with the 1986 AHERA Regulations.

All of the originally scheduled renovations have been completed.

In order to lessen the impact of the St. Louis summer heat and humidity and improve learning conditions, the District undertook a program to air condition certain schools beginning in June 2001.

Schools to be air-conditioned were initially selected to improve conditions where children were performing below average and those offering "Extended Year" programs. This program was initially funded through an \$80 million bond issue approved by St. Louis voters November 7, 2000. Additional funding was provided by a Series 2002 \$120 million bond issue, \$95 million of which was designated for continuation of air conditioning. A \$55 million bond was issued in January of 2006 to continue these improvements. During the fiscal year ended June 30, 2009, the District issued additional bonds in the amount of \$39,295,000 to finance the cost of more air conditioning projects for school buildings and related facilities. To date 58 schools have been air-conditioned.

In June 2009, the District started working on a lead abatement/window replacement project at 25 schools. This project, with a budget of more than \$8 million, was substantially completed by August 2010. The goal of the project was to remove the risk of lead hazards in schools with children between 3 - 6 years of age.

As previously stated, the average of the District's instructional facilities is approximately 75 years of age. Capital improvement needs have recently been estimated at approximately \$360 million. In August 2010, the District gained approval of a \$155 million no-tax bond to repair and upgrade facilities. The renovations include envelope work (roofs, masonry, and windows), interior modifications and renovations of classrooms, restrooms, auditoriums, computer labs, science labs, kitchens, Pre-K, security, ADA, electrical systems and exterior improvements to playgrounds, parking lots and athletic fields. Several projects identified in Phase I and Phase II of the Bond Program has reached substantial completion.

The Board currently supervises the operation of 77 schools, including 44 elementary schools, 11 middle schools, 14 high schools and 8 special or alternative schools in the District, with an average daily enrollment of approximately 25,000 students. Significant repairs, renovations, improvements and additions to the District's facilities have been and will continue to be undertaken. In fiscal year 2009-2010, as part of an effort to reduce expenses, the District closed six schools. The District continues to review facilities and provide recommendations, if appropriate opportunities are available, to close additional buildings in fiscal future years.

### **Long-Range Planning**

The District will continue to take the necessary steps to prevent deficit spending through revenue enhancement measures and cost containment initiatives. The challenge is supporting academic initiatives while addressing declining enrollment and significant losses in State aid. Operating with a leaner budget and resources will require constant vigilance and the elimination of inessential costs. Monthly cash flow projections, budget to actual reports, continue developing and utilizing the five-year comprehensive financial planning model, allocating resources to meet the instructional needs of students and forming cost cutting teams are just some of the measures employed by the District as we move toward the goal of financial solvency. Additional plans include efforts to increase the revenue stream through soliciting the support of the business leaders; soliciting support for a tax levy increase; allocating more funds to the classroom; and adding more innovative programs that provide for high quality education. St. Louis Public Schools is presently accelerating efforts to improve academic performance of all children in the care of the District.

In addition, the District faces the challenge of educating large concentrations of children and youth, many of whom come from economically depressed backgrounds. According to the 2010 U S Bureau of Economic Analysis, the per capita personal income for the City was \$32,026 and more than 87% of students in the District qualify for free or reduced-price school lunches.

### **Internal and Budgetary Controls**

This report consists of management's representations concerning the finances of the District. Consequently, the administration of the District is responsible for establishing and maintaining internal controls, which are designed to ensure that the assets of the Board are protected from loss, theft, and misuse. There is also a responsibility to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Internal control is designed to provide reasonable, but not absolute, assurance that the above objectives are being met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

Annual budgets are prepared on a basis consistent with generally accepted accounting principles for the activities of the general fund and special revenue funds (operating funds), capital projects and debt service funds.

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the SAB.

The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Budgetary control is maintained at the sub-function level for management purposes; however, the legal level of budgetary control is at the fund level for all budgeted funds. Variances from the budget will be reported to the District's management on a monthly basis. Encumbrances outstanding in special revenue funds and capital projects and expendable trust funds do not lapse at year-end and are reported as reservations of fund balances.

### **Single Audit**

As a recipient of federal, state and county financial assistance, the District also is responsible for ensuring that an adequate internal control is in place to provide compliance with applicable laws and regulations related to those programs. This internal control structure is subject to continuing periodic evaluation by management.

As a part of the District's single audit, described above, tests are made to determine the adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The result of the District's single audit for the fiscal year ended June 30, 2012 is presented in a separate report.

**Fund Accounting**

The District maintains its records through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. The funds are accounted for on the modified accrual basis of accounting for all governmental funds types and similar fiduciary fund types. All of the District's funds are presented in this report.

**Independent Audit**

The Revised Statutes of the State of Missouri require an independent annual audit of the books of accounts, financial records, and transactions of all funds of the District. This requirement has been complied with and the independent auditors' report has been included in this document.

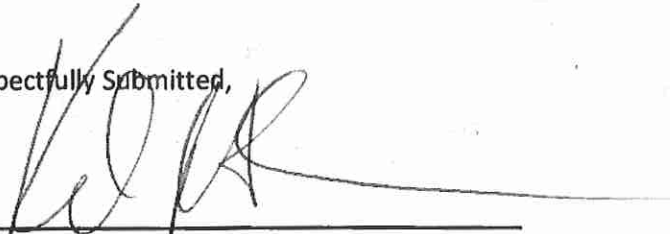
**Awards**

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the 28<sup>th</sup> consecutive year for the ASBO and 24<sup>rd</sup> consecutive year for the GFOA that the District has received these awards. The Certificates indicate that the District published an easily readable and efficiently organized comprehensive annual financial report. Such a report satisfied both generally accepted accounting principles and applicable legal documents.


The Certificates are valid for a period of one year only. The District believes that this current CAFR continues to meet both the Certificate programs' requirements and will be submitted to ASBO and GFOA to determine its eligibility for another certificate.

**Acknowledgement**

The preparation of this report could not have been accomplished without the cooperation and efficient and dedicated services of the entire administrative staff of the District. We would especially like to express our appreciation to the Board members for their interest and support in the financial affairs of the St. Louis Public Schools during the 2011-2012 fiscal year.

Respectfully Submitted,  


**Dr. Kelvin Adams**  
**Superintendent of Schools**



**Leon Fisher**  
**Chief Financial Officer/Treasurer**



**PRINCIPAL OFFICIALS**

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Special Administrative Board

**Mr. Rick Sullivan, CEO**  
**Ms. Melanie Adams, Secretary**  
**Mr. Richard K. Gaines**

Senior Administration

**Kelvin R. Adams, Ph.D., Superintendent of Schools**  
**Leon Fisher, Chief Financial Officer / Treasurer**

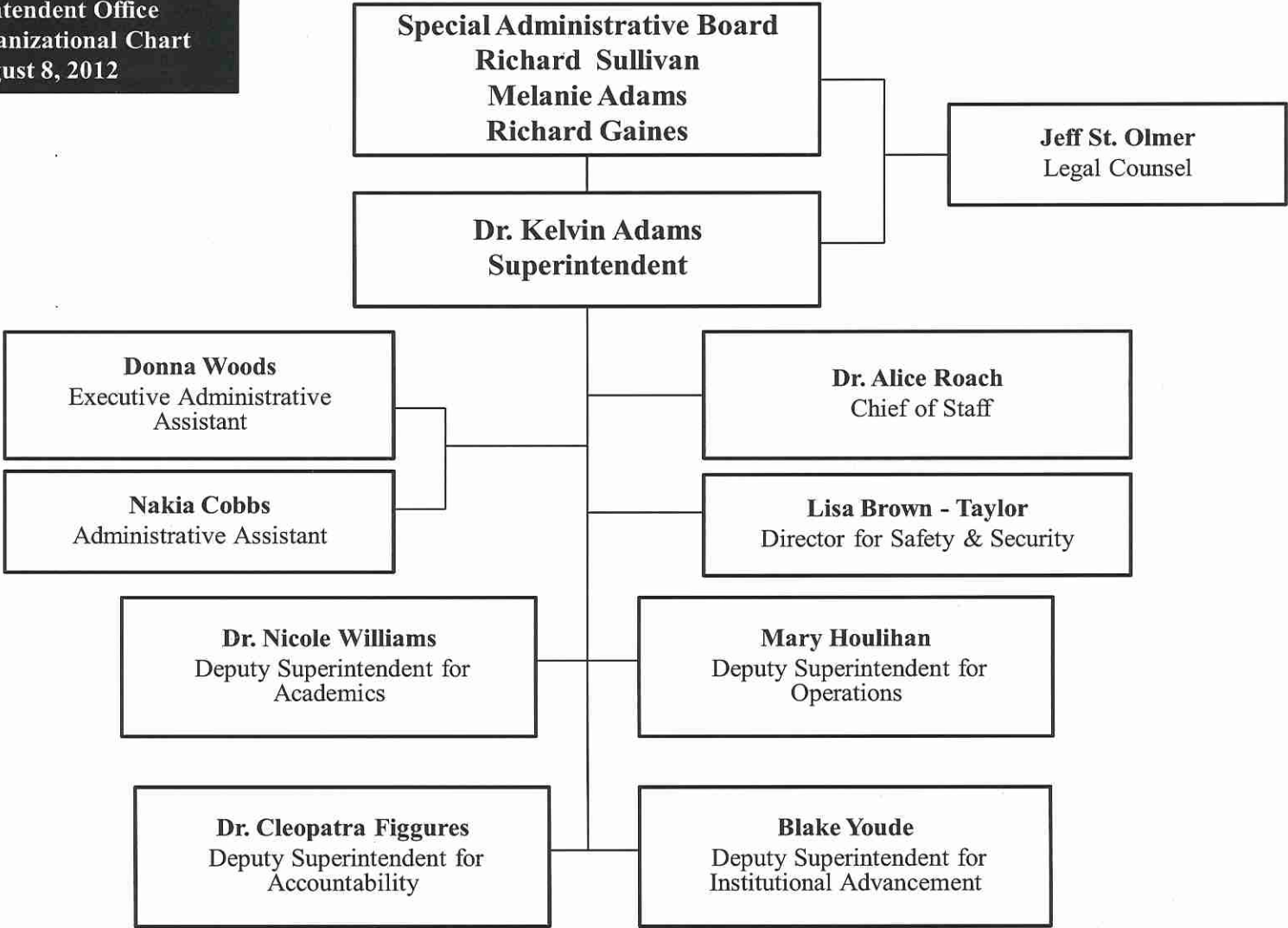
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Elected Board

**Ms. Katherine Wessling, President**  
**Mr. David L. Jackson, Jr., Vice President**  
**Mr. Chad Beffa, Secretary**  
**Ms. Rebecca Rogers**  
**Mr. William Haas**  
**Ms. Donna Jones**  
**Ms. Emile Bradford-Taylor**

**Superintendent Office  
Draft Organizational Chart  
August 8, 2012**



# Association of School Business Officials International



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

**Special Administrative Board of the Transitional School  
District of the City of St. Louis**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2011*

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



A handwritten signature in black ink, reading 'Brian L. Mee'.

Brian L. Mee, SFO, RSBA  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Special Administrative Board  
of the Transitional School District  
of the City of St. Louis, Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emer*

Executive Director

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

## Financial Section

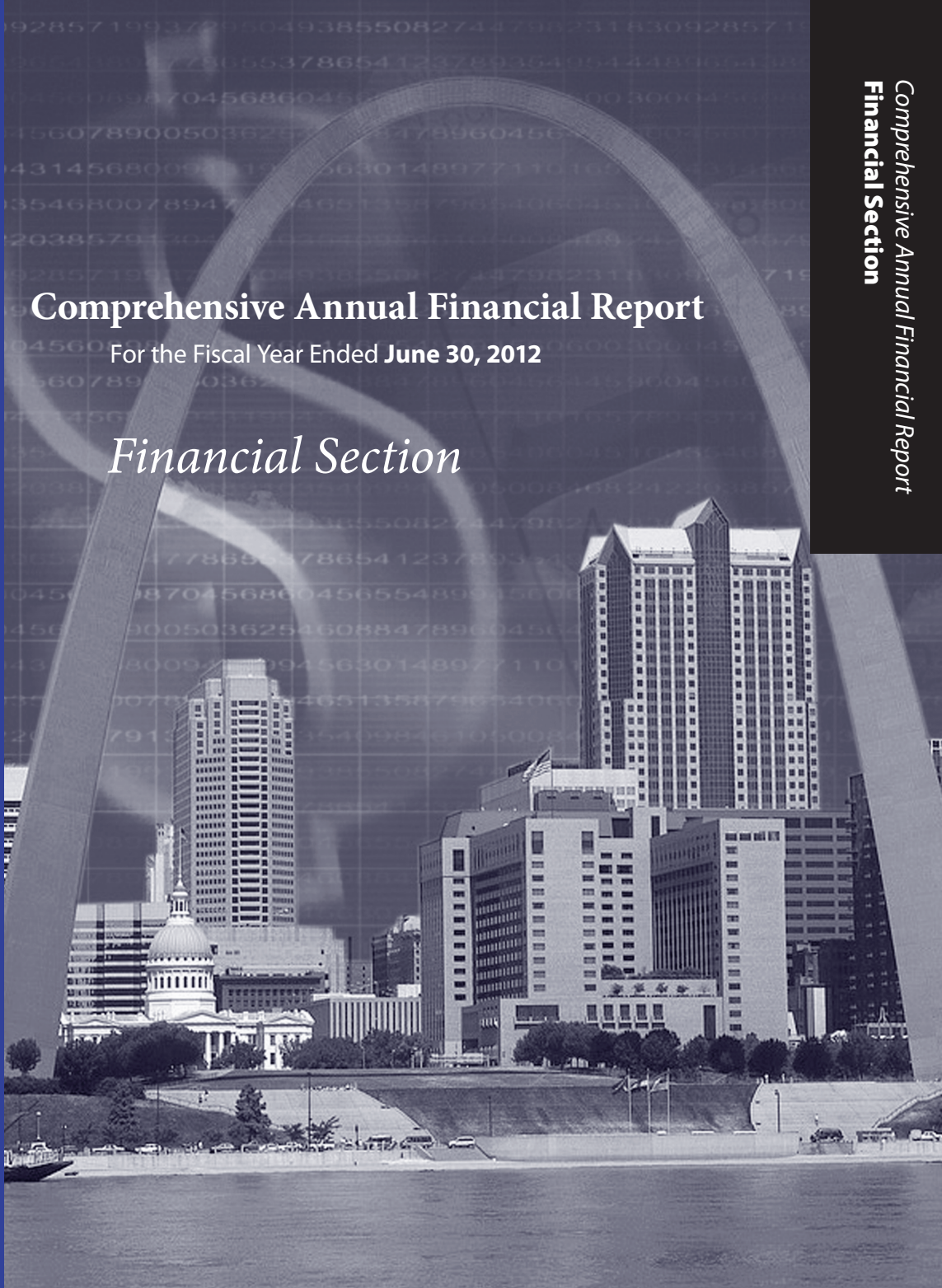
### SPECIAL ADMINISTRATIVE BOARD MEMBERS

**Rick Sullivan**  
*President/CEO*

**Melanie Adams**  
*Vice President*

**Richard K. Gaines**  
*Comprehensive Long Range  
Planning Chair*

**Kelvin R. Adams, Ph.D.**  
*Superintendent of Schools*



## Independent Auditors' Report

To the Honorable Mayor, Members of the Board of Education  
and Members of the Special Administrative Board of the  
Transitional School District of the City of St. Louis

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Special Administrative Board of the Transitional School District of the City of St. Louis (the District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Special Administrative Board of the Transitional School District of the City of St. Louis as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

To the Honorable Mayor, Members of the Board of Education  
and Members of the Special Administrative Board of the  
Transitional School District of the City of St. Louis

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Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*RubinBrown LLP*

December 28, 2012

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
For The Fiscal Year Ended June 30, 2012**

## **INTRODUCTION**

As management of the St. Louis Public Schools (the District), we are providing an overview of the District's financial position and results of operations for the fiscal year ended June 30, 2012. It should be read in conjunction with the District's financial statements. All amounts, unless otherwise indicated, are expressed in millions of dollars.

The Management's Discussion and Analysis (MD&A) is a required part of the reporting model compiled in accordance with the Governmental Accounting Standards Board (GASB) Statements No. 34, 37 and 38. The MD&A provides you, the reader, with a brief discussion of the basic financial statements, a summary of the financial information in the statements, events concerning capital assets and long-term debt, and disclosures of known future events that may have a material impact on the future finances of the District. Comparative information between the current year and the prior year is required to be presented in the MD&A for the government-wide financial statements.

## **FINANCIAL HIGHLIGHTS**

- Prior to the end of fiscal year 2012 the District had been designated by the Department of Elementary and Secondary Education (DESE) as financially stressed under the provisions of Section 161.520, RSMO for nine consecutive years. In the State of Missouri a school district has to have a combined unrestricted balance remaining in the incidental and teachers funds of less than 3% of the amount expended from those funds during the year to be designated as financially stressed. In previous years the District had depleted its unrestricted general operating fund balance, and thus had been classified as financially stressed. However, as noted below and in the notes section, the recent Desegregation Agreement which provided funding to restore unrestricted fund balance, along with other cost savings/containment initiatives have proven to be significant steps toward improving the District's financial condition.
- The District secured approval from the State of Missouri and certain plaintiffs from the original desegregation litigation case, to reduce the amount due on the settlement loan by \$10.6 million and to use these same funds to satisfy the District's share of the cost to build the Clyde C. Miller Career Academy. This left a balance due on this interest free loan of \$36.5 million. The original amount of \$47.1 million was approved by the plaintiffs to supplement the operating needs of the District. It was agreed that the original loan would be repaid over the ensuing six years, in equal installment payments, beginning in fiscal year 2004-2005. However, an amended agreement was made between the District, the State of Missouri, and the plaintiffs to allow the District to 1) reschedule and delay the initial repayments of the Loan until June 30, 2008, 2) utilize the capital funds to pay for the District's portion of the Clyde C. Miller Career Academy, and 3) allow the District to borrow an additional \$10 million if required to fund the development and implementation of new curricula in the schools. (See Note 12 for additional comments). On November 16, 2011 an agreement was reached with the plaintiffs and agreed to by the court to allow the District to transfer approximately \$71 million of previously restricted funds to eliminate the debt (interest free loan- \$36.5 million), restore fund balance (\$18.2 million), and to fund certain academic programs in FY 2012 (\$16.3 million). (See Note 12).



## ST. LOUIS PUBLIC SCHOOLS

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### Management's Discussion And Analysis (*Continued*)

- Pooled cash reserves were sufficient enough to provide adequate funds for day-to-day operations. As a result, the District did not use Tax and Revenue Anticipation Notes (TRANS) for the 2011-12 fiscal year.

The assets for the District exceeded liabilities by \$291.7 million on the government-wide financial statements. Of this amount, there is a positive \$14.6 million in unrestricted net assets, compared to a negative \$53.2 million in unrestricted net assets in FY 2011. This net change was primarily the result of the cash infusion provided by the Desegregation Settlement Agreement. The District's total net assets, when compared to fiscal year 2011, decreased by \$8.8 million.

- On the fund financial statements, the net change in fund balances was a positive \$42.1 million as compared to \$74.7 million from fiscal year 2011.
- The total fund balance reported for the District's total governmental funds was \$215.8 million, an increase of \$42.1 million from the prior year.
- The largest portion of the District's net assets reflects an investment of \$183.6 million or 63 percent in capital assets (i.e. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.
- As in prior years, the District continues to monitor the potential for lost revenues as a result of enrollment shifts associated with a transient student population and increasing charter school enrollments.
- The voters of the City of St. Louis at the June 1993 election approved an indefinite waiver of a tax rollback. Assessed valuation of \$4.30 billion represents an increase from the preceding year. The increase was due mainly to increases in property valuations. The tax levy, per \$100 assessed valuation of tangible taxable property, for each of the District's last two calendar years was as follows:

	<u>2011</u>	<u>2012</u>	<u>Change</u>
General fund	\$ 3.3654	\$ 3.5532	\$ .1878
Debt service fund	<u>.6211</u>	<u>.6211</u>	<u>.0000</u>
	<u>\$ 3.9865</u>	<u>\$ 4.1743</u>	<u>\$ .1878</u>

Our financial statements provide further insights into the results of this year's operations.

## **ST. LOUIS PUBLIC SCHOOLS**

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### Management's Discussion And Analysis (*Continued*)

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The MD&A is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

##### Government-Wide Financial Statements

All of the District's activities, except the fiduciary activities, are reported in the government-wide financial statements, including instruction, building services, administration, instructional support, non-instructional support, transportation and food and community services. Property taxes, state aid, interest and investment earnings finance most of these activities. In addition, depreciation on all capital assets and interest expense on debt financing activities are reported here.

##### Fund Financial Statements

A fund is a grouping of related accounts that is considered a separate accounting entity with self-balancing accounts. It is used to maintain control over resources that have been segregated for specific objectives or activities. The District, similar to other state and local governments, uses fund accounting to ensure and demonstrate compliance with various finance related legal requirements. All of these funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

##### Governmental Funds

Governmental funds are used to account for the functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. Since the governmental fund financial statements are presented on a modified accrual basis, and the government-wide statements on an accrual basis of accounting, reconciliation information detailing the differences is provided.

The major funds required for presentation are the general fund, teachers' fund, debt service fund, and the capital project funds. Information on the non-major funds is combined under the caption Other Governmental Funds.

## **ST. LOUIS PUBLIC SCHOOLS**

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### Management's Discussion And Analysis (*Continued*)

#### Proprietary Funds

The District has one proprietary fund (Internal Service). Proprietary funds account for activities similar to the private sector. The proprietary fund financial statements provide information for the District's services established to accumulate and provide resources for the payment of health and welfare benefits primarily on behalf of and for the benefit of the District's employees, retirees and their dependents and to account for the costs of the District's self-insurance program. Provided are the Statement of Net Assets; Statement of Revenues, Expenses and Changes in Fund Net Assets; and a Statement of Cash Flows. These statements use the accrual basis of accounting, similar to the government-wide statement.

#### Fiduciary Funds

The District has one fund used to report activity in which the District acts in a fiduciary capacity for another party (agency fund). The resources from these funds are not available to support District operations. Therefore, fiduciary activities are not included in the government-wide statements.

#### Notes to Financial Statements

The Notes to Financial Statements complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

#### Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information (RSI) can be found following the Notes.

#### Supplementary Information

The combining and individual fund statements and schedules are presented immediately following the required supplementary information.

## ST. LOUIS PUBLIC SCHOOLS

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### Management's Discussion And Analysis (*Continued*)

#### GOVERNMENT-WIDE ANALYSIS

This is the tenth year for government-wide financial statements using the full accrual basis of accounting. A comparative analysis with the data from the prior year is being provided in this section.

##### Net Assets (In Millions)

	Governmental Activities		
	June 30,		
	2011	2012	Change
<b>Assets</b>			
Current and other assets	\$ 252.0	\$ 283.0	\$ 31.0
Capital assets, net	426.7	429.8	3.1
<b>Total Assets</b>	<b>678.7</b>	<b>712.8</b>	<b>34.1</b>
<b>Liabilities</b>			
Current liabilities	55.4	41.1	(14.3)
Long-term liabilities	322.9	380.0	57.1
<b>Total Liabilities</b>	<b>378.3</b>	<b>421.1</b>	<b>42.8</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	198.7	183.6	(15.1)
Restricted for capital projects	122.3	52.1	(70.2)
Restricted for debt service	32.2	32.4	0.2
Restricted for desegregation settlement program	—	8.6	8.6
Restricted for endowments, nonexpendable	0.4	0.4	—
Unrestricted	(53.2)	14.6	67.8
<b>Total Net Assets</b>	<b>\$ 300.4</b>	<b>\$ 291.7</b>	<b>\$ (8.7)</b>

## ST. LOUIS PUBLIC SCHOOLS

### Management's Discussion And Analysis (Continued)

#### Changes in Net Assets from Operating Results (In Millions)

	For The Years Ended June 30,		
	2011	2012	Change
<b>Revenues</b>			
Program Revenues:			
Charges for services	\$ 1.5	\$ 1.5	\$ 0.0
Operating grants and contributions	107.1	97.2	(9.9)
Capital grants and contributions	0.9	0.6	(0.3)
<b>Total Program Revenues</b>	<b>109.5</b>	<b>99.3</b>	<b>(10.2)</b>
General Revenues:			
Taxes	230.4	230.0	(0.5)
Federal and state aid not restricted to specific purposes	39.9	38.1	(1.8)
Earnings on investments	2.1	0.9	(1.2)
Miscellaneous	5.9	4.5	(1.4)
<b>Total General Revenues</b>	<b>278.3</b>	<b>273.5</b>	<b>(4.9)</b>
<b>Total Revenues</b>	<b>387.8</b>	<b>372.8</b>	<b>(15.1)</b>
<b>Expenses</b>			
Instruction	212.5	207.9	(4.6)
Building services	45.4	35.4	(10.0)
School administration	30.0	32.7	2.7
Instructional support	36.1	35.5	(0.6)
Non-instructional support	13.0	15.4	2.4
Transportation	22.8	22.2	(0.6)
Food and community services	19.3	19.7	0.4
Interest expense	11.1	12.7	1.6
<b>Total Expenses</b>	<b>390.2</b>	<b>381.5</b>	<b>(8.7)</b>
<b>Change In Net Assets</b>	<b>(2.4)</b>	<b>(8.7)</b>	<b>(6.4)</b>
<b>Net Assets - Beginning Of Year, As Previously Stated</b>	<b>300.9</b>	<b>300.4</b>	<b>(0.5)</b>
<b>Prior Period Restatement</b>	<b>1.9</b>	<b>0.0</b>	<b>(1.9)</b>
<b>Net Assets - Beginning Of Year, As Restated</b>	<b>302.8</b>	<b>300.4</b>	<b>(2.4)</b>
<b>Net Assets - End Of Year</b>	<b>\$ 300.4</b>	<b>\$ 291.7</b>	<b>\$ (8.8)</b>

Total net assets for the District decreased \$8.7 million from the prior year due primarily to deficit spending. Current and other assets increased by \$31 million. Capital assets increased by \$3.1 million due to the many projects completed through the Prop S Bond Program. Current liabilities decreased by \$14.3 million as a result of decreases in accounts payable. Total long-term liabilities increased \$57.1 million, primarily due to issuance of new bonds.

The District is able to report positive balances in the following categories of net assets for the government as a whole: (1) *invested in capital assets, net of related debt*, (2) *restricted net assets*, and (3) *unrestricted net assets*, the third category of net assets.

## ST. LOUIS PUBLIC SCHOOLS

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### Management's Discussion And Analysis (*Continued*)

Under general revenues, federal and state aid not restricted to specific purposes decreased by \$1.8 million due to slight decrease in enrollment, while local taxes also decreased slightly by \$0.5 million. Expenses decreased by \$8.7 million from 2011 as a result of management's efforts to reduce overall spending.

### FUND STATEMENTS

The following schedule represents a summary of the revenue and other financial sources for the governmental funds for the period ended June 30, 2012. It also depicts the amount and percentage increases and decreases in relation to prior year revenues and other financial sources from fiscal year 2011.

Revenue Source (In Millions)	2011	2012	Increase	Percentage
	Amount	Amount	(Decrease) Over 2011	(Decrease) Over 2011
Local	\$ 242.6	\$ 234.4	\$ (8.2)	(3.4)
County	3.5	3.8	0.3	8.6
State	53.2	59.1	5.9	11.1
Federal	91.0	72.5	(18.5)	(20.3)
<b>Total</b>	<b>\$ 390.3</b>	<b>\$ 369.8</b>	<b>\$ (20.6)</b>	<b>(5.3)</b>

Local and county revenues decreased by \$7.9 million due to an increase in delinquent property taxes. State revenues decreased by \$5.9 million or 11% due to declining enrollments and basic formula funding paid through federal stimulus funds.

## ST. LOUIS PUBLIC SCHOOLS

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### Management's Discussion And Analysis (*Continued*)

The following schedule represents a summary of the expenditures for the governmental funds by function for the period ended June 30, 2012. It also depicts the amount and percentage increases and decreases in relation to prior year amounts.

	Expenditures (In Millions)					
	2011	Percent	2012	Percent	Increase	Percentage
	Amount	Of	Amount	Of	(Decrease)	(Decrease)
		Total		Total	From 2011	From 2011
Instruction	\$ 198.0	49.8	\$ 190.9	48.0	\$ (7.1)	(4.0)
Building service	38.6	9.7	52.1	13.1	13.5	35.0
School administration	30.6	7.7	32.9	8.3	2.3	7.0
Instructional support	35.9	9.0	34.2	8.6	(1.7)	(4.7)
Non-instructional support	17.2	4.4	20.0	5.0	2.8	16.0
Transportation	22.7	5.7	22.1	5.6	(0.6)	(3.0)
Food and community	19.3	4.9	19.7	5.0	0.4	2.0
Capital outlay	10.8	2.7	5.6	1.4	(5.2)	(48.0)
Debt service	24.2	6.1	26.0	6.5	1.8	8.0
Escrow agent	—	—	(6.3)	(1.5)	(6.3)	(100.0)
Total	\$ 397.3	100.0	\$ 397.2	100.0	\$ (0.1)	(0.03)

The District experienced an overall expenditure decrease of \$0.1 million from the prior year. This was primarily the result of management's efforts to reduce operating expenditures. Individual fund information is as follows:

### **General Fund**

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$3.3 million.

### **Other Major Funds**

Changes in fund balances for other major governmental funds can be described as follows:

- The Debt Service Fund revenues exceeded expenditures by \$0.04 million in 2012 while revenues exceeded expenditures by \$4.5 in 2011.
- The Settlement Fund is a restricted capital project funds set up in connection with the Desegregation Settlement Agreement and transferred approximately \$71 million to the general fund for the restoration of fund balance, payout of debt, and the funding for specific programs in 2012.

## ST. LOUIS PUBLIC SCHOOLS

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### Management's Discussion And Analysis (*Continued*)

- The 2009 air conditioning capital projects fund is used to account for proceeds of general obligation debt primarily for the purpose of providing air conditioning improvement in the schools. Approximately \$3.7 million in capital expenditures were incurred in 2012 which is a decrease in spending of \$0.6 million compared to 2011. The remaining fund balance to be spent is \$5.1 million at June 30, 2012.
- The Proposition "S" Renovation Bond Funds I through IV are used for school renovations. Approximately \$25.4 million in expenditures were incurred in 2012 while \$6.8 million was exhausted for Proposition "S" Renovation Bond projects in 2011. Approximately \$115.0 million in fund balances remain at June 30, 2012. Additional information related to the Proposition "S" bonds can be found in Note 5.
- The Teachers' Fund is supplemented by the General Fund and therefore maintains a zero fund balance.

### CAPITAL ASSETS

At June 30, 2012, the District had \$429.7 million invested in a broad range of capital assets, including land, building and improvements, and equipment.

	Primary Government (In Thousands)			June 30, 2012 Balance
	June 30, 2011 Balance	Additions And Transfers In	Deletions And Transfers Out	
Land	\$ 24,416	\$ 155	\$ (21)	\$ 24,550
Construction in progress	3,160	15,321	(1,654)	16,827
Idle and held for sale assets	9,550	—	(6,131)	3,419
Impaired assets	34,675	1,091	(2,145)	33,621
Building and non-movable equipment	657,976	9,864	—	667,840
Movable equipment	37,175	120	(617)	36,678
Total Capital Assets	766,952	26,551	(10,568)	782,935
Less: Accumulated depreciation	340,211	17,479	(4,493)	353,197
<b>Totals</b>	<b>\$ 426,741</b>	<b>\$ 9,072</b>	<b>\$ (6,075)</b>	<b>\$ 429,738</b>

Additional information on capital assets can be found in Note 4 to the Basic Financial Statements.



## ST. LOUIS PUBLIC SCHOOLS

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### Management's Discussion And Analysis (*Continued*)

#### LONG-TERM DEBT

As of June 30, 2012, the District had \$380.0 million in debt compared to \$322.9 million last year. This represents a \$57.1 million increase in long-term obligations was mainly attributable to the issuance of new general obligation bonds.

	For The Years Ended June 30,		
	2011	2012	Change
<b>Changes In Long-Term Debt (In Thousands)</b>			
Compensated absences	\$ 2,205	\$ 1,942	\$ (263)
Other postemployment benefits	2,393	2,639	246
Termination benefits	4,775	—	(4,775)
Claims payable	5,789	5,891	102
Remediation liability	4,553	3,499	(1,054)
General obligation school building and refunding bonds	306,354	365,459	59,105
Less: Capital appreciation to maturity on bonds	9,083	7,403	(1,680)
Deferred amount on refunding	1,666	1,232	(434)
Plus: Unamortized premium on bonds	7,582	9,179	1,597
<b>Totals</b>	<b>\$ 322,902</b>	<b>\$ 379,974</b>	<b>\$ 57,072</b>

Additional information on long-term debt can be found in Note 5 to the Basic Financial statements.

#### BUDGET REQUIREMENTS AND VARIANCES

The District's General Operating budget is comprised of several funds. The District's practice for amending the original budget is governed by District policy that states, "All requests for additional appropriations require Board approval..." District policy also states "any transfer of appropriations between funds shall require approval of the Board."

Overall, the final expenditure budget for the general operating fund reflects a \$1.7 million increase when compared to the original budget. This increase was primarily due to increases in budgeted costs associated with student instruction and school administration. Actual expenditures were below final budgeted amounts by \$14.7 million.

#### ECONOMIC OUTLOOK

To address anticipated financial challenges various initiatives were implemented, which resulted in significant cost reductions. Some of these initiatives included, staff reductions and realignments, an early retirement incentive, and significant reductions in contractual fees.

The decline of the District's enrollment has slowed to a level that has produced relatively flat enrollment numbers. However, the positive impact related to State funding currently tracks one to two years behind the current year's enrollment.

## **ST. LOUIS PUBLIC SCHOOLS**

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### Management's Discussion And Analysis (*Continued*)

More detailed information pertaining to the District's economic outlook can be found in the letter of transmittal and the Basic Financial Statements.

### **REQUEST FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

St. Louis Public Schools  
Chief Financial Officer  
801 N. 11th St.  
St. Louis, MO 63101

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**STATEMENT OF NET ASSETS**

**June 30, 2012**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Cash and short-term investments	\$ 190,306,888
Investments	52,169,629
Receivables (net):	
Grants	14,429,437
Taxes	22,735,333
Other	830,298
Inventories	338,409
Deferred charges	2,209,120
Capital assets:	
Land	24,550,544
Construction in progress	16,826,746
Impaired assets	33,621,127
Depreciable buildings, movable and nonmovable equipment, net	354,739,678
<b>Total Assets</b>	<u><u>712,757,209</u></u>
<b>Liabilities</b>	
Accounts payable	31,608,631
Accrued interest	2,716,018
Retainage payable	1,407,781
Unearned revenue	5,096,864
Deposits and escrow funds-employee escrow agency fund	302,970
Long-term liabilities:	
Long-term obligations due within one year	23,330,455
Long-term obligations due in more than one year	356,643,372
<b>Total Liabilities</b>	<u><u>421,106,091</u></u>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	183,591,491
Restricted:	
Expendable:	
Capital projects	52,048,723
Debt service	32,435,384
Desegregation settlement programs	8,589,574
Endowments, nonexpendable	352,344
Unrestricted	14,633,602
<b>Total Net Assets</b>	<u><u>\$ 291,651,118</u></u>



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

Page 1 Of 2  
June 30, 2012

	General	Teachers	Capital Projects										Nonmajor Governmental Funds	Total Governmental Funds
			Debt Service	Vocational Building	Education	Settlement	Air Conditioning 2009	Prop S School Renovation						
								Bond Fund I	Bond Fund II	Bond Fund III	Bond Fund IV			
<b>Assets</b>														
Cash And Investments:														
Cash and short-term investments	\$ 7,553,833	\$ —	\$ 22,611,476	\$ —	\$ 823,488	\$ 44,051,281	\$ 6,460,240	\$ 34,550,499	\$ 14,507,366	\$ 34,741,312	\$ 40,361,801	\$ 8,826,033	\$ 214,487,329	
Other investments	—	—	—	—	—	—	—	—	—	—	—	5,014,329	5,014,329	
Investments held for bonded indebtedness by trustee	—	—	9,591,057	—	—	—	—	—	—	—	—	—	9,591,057	
<b>Total Cash And Investments</b>	<b>7,553,833</b>	<b>—</b>	<b>32,202,533</b>	<b>—</b>	<b>823,488</b>	<b>44,051,281</b>	<b>6,460,240</b>	<b>34,550,499</b>	<b>14,507,366</b>	<b>34,741,312</b>	<b>40,361,801</b>	<b>13,840,362</b>	<b>229,092,715</b>	
Receivables:														
Grants	—	—	—	—	—	—	—	—	—	—	—	14,429,437	14,429,437	
Taxes	26,297,585	—	3,450,648	—	—	—	—	—	—	—	—	—	29,748,233	
Other	310,970	11,483	20,733	—	—	—	—	—	1,829	10,429	19,251	152,633	527,328	
<b>Total Receivables</b>	<b>26,608,555</b>	<b>11,483</b>	<b>3,471,381</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,829</b>	<b>10,429</b>	<b>19,251</b>	<b>14,582,070</b>	<b>44,704,998</b>	
Due from other funds	16,165,439	13,121,020	—	10,649	—	—	—	—	—	—	—	670,732	29,967,840	
Prepaid items	—	—	305	—	—	—	—	—	—	—	—	25,620	25,925	
Inventories	312,484	—	—	—	—	—	—	—	—	—	—	—	312,484	
<b>Total Assets</b>	<b>\$ 50,640,311</b>	<b>\$ 13,132,503</b>	<b>\$ 35,674,219</b>	<b>\$ 10,649</b>	<b>\$ 823,488</b>	<b>\$ 44,051,281</b>	<b>\$ 6,460,240</b>	<b>\$ 34,550,499</b>	<b>\$ 14,509,195</b>	<b>\$ 34,751,741</b>	<b>\$ 40,381,052</b>	<b>\$ 29,118,784</b>	<b>\$ 304,103,962</b>	



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
June 30, 2012**

**Total Fund Balance - Governmental Funds** \$ 215,810,797

Amounts reported for governmental activities in the statement of net assets 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 \$782,934,765 and the accumulated depreciation is \$353,196,670. 429,738,095

Some of the District's property taxes and special assessments will be collected after the 60-day availability period and are deferred in the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements, net of allowance for uncollectible amounts. 13,401,224

Internal service funds are used by management to charge the costs of certain insurance and other employee benefits to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 7,291,247

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Discounts, premiums and bond issuance costs are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of June 30, 2012 are:

Accrued interest on outstanding debts	(2,716,018)
Bonds and notes payable	(358,055,666)
Unamortized deferred loss on refunding	1,231,906
Unamortized bond issue costs	2,209,120
Unamortized bond premium	(9,179,081)
Accrued compensated absences	(1,941,884)
Other post-employment benefits	(2,639,352)
Remediation liability	(3,499,270)

**Total Net Assets - Governmental Activities** \$ 291,651,118

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2012**

	Capital Projects												Nonmajor Governmental Funds	Total Governmental Funds
	General	Teachers	Debt Service	Building	Vocational Education	Settlement	Air Conditioning 2009	Prop S School Renovation						
								Bond Fund I	Bond Fund II	Bond Fund III	Bond Fund IV			
<b>Revenues</b>														
Local:														
Current taxes	\$ 175,135,200	\$ 19,729,680	\$ 23,552,608	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 218,417,488
Delinquent taxes	6,456,117	—	1,128,530	—	—	—	—	—	—	—	—	—	—	7,584,647
Investment income	117,396	—	335,558	480	1,192	—	4,353	45,034	36,638	16,194	30,576	267,810	—	855,231
Other	4,140,217	405	25,904	1,031,388	—	—	—	7,470	12,350	—	—	—	2,352,264	7,569,998
County	3,044,114	308,564	409,053	—	—	—	—	—	—	—	—	—	—	3,761,731
State:														
Basic formula	—	38,493,945	—	—	—	—	—	—	—	—	—	—	—	38,493,945
Categorical aid	14,925,055	123,375	—	—	—	—	—	—	—	—	—	—	4,971,014	20,019,444
Other	—	—	—	—	—	—	—	—	—	—	—	—	590,119	590,119
Federal	601,719	1,988,827	—	—	—	—	—	—	—	—	—	—	69,905,210	72,495,756
<b>Total Revenues</b>	<b>204,419,818</b>	<b>60,644,796</b>	<b>25,451,653</b>	<b>1,031,868</b>	<b>1,192</b>	<b>—</b>	<b>4,353</b>	<b>52,504</b>	<b>48,988</b>	<b>16,194</b>	<b>30,576</b>	<b>78,086,417</b>	<b>369,788,359</b>	
<b>Expenditures</b>														
Current:														
Instruction	31,699,912	119,767,119	—	—	—	—	—	—	—	—	—	39,402,667	—	190,869,698
Building service	26,571,954	—	—	741,773	—	—	174,214	22,259,288	2,307,313	—	—	—	—	52,054,542
School administration	19,828,404	11,333,078	—	—	—	—	—	—	—	—	—	1,753,713	—	32,915,195
Instructional support	9,294,004	8,322,211	—	—	—	—	—	—	—	—	—	16,586,749	—	34,202,964
Noninstructional support	16,263,721	3,343,408	—	—	—	—	—	—	—	—	—	368,487	—	19,975,616
Transportation	22,132,643	—	—	—	—	—	—	—	—	—	—	—	—	22,132,643
Food and community services	1,191,220	—	—	—	—	—	—	—	—	—	—	—	18,541,151	19,732,371
Capital outlay	256,735	—	—	301,125	663,739	—	3,531,185	19,478	216,453	—	—	578,603	—	5,567,318
Debt service:														
Principal retirement	—	—	14,245,000	—	—	—	—	—	—	—	—	—	—	14,245,000
Interest charges	—	—	11,118,858	—	—	—	—	—	—	—	—	—	—	11,118,858
Bond issuance costs	—	—	48,152	—	—	—	—	—	—	264,453	333,961	—	—	646,566
<b>Total Expenditures</b>	<b>127,238,593</b>	<b>142,765,816</b>	<b>25,412,010</b>	<b>1,042,898</b>	<b>663,739</b>	<b>—</b>	<b>3,705,399</b>	<b>22,278,766</b>	<b>2,523,766</b>	<b>264,453</b>	<b>333,961</b>	<b>77,231,370</b>	<b>403,460,771</b>	
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>77,181,225</b>	<b>(82,121,020)</b>	<b>39,643</b>	<b>(11,030)</b>	<b>(662,547)</b>	<b>—</b>	<b>(3,701,046)</b>	<b>(22,226,262)</b>	<b>(2,474,778)</b>	<b>(248,259)</b>	<b>(303,385)</b>	<b>855,047</b>	<b>(33,672,412)</b>	
<b>Other Financing Sources (Uses)</b>														
Transfers in	72,103,775	82,121,020	—	10,649	—	—	—	—	—	—	—	1,713,020	—	155,948,464
Transfers out	(82,581,669)	—	—	—	—	—	(70,938,962)	—	—	—	—	(2,427,833)	—	(155,948,464)
Issuance of bonds	—	—	6,100,000	—	—	—	—	—	—	35,000,000	38,355,000	—	—	79,455,000
Payment to refunding escrow agent	—	—	(6,263,382)	—	—	—	—	—	—	—	—	—	—	(6,263,382)
Premium on issuance of bonds	—	—	209,413	—	—	—	—	—	—	—	2,329,437	—	—	2,538,850
<b>Total Other Financing Sources (Uses)</b>	<b>(10,477,894)</b>	<b>82,121,020</b>	<b>46,031</b>	<b>10,649</b>	<b>—</b>	<b>(70,938,962)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>35,000,000</b>	<b>40,684,437</b>	<b>(714,813)</b>	<b>75,730,468</b>	
<b>Net Change In Fund Balances</b>	<b>66,703,331</b>	<b>—</b>	<b>85,674</b>	<b>(381)</b>	<b>(662,547)</b>	<b>(70,938,962)</b>	<b>(3,701,046)</b>	<b>(22,226,262)</b>	<b>(2,474,778)</b>	<b>34,751,741</b>	<b>40,381,052</b>	<b>140,234</b>	<b>42,058,056</b>	
<b>Fund Balances - Beginning Of Year</b>	<b>(54,522,537)</b>	<b>—</b>	<b>32,521,276</b>	<b>381</b>	<b>1,444,962</b>	<b>114,990,243</b>	<b>8,829,562</b>	<b>50,346,737</b>	<b>14,452,166</b>	<b>—</b>	<b>—</b>	<b>5,689,951</b>	<b>173,752,741</b>	
<b>Fund Balances - End Of Year</b>	<b>\$ 12,180,794</b>	<b>\$ —</b>	<b>\$ 32,606,950</b>	<b>\$ —</b>	<b>\$ 782,415</b>	<b>\$ 44,051,281</b>	<b>\$ 5,128,516</b>	<b>\$ 28,120,475</b>	<b>\$ 11,977,388</b>	<b>\$ 34,751,741</b>	<b>\$ 40,381,052</b>	<b>\$ 5,830,185</b>	<b>\$ 215,810,797</b>	



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2012**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 42,058,056</b>
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, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
Capital outlays	\$ 23,651,117
Depreciation expense	<u>(17,478,279)</u>
	6,172,838
In the statement of activities, the gain or loss on the sale or disposal of capital assets and any impairment loss is recognized. The fund financial statements recognize only the proceeds from these sales.	
	(3,175,203)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These amounts presented represent the change in these accrued liabilities for the current year.	
Accrued compensated absences	263,247
Early retirement benefits	4,775,000
Other post-employment benefits	(245,687)
Remediation liability	1,054,230
Proceeds from bond issuances	(73,355,000)
Proceeds from refunding bond	(6,100,000)
Proceeds from premium on bonds	(2,538,851)
Repayment of bond principal	14,245,000
Repayment of refunded bonds	6,105,000
Accrued interest - general obligation bonds	(35,174)
Amortization of premium, issuance costs, deferred amount on refunding and capital appreciation bonds	(1,371,416)
Bond issuance costs	<u>646,566</u>
	(62,403,875)
Revenues in the statement of activities (net of allowance for uncollectible amounts) that do not provide current financial resources are not reported as revenues in the fund financial statements.	
	3,974,507
Internal service funds are used by the District to charge the costs of insurance to individual funds. The net loss of the internal service funds is reported with governmental activities.	
	<u>(1,259,133)</u>
<b>Change in net assets of governmental activities</b>	<b><u><u>\$ (8,786,020)</u></u></b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**STATEMENT OF NET ASSETS - PROPRIETARY FUND  
June 30, 2012**

	<u>Governmental Activity</u>
	<u>Internal Service</u>
<b>Assets</b>	
Current Assets:	
Cash	\$ 13,383,802
Receivables-other	302,970
	<hr/>
<b>Total Assets</b>	<b>13,686,772</b>
	<hr/>
<b>Liabilities</b>	
Current Liabilities:	
Accounts payable	202,075
Claims payable	2,720,961
Deposits and escrow funds	302,970
	<hr/>
Noncurrent Liabilities:	
Claims payable	3,169,519
	<hr/>
<b>Total Liabilities</b>	<b>6,395,525</b>
	<hr/>
<b>Net Assets</b>	
Unrestricted	\$ 7,291,247
	<hr/> <hr/>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
For The Year Ended June 30, 2012**

	<b>Governmental Activity</b>
	<b>Internal Service</b>
<b>Operating Revenues</b>	
Interfund services provided or used	\$ 45,213,400
<b>Operating Expenses</b>	
Claims	3,891,823
Insurance premiums	42,584,225
<b>Total Operating Expenses</b>	46,476,048
<b>Operating Loss</b>	(1,262,648)
<b>Nonoperating Revenue</b>	
Interest	3,515
<b>Change In Net Assets</b>	(1,259,133)
<b>Net Assets - Beginning Of Year</b>	8,550,380
<b>Net Assets - End Of Year</b>	\$ 7,291,247

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
For The Year Ended June 30, 2012**

	<b>Governmental Activity</b>
	<b>Internal Service</b>
<b>Cash Flows From Operating Activities</b>	
Cash receipts from interfund services provided or used	\$ 45,219,977
Cash payments to suppliers for goods and services	(46,029,510)
<b>Net Cash Used In Operating Activities</b>	<b>(809,533)</b>
 <b>Cash Flows Provided By Investing Activities</b>	
Cash from interest received	3,515
<b>Net Decrease In Cash</b>	(806,018)
 <b>Cash - Beginning Of Year</b>	<b>14,189,820</b>
<b>Cash - End Of Year</b>	<b>\$ 13,383,802</b>
 <b>Reconciliation Of Operating Loss To Net Cash Used In Operating Activities</b>	
Operating loss	\$ (1,262,648)
Change in assets and liabilities:	
Decrease in accounts receivable	6,577
Increase in accounts payable	42,504
Increase in claims payable	101,064
Increase in deposits and escrow funds	302,970
<b>Net Cash Used In Operating Activities</b>	<b>\$ (809,533)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
June 30, 2012**

**Assets**

Cash and short-term investments	<u><u>\$ 18,661,812</u></u>
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**Liabilities**

Deposits and escrow funds	<u><u>\$ 18,661,812</u></u>
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**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2012**

**1. Summary Of Significant Accounting Policies**

The Special Administrative Board of the Transitional School District of the City of St. Louis (the District) is a metropolitan school district created by Missouri state statute as a separate governmental entity for the express purpose of supervising and governing the public schools' property within the boundaries of the City of St. Louis, Missouri.

As discussed in Note 12 to the basic financial statements, one of the provisions of Senate Bill 781 was the possible appointment of a three (3) member board if the school district failed to receive accreditation from the state. This Special Administrative Board (SAB) would take over the authority granted to the elected Board of Education for the operation of all or part of the duties. Effective June 15, 2007, the SAB became the governing body of the District.

The accounting policies of the District conform to generally accepted accounting principles applicable to governmental entities. The following is a summary of the more significant accounting policies:

**Reporting Entity:** The District defines its financial reporting entity in accordance with the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14*. The requirements for inclusion of component units are based primarily upon whether the District's governing body is considered financially accountable for the potential component units. The District is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or there is the potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the District.

The financial statements do not include the operations of the Public School Retirement System of the City of St. Louis (the System). The System is a separate governmental entity established by Missouri state statutes, with a separately elected governing board. Although the District makes a significant contribution to the System each year, it does not have the ability to influence the amount of payment required, nor can it refuse to make the payment when due.

The District receives significant financial assistance from the State of Missouri (the State) under various State programs established to support public education at school districts throughout the State. Resources appropriated for this purpose are administered by the Missouri Department of Elementary and Secondary Education (the Department). The District is subject to various reporting and compliance requirements in order to obtain and retain continued funding from the Department.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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Notes To Basic Financial Statements (*Continued*)

**Basis Of Presentation:** The District's basic financial statements consist of government-wide statements, which include a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements:** The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements to minimize the duplication of internal activities with the exception of interfund services provided and used.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements:** Following the government-wide financial statements are separate financial statements for governmental funds, a proprietary fund (internal service), and fiduciary funds. The activity of the fiduciary funds is excluded from the government-wide financial statements while the activity of the internal service fund is included. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds."

**Fund Accounting:** The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses. The various funds are summarized by type in the basic financial statements. A description of the activities of the various major governmental funds is provided below.

**Governmental Funds:** Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the District's major funds:

- General - To account for all financial resources except those required to be accounted for in another fund.
- Teachers - This is a special revenue fund used to account for financial resources and expenditures for certified employees involved in administration and instruction. It includes revenues restricted by the State of Missouri and taxes allocated to the fund based on the District's tax levy to be used for the payment of teachers' salaries, related benefits and tuition for students.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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Notes To Basic Financial Statements (*Continued*)

- Debt Service - Used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- Building - This is a capital projects fund used to account for financial resources and expenditures related to the acquisition or improvement of land, buildings and equipment.
- Vocational Education - This is a capital projects fund used to account for financial resources and expenditures related to the Capital Settlement Vocational Education Plan, court approved on March 12, 1999.
- Settlement - This is a capital projects fund used to account for financial resources and expenditures related to the Court approved Settlement Plan Agreement with the State of Missouri for construction and site acquisition costs to accommodate any reasonably anticipated net enrollment increase caused by the elimination of the Desegregation Plan. Beginning July 1, 1999 and each July 1 thereafter ending July 1, 2009, the State has paid specified sums to the District as a result of the settlement. (See Note 12 for additional information)
- 2009 Air Conditioning - This is a capital projects fund used to account for financial resources and expenditures related to various bond issues resulting from the April 8, 2003 election to make renovations and additions of air conditioning units to the various existing public school buildings located within the District.
- Prop S School Renovation Bond Fund I - This is a capital projects fund used to account for financial resources and expenditures related to the Series 2010A Qualified School Construction Bond issue. The purpose of the bond issue is to make renovations and repairs to various existing public school buildings located within the District.
- Prop S School Renovation Bond Fund II - This is a capital projects fund used to account for financial resources and expenditures related to the Series 2010B Build America Bond issue. The purpose of the bond issue is to make renovations and repairs to various existing public school buildings located within the District.
- Prop S School Renovation Bond Fund III - This is a capital projects fund used to account for financial resources and expenditures related to the Series 2011A Qualified Zone Academy Bond issue. The purpose of the bond issue is to make renovations and repairs to various existing public school buildings located within the District.
- Prop S School Renovation Bond Fund IV - This is a capital projects fund used to account for financial resources and expenditures related to the Series 2011B General Obligation bond issue. The purpose of the bond issue is to make renovations and repairs to various existing public school buildings located within the District.

The other governmental funds of the District are considered nonmajor. They are special revenue and permanent funds which account for grants and other resources whose use is restricted to a particular purpose.



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Notes To Basic Financial Statements (*Continued*)

Additionally, the District reports the following fund types:

Proprietary Fund Types:

Proprietary funds are used to account for ongoing organizations and activities which are similar to those often found in the private sector. An Internal Service Fund is used to account for costs of the District's limited self-insurance program using a flow of economic resources measurement focus and an accrual basis of accounting and to account for the activities of the St. Louis Public Schools Health Benefits Trust, which accumulates resources for the payment of health and welfare benefits primarily on behalf of and for the benefit of the District's employees, retirees and their dependents.

Fiduciary Fund Type:

Agency Fund - This fund is used to account for transactions related to amounts received in an agency capacity on behalf of individuals, private organizations, and other governmental units. The District has no equity interest in this fund. This fund applies the accrual basis of accounting. The District's agency fund is used to account for monies placed in escrow that represent the District's retirement contribution to the Public School Retirement System of the City of St. Louis.

**Measurement Focus, Basis Of Accounting And Financial Statement Presentation:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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.

Like the government-wide financial statements, the proprietary fund is accounted for using the flow of economic resources measurement focus. Agency funds have no measurement focus. The proprietary fund uses the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included in the statement of net assets. The proprietary fund type operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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Notes To Basic Financial Statements (*Continued*)

Revenues and expenses for the proprietary fund are divided into operating and non-operating items. Operating revenues generally result from providing services in connection with the operations of the District's internal service fund. The principal operating revenue of the internal service fund is the interfund services provided associated with providing unemployment, workers' compensation, health and welfare insurance on behalf of employees and retirees to other departments and funds. Operating expenses include the costs associated with unemployment and workers' compensation claims, health and welfare benefits and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become 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 equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (Note 3). Revenue from grants, entitlements and donations is recognized in the 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 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, revenue from nonexchange transactions must also be available before it can be recognized. For the District, available means expected to be received within 60 days of year end.

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

**Deferred And Unearned Revenues:** Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Certain grants received before eligibility requirements are met are reported as unearned revenue.

In governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Expenses/Expenditures:** On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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Notes To Basic Financial Statements (*Continued*)

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Cash And Investments:** The District employs a cash management program whereby available cash resources of all funds, except certain capital projects, the debt service fund and the permanent fund, are combined to form pools of cash and investments that are managed by the Treasurer of the District. Such investments consist primarily of cash equivalents, such as money market funds, repurchase agreements and short-term U.S. government securities. Interest income earned on pooled funds is distributed to the appropriate funds based on the average daily balance of the cash and investments of each fund.

Investments of the permanent fund consist of marketable equity securities which are carried at fair value. Short-term investments of the general, special revenue, capital projects and debt service funds consist of short-term U.S. Government Treasury and Agency obligations and certificates of deposit which are carried at cost or amortized cost, which approximates fair value.

The District invests in various investment securities. 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 statement of net assets.

**Restricted Investments Held For Bonded Indebtedness:** Certain proceeds of the District bond issuances, as well as certain resources set aside for their repayment, are classified in restricted assets in accordance with the bond indentures (Note 5).

**Inventories:** Inventories, consisting primarily of bus passes, are valued at cost using the consumption method. Reported inventories are equally offset with a corresponding reservation of fund balance to indicate that these amounts are not available for appropriation and expenditure in future periods in the governmental funds.

**Capital Assets:** Capital assets, which include land, buildings, building improvements and equipment, are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

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Notes To Basic Financial Statements (*Continued*)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized and the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land, impaired assets, and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Years</u>
Buildings and improvements	20 - 40
Furniture and equipment	5 - 15

The District reviews its capital assets for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property to the standard market value of the property. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property.

**Compensated Absences:** Vacation benefits are available to all salaried employees paid on a 12-month basis. Vacation benefits are recorded as earned. Vacation may be carried over from year to year up to a maximum accumulation of 36 accrued vacation days. Unused vacation days in excess of the 36 carryover days will be lost. Therefore, a liability for accrued vacation is recorded for full accrual purposes in the government-wide financial statements. However, for governmental fund financial statement purposes a liability for these amounts is reported only if the amount is due at fiscal year end and payable with current resources. Vacation benefits include salary related payments.

Effective January 1, 2004, as amended in October 2005, the District changed its sick leave policy and implemented a paid-time-off (PTO) policy. Unused PTO may be carried over from year to year up to a maximum accumulation of 36 days. Unused PTO days in excess of the 36 carryover days will be lost. Accumulated, unused PTO up to 36 days will only be paid out upon retirement at 75% of the employee's regular pay rate.

The PTO policy was further amended on July 1, 2009. Employees may take up to nine days of PTO during each fiscal year. Unused PTO may not be carried forward. Employees who have unused PTO at the end of the year will be paid one hour of base salary for each two full hours of unused PTO. Payment will be disbursed on the first pay day in December following the end of each fiscal year. Employees with accrued sick leave accumulated under prior District policies are permitted to maintain or use the time.

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Notes To Basic Financial Statements (*Continued*)

On July 1, 2012, the District added a new sick leave policy that allows employees to take up to twelve sick days per year. This policy replaces the PTO policy in effect at June 30, 2012. The number of allowable sick days depends on when an employee was hired and how many months a year they are employed. Unused sick time can be carried over from year to year up to a maximum accumulation of 130 days.

**Long-Term Liabilities:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs and deferred amounts on refunding bonds, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of capital appreciation to maturity, applicable bond premiums and discounts, and deferred amounts related to refunding bonds. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments of bond proceeds made to an escrow agent for refunding bonds are reported as other financing uses.

The general, teachers', federal and internal service funds are typically used to liquidate long-term liabilities other than debt.

**Fund Balances And Net Assets:** The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable Fund Balance* - Includes amounts not in spendable form, such as inventory, or prepaids, or amounts required to be maintained intact legally or contractually (principal balance of endowment).
- *Restricted Fund Balance* - Includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds) and amounts imposed by law through constitutional provisions or enabling legislation (must be legally enforceable).
- *Committed Fund Balance* - Includes amounts constrained for a specific purpose by a government using its highest level of decision making authority. Fund Balance of the District may be committed for a specific source by resolution of the Special Administrative Board. Amendments or modifications of the committed fund balance must also be approved by formal action of the Special Administrative Board.

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Notes To Basic Financial Statements (*Continued*)

- *Assigned Fund Balance* - Includes general fund amounts constrained for a specific purpose by a governing board or by a committee or official that has been delegated authority from the governing body to assign amounts. For all funds other than the general fund, the residual balance is assigned.
- *Unassigned Fund Balance* - The residual fund balance for the general fund. The unassigned fund may include a negative unassigned fund balance in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

In the government-wide financial statements net assets are classified as follows:

*Invested in capital assets, net of related debt* - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted for specific purposes* - the component of net assets that reports the difference between assets and liabilities of the certain programs that consists of assets with constraints placed on their use by either external parties and/or enabling legislation.

*Unrestricted* - the difference between the assets and liabilities that are not reported in net assets invested in capital assets, net of related debt, or net assets restricted for specific purposes.

**Interfund Balances And Activity:** Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as other financing sources (uses).

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

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Notes To Basic Financial Statements (*Continued*)

The District charges indirect costs to certain Federal grant programs as permitted under the terms of the grant agreements. The costs of the District's self-insurance and benefit programs are also charged to various governmental funds by application of a premium rate to gross salary expenditures. These interfund transactions are recorded as interfund services provided or used and are not eliminated because they would be treated as revenues and expenditures or expenses if they involved organizations external to the District. Accordingly, charges for indirect costs and the cost of the District's self-insurance programs are recorded as revenue in the general fund and internal service fund, respectively, and expenditures in the funds charged.

**Statement Of Cash Flows:** The proprietary fund type considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents.

**Management's Use Of 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 reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## 2. Deposits And Investments

A summary of cash and investments as of June 30, 2012 is as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Primary Government:			
Cash	\$ 3,365,644	\$ 3,365,644	\$ 3,365,644
Money market funds	151,550,291	151,550,291	151,550,291
Repurchase agreements	58,267,158	58,267,158	58,267,158
Commercial paper	8,000,000	8,000,000	8,000,000
Federal National Mortgage Association	9,019,929	9,013,529	9,019,929
Federal Home Loan Bank Securities	3,004,089	3,004,398	3,004,089
Federal Home Loan Mortgage Corp.	7,021,452	7,013,508	7,021,452
Federal Farm Credit Bank	12,029,638	11,970,942	12,029,638
Equity securities (endowment)	1,744,032	5,014,329	5,014,329
Guaranteed investment contracts	1,746,003	1,746,003	1,746,003
Certificates of deposit	2,119,796	2,119,796	2,119,796
	<u>\$ 257,868,032</u>	<u>\$ 261,065,598</u>	<u>\$ 261,138,329</u>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
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Notes To Basic Financial Statements (*Continued*)

**Investment Policy**

**General**

The District does not have a formal investment policy. The District's investment activity is conducted in accordance with Missouri State Statutes and investment guidelines outlined therein. These guidelines apply to the District's investments that are not held by a trustee in connection with bond indentures or endowments. These guidelines permit the District to invest in obligations of the State of Missouri, obligations of the United States of America, obligations issued or guaranteed by certain agencies of the federal government, certain collateralized repurchase agreements and certificates of deposit, bankers' acceptances, and commercial paper.

**Investment Type And Maturities**

As of June 30, 2012, the District held the following debt securities with maturities of less than a year: Federal Home Loan Bank Securities, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation Securities, Federal Farm Credit Bank, money market securities and repurchase agreements. The District also owns Federal Farm Credit Bank securities that mature in 2.7 years, Federal Home Loan Mortgage Corporation Securities that mature in 1.5 years and a Federal National Mortgage Association Discount Note that matures in 3.3 years. The carrying value of these securities is \$19,045,719. The District's investments in guaranteed investment contracts (related to bond indentures) have weighted average maturities of 11.47 years.

State Statutes limit maturities for investments in bankers' acceptances and commercial paper to not more than 180 days from the date of purchase. All other investments shall mature and become payable not more than five years from the date of purchase. Weighted average maturity limitations should not exceed three years, with the exception of those related to bond indentures, and should be consistent with investment objectives.

Because of the inherent difficulties in accurately forecasting cash flow requirements, the District allocates a significant portion of the portfolio in readily available funds such as bank deposits, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.



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Notes To Basic Financial Statements (*Continued*)

**Credit Risk**

The following table provides information on the credit ratings associated with the District's investments in debt securities, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government, at June 30, 2012.

	<u>S&amp;P*</u>	<u>Moody's</u>	<u>Fair Value</u>
Federal Home Loan Bank Securities (long term)	AA+	AAA	\$ 1,005,640
Federal Home Loan Bank Securities (short term)	AAA	AAA	1,998,758
Federal National Mortgage Association (long term)	AA+	Aaa	5,014,225
Federal National Mortgage Association (short term)	AAA	AAA	3,999,304
Federal Home Loan Mortgage Corp. (long term)	AA+	Aaa	4,014,624
Federal Home Loan Mortgage Corp. (short term)	A-1+	P-1	2,998,884
Federal Farm Credit Bank (long term)	AA+	Aaa	9,955,900
Federal Farm Credit Bank (short term)	AA+	AAA	2,015,042
Guaranteed investment contracts	AAA	AAA	1,746,003
Repurchase agreements	Unrated	Unrated	58,267,158
Commercial paper	A-1	P-1	8,000,000
Missouri Securities Investment Program - Money Market Series	AAAm	Unrated	143,705,317
Government Money Market fund - Institutional	AAA	Aaa	7,844,974

**Concentration Of Credit Risk**

State Statutes place no limit on the amount the District may invest in any one issuer with respect to U.S. Treasury Securities and collateralized time and demand deposits. Obligations with agencies of the U.S. Government and government-sponsored enterprises are limited to 60% of the portfolio. Those securities that are collateralized repurchased agreements, commercial paper, and bankers' acceptances are limited to 50% of the total portfolio. U.S. Government agency callable securities are limited to 30% of the total portfolio.

	<u>Percent Of Total Investments</u>
Missouri Securities Investment Program - Money Market Series	56.21%
Repurchase agreements	22.79%

**Custodial Credit Risk**

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with State Statutes, the District addresses custodial risk by pre-qualifying institutions with which the District places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

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Notes To Basic Financial Statements (*Continued*)

For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution.

**3. Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The Collector of Revenue for the City of St. Louis collects the property tax and remits it to the District. As of June 30, 2012, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2011 or earlier. Delinquent property tax receivables less an allowance for uncollectable taxes are recognized as revenue in the government-wide financial statements. Only the portion of property taxes receivable that meets the modified-accrual revenue recognition criteria is reported as revenue in the fund financial statements.

Assessed values are established by the Board of Equalization of the City of St. Louis at 19% and 32% of the estimated market value of residential and commercial/industrial property, respectively.

The assessed valuation of the tangible taxable property for purposes of local taxation was \$4,144,977,723.

The tax levy per \$100 of assessed valuation of tangible taxable property for purposes of local taxation for each of the last two calendar years was as follows:

	<u>2012</u>	<u>2011</u>
General fund	\$ 3.5532	\$ 3.3654
Debt service	0.6211	0.6211
	<u>\$ 4.1743</u>	<u>\$ 3.9865</u>

The receipts of local current property taxes during the fiscal year ended June 30, 2012 aggregated 93.91% of the current assessed valuation, computed on the basis of the levy as shown above.

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Notes To Basic Financial Statements (*Continued*)

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2012 is as follows:

	<b>Balance - June 30, 2011</b>	<b>Additions And Transfers In</b>	<b>Deletions And Transfers Out</b>	<b>Balance - June 30, 2012</b>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 24,416,407	\$ 155,074	\$ (20,937)	\$ 24,550,544
Construction in progress	3,159,712	15,321,257	(1,654,223)	16,826,746
Impaired assets	34,674,633	1,091,637	(2,145,143)	33,621,127
<b>Total capital assets not being depreciated</b>	<b>62,250,752</b>	<b>16,567,968</b>	<b>(3,820,303)</b>	<b>74,998,417</b>
Capital assets being depreciated:				
Idle buildings and improvements	9,549,596	—	(6,130,854)	3,418,742
Buildings and improvements	657,975,843	9,864,196	—	667,840,039
Movable equipment	37,175,154	119,887	(617,474)	36,677,567
<b>Total capital assets being depreciated</b>	<b>704,700,593</b>	<b>9,984,083</b>	<b>(6,748,328)</b>	<b>707,936,348</b>
Less accumulated depreciation for:				
Idle buildings and improvements	6,475,472	48,094	(3,884,511)	2,639,055
Buildings and improvements	298,776,676	17,085,549	—	315,862,225
Movable equipment	34,958,741	344,636	(607,987)	34,695,390
<b>Total accumulated depreciation</b>	<b>340,210,889</b>	<b>17,478,279</b>	<b>(4,492,498)</b>	<b>353,196,670</b>
<b>Total capital assets being depreciated, net</b>	<b>364,489,704</b>	<b>(7,494,196)</b>	<b>(2,255,830)</b>	<b>354,739,678</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 426,740,456</b>	<b>\$ 9,073,772</b>	<b>\$ (6,076,133)</b>	<b>\$ 429,738,095</b>

During 2012, one closed school building was deemed to be impaired and written down to its fair value. Fair value was determined by calculating the standard market rate per building condition multiplied by the square footage of the idle building, which was less than the carrying value. Impairment loss on the building amounted to \$108,265 for 2012. Additionally, land at three of the idle locations was deemed to be impaired and written down to its fair value. Fair value was determined by calculating the standard market rate per land location multiplied by the square footage of the location's acreage, which was less than the carrying value by \$157,949. Total impairment losses amounting to \$266,214 (included in Building Services in the Statement of Activities) has been charged to operations in 2012.

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Notes To Basic Financial Statements (*Continued*)

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 16,386,881
Building services	291,096
School administration	456,987
Instructional support	47,409
Noninstructional support	206,874
Transportation	70,513
Food and community services	<u>18,519</u>
 Total governmental activities depreciation expense	 <u><u>\$ 17,478,279</u></u>

## 5. Long-Term Obligations

Long-term obligations of the District consist of general obligation school building and refunding bonds, notes payable, claims payable, remediation and personnel related liabilities.

During the fiscal year ended June 30, 2012, the following changes occurred in long-term obligations:

	<b>Balance - June 30, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance - June 30, 2012</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Compensated absences	\$ 2,205,131	\$ 2,679,384	\$ 2,942,631	\$ 1,941,884	\$ 1,590,224
Other postemployment benefits	2,393,665	3,344,728	3,099,041	2,639,352	—
Termination benefits	4,775,000	—	4,775,000	—	—
Claims payable	5,789,416	3,412,294	3,311,230	5,890,480	2,720,961
Remediation liability	4,553,000	3,499,270	4,553,000	3,499,270	3,499,270
General obligation school building and refunding bonds, Series 1998A, 2001, 2002A, 2002B, 2003A, 2004, 2006A, 2007A, 2009, 2010A, 2010B, 2011A, 2011B, and 2011C	<u>306,354,000</u>	<u>79,455,000</u>	<u>20,350,000</u>	<u>365,459,000</u>	<u>15,520,000</u>
Less: Capital appreciation to maturity on bonds				7,403,334	
Deferred amount on refunding				1,231,906	
Add: Unamortized premium on bonds				<u>9,179,081</u>	
				<u>366,002,841</u>	
 Total Long-Term Obligations	 <u><u>\$ 322,902,409</u></u>	 <u><u>\$ 92,390,676</u></u>	 <u><u>\$ 39,030,902</u></u>	 <u><u>\$ 379,973,827</u></u>	 <u><u>\$ 23,330,455</u></u>

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Notes To Basic Financial Statements (*Continued*)

**General Obligation School Building And Refunding Bonds**

<b>Obligation Bonds</b>	<b>Balance - June 30, 2011</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance - June 30, 2012</b>	<b>Due Within One Year</b>
1998A Series	\$ 8,280,000	\$ —	\$ 8,280,000	\$ —	\$ —
2001 Series	6,805,000	—	—	6,805,000	1,435,000
2002A Series	33,795,000	—	—	33,795,000	—
2002B Series	8,955,000	—	8,955,000	—	—
2003A Series	17,500,000	—	1,165,000	16,335,000	1,205,000
2004 Series	42,700,000	—	905,000	41,795,000	7,020,000
2006A Series	39,040,000	—	1,000,000	38,040,000	595,000
2007A Series	28,340,000	—	—	28,340,000	—
2009 Series	39,295,000	—	—	39,295,000	2,280,000
2010A Series	56,644,000	—	—	56,644,000	—
2010B Series	25,000,000	—	—	25,000,000	—
2011A Series	—	35,000,000	—	35,000,000	—
2011B Series	—	38,355,000	—	38,355,000	—
2011C Series	—	6,100,000	45,000	6,055,000	2,985,000
<hr/>					
Total General Obligation School Building And Refunding Bonds	\$ 306,354,000	\$ 79,455,000	\$ 20,350,000	\$ 365,459,000	\$ 15,520,000

During the fiscal year ended June 30, 2012, the District issued Qualified Zone Academy Bonds in the amount of \$35,000,000 (Series 2011A) with interest rates ranging from 4.6% to 4.75%. The bond proceeds are being used to finance the cost of constructing, renovating, repairing and improving buildings and related facilities in the District. The bonds are scheduled to mature at various dates through 2029.

During the fiscal year ended June 30, 2012, the District issued General Obligation Bonds in the amount of \$38,355,000 (Series 2011B) with interest rates ranging from 4% to 5%. The bond proceeds are being used to finance the cost of constructing, renovating, repairing and improving buildings and related facilities in the District. The bonds are scheduled to mature at various dates through 2027.

On October 4, 2011, the District issued \$6,100,000 general obligation refunding bonds (2011C Series) with interest rates ranging from 2% to 3% to advance refund \$6,105,000 of outstanding General Obligation Refunding Bonds (2002B Series). The bonds are scheduled to mature at various dates through April 2014. As a result of the refunding, the District decreased its total debt service requirements by \$267,003 which resulted in an economic gain of \$258,823.

During the fiscal year ended June 30, 2011, the District issued Qualified School Construction Bonds in the amount of \$56,644,000 (Series 2010A) with interest rates ranging from 5.65% to 6.45%. The bond proceeds are being used to finance the cost of constructing, renovating, repairing and improving buildings and related facilities in the District. The bonds are scheduled to mature at various dates through 2028.

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Notes To Basic Financial Statements (*Continued*)

During the fiscal year ended June 30, 2011, the District issued Build America Bonds in the amount of \$25,000,000 (Series 2010B) with interest rates ranging from 6.55% to 6.6%. The bond proceeds are being used to finance the cost of constructing, renovating, repairing and improving buildings and related facilities in the District. The bonds are scheduled to mature at various dates through 2030.

During the fiscal year ended June 30, 2009, the District issued General Obligation Bonds in the amount of \$39,295,000 (Series 2009) with interest rates ranging from 2.05% to 5%. The bond proceeds are being used to finance the cost of air conditioning for school buildings and related facilities. The bonds are scheduled to mature at various dates through 2021.

During the fiscal year ended June 30, 2007, the District issued General Obligation Refunding Bonds in the amount \$28,147,782, net of \$467,218 capital appreciation (Series 2007A), with interest rates ranging from 4% to 5% and maturing at various dates through 2021. The bond proceeds were used to advance refund maturities of various bond issuances.

During the fiscal year ended June 30, 2006, the District issued General Obligation Bonds in the amount of \$55,000,000 (Series 2006A) with interest rates ranging from 3.5% to 5%. The bond proceeds are being used to finance the cost of air conditioning for school buildings and related facilities. The bonds are scheduled to mature at various dates through 2025.

During the fiscal year ended June 30, 2005, the District issued General Obligation Refunding Bonds in the amount \$44,115,000 (Series 2004) with interest rates ranging from 2.5% to 5.25% and maturing at various dates through April 2020. The bond proceeds were used to advance refund maturities of various bond issuances.

On May 13, 2003, the District issued \$25,705,000 general obligation refunding bonds (2003A Series) with interest rates ranging from 2% to 5% to advance refund \$29,500,000 of outstanding Leasehold Revenue Bonds. The bonds are scheduled to mature at various dates through April 2023.

In February 2002, the District issued general obligation school building bonds dated February 25, 2002 of \$50,002,795, net of \$17,282,205 capital appreciation (2002A Series). The debt provides for interest rates ranging from 4.581% to 5.174%. The bond proceeds were used to finance the cost of air conditioning for school buildings and related facilities. The bonds are scheduled to mature at various dates through April 1, 2021.

In February 2002, the District issued general obligation refunding bonds dated February 25, 2002 of \$32,210,270, net of \$674,730 capital appreciation (2002B Series). The debt provides for interest rates ranging from 3% to 5.25%. The bond proceeds are being used to refund various bonds and maturities for certain bonds. The bonds are scheduled to mature at various dates through April 1, 2014.

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The District issued general obligation school building bonds dated April 3, 2001 of \$20,130,500, net of \$3,329,500 capital appreciation (2001 Series). The debt provides for interest rates ranging from 3.5% to 5.375%. The bond proceeds were used to finance the cost of air conditioning for school buildings and related facilities. The bonds are scheduled to mature at various dates through April 1, 2021.

The District issued General Obligation Refunding Bonds dated April 1, 1998 of \$40,254,454, net of \$4,275,546 capital appreciation (1998A Series). The bonds provide for interest rates ranging from 3% to 9% and maturing at various dates through 2012. The bond proceeds were used to advance refund maturities of various bond issuances.

In prior years, the District has defeased various bond issuances by creating separate irrevocable trust funds. New debt has been issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt has matured and, therefore, the defeased debt was removed as a liability from the District's financial statements. As of June 30, 2012, the amount of prior years' defeased debt outstanding, but removed from the financial statements amounted to \$97,715,000.

Unspent bond proceeds were \$130,149,793 at June 30, 2012.

**Principal And Interest Requirements To Maturity**

Obligations related to the general obligation school building and refunding bonds are payable in varying amounts through 2030. The District receives federal interest subsidies of approximately 91.5% on the Series 2010A Qualified School Construction Bonds, 35% on the Series 2010B Build America Bonds and 97.5% on the Series 2011A Qualified Zone Academy Bonds. These federal subsidies are netted against interest expense. Annual principal and interest requirements to maturity (including capital appreciation to maturity of \$7,403,334 on the general obligation school building and refunding bonds as of June 30, 2012 are as follows:

Year Ending June 30,	General Obligation School Building And Refunding Bonds			
	Principal	Interest	U.S. Treasury Interest Subsidy	Total
2013	\$ 15,520,000	\$ 16,259,303	\$ (5,395,229)	\$ 26,384,074
2014	16,440,000	15,731,038	(5,395,229)	26,775,809
2015	17,405,000	15,479,962	(5,395,229)	27,489,733
2016	18,400,000	15,072,625	(5,395,229)	28,077,396
2017	19,490,000	14,600,944	(5,395,229)	28,695,715
2018-2022	112,425,000	60,981,750	(26,976,146)	146,430,604
2023-2027	105,829,000	34,204,950	(22,241,027)	117,792,923
2028-2030	59,950,000	6,676,200	(3,769,290)	62,856,910
	\$ 365,459,000	\$ 179,006,772	\$ (79,962,608)	\$ 464,503,164

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Notes To Basic Financial Statements (*Continued*)

**Remediation Liability**

The District has an environmental remediation obligation as a result of the District commencing cleanup, monitoring and/or operation as well as maintenance of the remediation effort as a result of HVAC renovations to be funded with general obligation bonds previously issued or new obligations for abatement to be funded by the bonds issued in 2010, 2011 and 2012. During fiscal year 2008, the District completed an Asbestos Hazard Emergency Response Act (AHERA) study in order to comply with the Environmental Protection Agency regulations applicable to schools throughout the United States. At substantial completion of the AHERA study, the remediation outlays were reasonably estimable. In addition to the AHERA study, the District began remediation design and implementation to enable HVAC renovations to take place in compliance with the purpose of the 2006 and 2009 general obligation bond issuances. During the design phase of the remediation, the District developed a better understanding of the work to be done and was able to provide an estimate of the corresponding total remediation outlays. At June 30, 2009, the District either entered into remediation contracts or planned to, approximating \$11,000,000, which was accrued. The majority of those projects have been completed. In 2011 and 2012 in connection with the issuance of the Proposition S Bonds, new remediation contracts have been entered into. At June 30, 2012, the District has a pollution remediation obligation of \$3,499,270 as a result of the conditions described above. The District utilized the expected cash flow method to determine an accurate measurement of the District's pollution remediation liability which includes all remediation work that the government expects to perform. The District is not expected to receive recoveries from any other parties or from insurance policies indemnifying the District for its pollution remediation obligations.

**6. Retirement Plan**

**Plan Description:** The District contributes to the Public School Retirement System of the City of St. Louis (the System), a funding agency existing under the provisions of the Revised Statutes of the State of Missouri (The Statutes), to provide retirement benefits for all employees of the District, of the Charter Schools located within the St. Louis School District, of all employees of the Public School Retirement System of the City of St. Louis, and of certain employees of Harris-Stowe State University of St. Louis. The System is a cost-sharing multiple-employer defined benefit plan, as defined by Statement No. 27 of the Governmental Accounting Standards Board (GASB). The Public School Retirement System issues a publicly available annual report that includes financial statistics, an actuarial valuation, and the required supplementary information. The Plan's year end is December 31. That report may be obtained by writing to the Public School Retirement System of the City of St. Louis, 3641 Olive Street, Suite 300, St. Louis, Missouri 63108 or by calling (314) 534-7444.



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Notes To Basic Financial Statements (*Continued*)

**Annual Pension Costs And Funding Policy:** Employee participation (5% of salaries, effective July 1, 1999) is mandatory. Employer contribution is also mandatory at an actuarially determined rate. Per an actuarial report dated January 1, 2011, the rate is 11.88% of annual covered payroll. The District's 2012, 2011, and 2010 fiscal year contributions for the plan years ended December 31, 2011, 2010 and 2009 were \$24,140,549, \$22,183,043 and \$25,161,972, respectively. These contributions were at least 100% of the required contributions for those years. For plan years 2011, 2010, and 2009, the required contributions were \$19,933,761, \$16,790,176, and \$19,274,150, respectively, plus \$4,206,788, \$5,392,867, and \$5,887,822, respectively, contributed for the District's supplemental pension benefits under the sick leave conversion program.

## **7. Other Postemployment Benefits**

### **Plan Description:**

The Public School Retirement System of the City of St. Louis (the System) provides other postemployment benefits other than pensions (OPEB) to retirees of the District who meet certain criteria. The District, through the System, provides medical, dental and vision benefits to eligible retirees and their dependents through an agent multiple-employer plan. All active employees who retire directly from the District and meet the eligibility criteria may participate. To be eligible under normal retirement the employee must be at least 65 or any age with 85 points (age plus years of service) or if eligible for early retirement an employee must be at least age 60. Dependents are also eligible to receive benefits. Survivor benefits are available but the District does not participate in cost sharing. Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time, less contributions made by the District. Since retirees pay only the portion of the premium not paid directly by the District each year, the remaining share of any premium cost to the District is determined on the basis of a blended rate or implicit rate subsidy calculation. A stand-alone financial report is not available regarding the OPEB benefits provided.

### **Funding Policy:**

The District finances its OPEB contributions using a pay-as-you-go method. As of June 30, 2012, the District has not set aside assets in trust to pay future benefits and has not established a plan or equivalent arrangement that contains an irrevocable transfer of assets dedicated to providing benefits to retirees. Since no trust fund has been established for funding of the OPEB obligation related to the implicit rate subsidy, the entire OPEB obligation that is not funded on a pay-as-you-go basis is classified as unfunded. Additional information is presented as required supplementary information, schedule of funding progress.

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Notes To Basic Financial Statements (*Continued*)

**Annual Other Postemployment Benefit Cost:**

At June 30, 2012, the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the plan is as follows:

Annual required contribution	\$ 3,380,765
Interest on OPEB obligation	107,715
Adjustment to annual required contribution	(143,752)
Annual OPEB cost	<u>3,344,728</u>
Contributions made*	<u>3,099,041</u>
Increase/Decrease in OPEB obligation	245,687
Net OPEB obligation-beginning of year	<u>2,393,665</u>
Net OPEB obligation-end of year	<u><u>\$ 2,639,352</u></u>

\* Contribution related to pay-as-you-go basis

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the previous two years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Of Annual OPEB OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2012	\$ 3,344,728	92.7%	\$ 2,639,352
June 30, 2011	3,872,203	110.8%	2,393,665
June 30, 2010	3,854,731	69.2%	2,813,176

**Funded Status And Funding Progress:**

As of July 1, 2011, the most recent actuarial valuation date, the plan had no assets since the District does not fund the plan. The unfunded actuarial liability (UAAL) for benefits was \$41,794,167 on covered payroll (annual payroll of active employees covered by the plan) of \$178,812,501, and the ratio of UAAL to covered payroll was 23.37%.

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

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Notes To Basic Financial Statements (*Continued*)

**Actuarial Methods And Assumptions:**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern to that point.

In the July 1, 2011 actuarial valuation, the liabilities were computed using the unprojected Unit Credit cost method. There are no liabilities dependent on salary. The closed, level dollar method was selected for amortizing the unfunded actuarial liability over 30 years. The actuarial assumptions utilized a 4.5% discount rate. Because the plan is unfunded, reference to “employer assets,” which are short-term in nature, was considered in the 4.5% rate. The valuation assumes a 8% premium cost rate trend for 2012, reduced by decrements to an ultimate 5% increase for 2018 and later years. The actuarial assumption does not include post retirement benefit increases.

According to GASB 45, paragraph 12, an actuarial valuation should be performed at a minimum frequency of every two years for a plan the size of the District within the Retirement System. This requirement is valid as long as no significant changes have occurred that would affect the results of the valuation including changes in benefit provisions, size or comparison of the covered population, or other factors that impact long-term assumptions.

If an actuarial valuation is not performed for a fiscal year, the Annual Required Contribution (ARC) reported is based on the results of the most recent actuarial valuation that is within 24 months of the beginning of the year.

**8. Early Retiree Postemployment Benefits**

The District funds early retirement benefits for employees who chose to participate in the voluntary employee severance plan adopted on April 29, 2010. There were 255 employees participating in the 2010 plan including former teachers, administrators, and noncertified staff. The amount of benefits paid to employees ranged from \$11,000 to \$25,000. These funds were paid out over a two-year period. The District funded \$4,775,000 during the year ended December 31, 2012. There is no remaining balance due to employee participants at June 30, 2012.

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**9. Insurance Programs**

The District is exposed to various types of risks of loss, including property and equipment, employee performance, workers' compensation, athletics, general liabilities and unemployment of which the majority of these risks are covered through the District's purchase of commercial insurance. The remainder is self-insured.

The District is self-insured with respect to its obligation to provide workers' compensation and unemployment compensation benefits to its employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims relating to these matters are recorded in the government-wide and internal service fund financial statements.

The District obtains periodic funding valuations from the claims-servicing companies managing the self-insurance programs and adjusts the charges to the various funds as required to maintain the appropriate level of estimated claims liabilities. Revenue in the internal service fund represents interfund charges as a percentage of payroll to each fund. The District also maintains excess liability insurance coverage for workers' compensation claims. Settled claims did not exceed commercial coverage for the past three fiscal years.

At June 30, 2012, the District's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for workers' compensation and unemployment benefits were \$5,175,507 and \$714,973, respectively.

Changes in the self-insured claims liabilities at June 30, 2012 and 2011 were as follows:

	<b>Workers'</b>		<b>Total</b>
	<b>Compensation</b>	<b>Unemployment</b>	<b>Self-Insured</b>
			<b>Liabilities</b>
Balance - June 30, 2010	\$ 5,081,064	\$ 427,168	\$ 5,508,232
Current year claims and changes in estimate	2,299,437	1,774,966	4,074,403
Claim payments	(2,295,750)	(1,497,469)	(3,793,219)
Balance - June 30, 2011	5,084,751	704,665	5,789,416
Current year claims and changes in estimate	2,701,583	710,711	3,412,294
Claim payments	(2,610,827)	(700,403)	(3,311,230)
Balance - June 30, 2012	\$ 5,175,507	\$ 714,973	\$ 5,890,480

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Notes To Basic Financial Statements (*Continued*)

**10. Interfund Balances And Transfers**

A summary of amounts due to or from individual funds follows:

<b>Due From/Due To</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>Governmental</b>		
General	\$ 16,165,439	\$ 13,131,669
Teachers	13,121,020	3,269,852
Building	10,649	10,649
Other Governmental		
School Lunchroom	—	1,156,212
Student Health	—	2,567,000
ECIA Title I	—	1,231,465
Early Childhood	670,732	6,380,126
Adult Education And Literacy	—	336,543
Community Development Agency	—	161,576
Federal - Other	—	1,722,748
	<b>\$ 29,967,840</b>	<b>\$ 29,967,840</b>

The amounts due to or from individual funds represent interfund borrowings that arise in the normal course of business and are due to either timing differences or to the elimination of negative pooled cash balances within various funds.

A summary of amounts transferred to or from individual funds follows:

<b>Transfers In/Transfers Out</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General fund	\$ 72,103,775	\$ 82,581,669
Teachers	82,121,020	—
Debt Service	10,649	—
Settlement	—	70,938,962
Other Governmental:		
Student Health	—	1,459,920
Foundation 73	789,473	789,473
Early Childhood	473,547	—
Federal - Other	450,000	178,440
	<b>\$ 155,948,464</b>	<b>\$ 155,948,464</b>

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The amounts transferred to or from individual funds represent interfund transfers that arise in the normal course of business. Transfers of funds are necessary to fund operating expenditures, debt service payments, and any other operating needs that may arise in the normal course of operating the District.

The transfers between the General fund and Settlement fund were to restore the General fund balance to zero and to transfer funds for academic program expenditures for the current year and fiscal years 2013 and 2014. These terms were agreed upon in the Desegregation agreement as discussed in footnote 12 and footnote 13. The General fund also subsidized deficiencies of revenues over expenditures in the Teachers fund.

Transfers from the Student Health fund to the Early Childhood fund were for reimbursements of Medicaid expenses between the funds. At year end, all excess funds in the Student Health fund were transferred to the General fund for general operating purposes.

Transfers in/out of Foundation 73 were for the rollover of unexpended prior year balances.

Transfers to the Federal - Other fund from the General fund were made to subsidize expenditures. Transfers out of the Other fund to the General Fund were to return the year end excess subsidies to the General Fund.

## **11. Pending Litigation**

During 2009, two Charter Schools in the City of St. Louis filed claims against DESE and the District related to underpayment of approximately \$4,207,000 of state funding, including Proposition C monies. Neither the District nor its legal counsel is able to make a determination, based on the information available, as to the likelihood of these claims resulting in a material liability for the District. Because of these uncertainties, no provision for this litigation has been made in the accompanying financial statements.

The District is the defendant in various other lawsuits involving personal injury, employee grievances, and a variety of other matters, including being named as a potentially responsible party in relation to an environmental remediation case.

Each case is being vigorously contested by the District. The District is uninsured with respect to the major portion of liabilities, which may be incurred as a result of these matters. Neither the District nor its legal counsel is able to make a determination, based on the information available, as to the likelihood of these claims resulting in a material liability for the District. Because of these uncertainties, no provision for this litigation has been made in the accompanying financial statements. However, in the event of an unfavorable outcome in one or more of these matters, the impact could be material to the District's financial position or operating results.

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Notes To Basic Financial Statements (*Continued*)

**12. Commitments, Contingencies And Uncertainties**

The District has been involved in desegregation litigation since 1972, resulting in a court-ordered plan of desegregation which continued through the 1997-98 year. In August 1998, the Missouri Legislature passed Senate Bill 781. The bill was the first step in an attempt to resolve the desegregation litigation. The bill called for the following: the restructuring of the makeup of the existing elected Board from a twelve (12) member Board elected city-wide to a seven (7) member Board elected city-wide; a requirement that the City of St. Louis hold a referendum before March 15, 1999 on a tax measure to aid the District with revenues when the desegregation case is settled; create a special “overlay” board to put the tax and other measures on the ballots; the appointment of a three (3) member governing board if the District fails to receive accreditation from the state in March of 1999; and the possibility of the appointment of a special administrative board to take over the authority granted to the Board of Education for the operation of all or part of the duties. On March 12, 1999, the Court approved a settlement agreement relating to the plan of desegregation. Under the settlement agreement, the District will receive certain amounts of additional funding for the construction of new schools and for a specified period of time to continue various programs, which were required under the desegregation plan. The settlement plan also contains numerous requirements of the District, generally relating to student achievement. In addition, one of the provisions called for in Senate Bill 781 was for the voters in the City of St. Louis to approve a city sales tax. In February 1999 the tax was approved by the voters.

During fiscal year 2007, the Missouri State Board of Education declared the District as unaccredited. In accordance with the laws of the State of Missouri, the governance of the school district was transferred from the divested board, except for auditing and reporting matters, and placed with the Special Administrative Board of the Transitional School District (SAB). The SAB took full control of the operation of the St. Louis Public School District on June 15, 2007. Pursuant to Missouri Revised Statute §162.1100.4, the SAB is empowered to, among other things, (1) create an academic accountability plan, take corrective action in underperforming schools, and seek relief from state-mandated programs; (2) explore alternative forms of governance for the district; (3) contract with nonprofit corporations to provide for the operation of schools; (4) oversee facility planning, construction, improvement, repair, maintenance, and rehabilitation; (5) establish school site councils to facilitate site-based school management and improve the responsiveness of the schools to the needs of the local geographic attendance region of the school; and (6) submit a proposal to the district voters regarding establishment of neighborhood schools.

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In relation to the financial condition of the District, the District entered into a settlement agreement with Caldwell/NAACP, Liddell Plaintiffs, the United States Department of Justice, and the State of Missouri regarding the District's planned borrowing from the Capital Account (desegregation monies). The agreement, as amended in January of 2005, allowed the District to borrow up to \$49,500,000 during the fiscal year 2004 and to repay these funds over a six-year period, starting in fiscal year 2007. However, the repayment schedule was delayed to 2008 due to the District being designated as "financially stressed" by DESE in 2007. In addition, the District was allowed to continue borrowing from the desegregation funds in future fiscal years, as long as the borrowed funds were repaid by the end of the fiscal year in which they were borrowed. The amended agreement also stated that the District could borrow additional funds prior to June 30, 2006 of up to \$10,000,000 for additional expenditures as outlined in the agreement. Approximately \$47,100,000 was borrowed in relation to this agreement during the fiscal year ended June 30, 2004. However, the amended agreement allowed the District to use up to \$10,600,000 from the desegregation funds to fund construction of the Clyde C. Miller Career Academy, previously paid for by the District, which reduced the amount borrowed from the desegregation funds pursuant to the agreement to approximately \$36,500,000.

The District did not make the \$7,000,000 scheduled payment for 2008, 2009, 2010 or 2011.

As shown in the accompanying fund financial statements, the District's general operating fund balances is a positive \$12.1 million at June 30, 2012. The general operating funds also has shown a surplus in both 2011 and 2012. This represents fulfillment of a pledge by the Special Administrative Board and District administration to end the fiscal year with balanced results while continuing to improve the quality of education provided. FY 2011 was also the first year that the District was able to take advantage of \$155 million in voter approved capital bonds to subsidize the majority of the expenses related to lead paint abatement in classrooms serving children age six and under, as well as to fund much needed school facility improvements.

The fund financial statements showed a \$54.7 million deficit in the General Operating Fund due to accumulated deficits from previous years at June 30, 2011. However, the District reached an agreement with the Plaintiffs in the desegregation lawsuit to dedicate approximately \$95 million that restored the deficit fund balance and will fund certain academic programs through FY 2014.

The agreement was reached on September 16, 2011. The Plaintiffs agreed to restructure the outstanding indebtedness owed by the District to the Settlement fund in the amount of \$36.5 million by foregoing repayment of this amount in perpetuity. This figure represents the remaining balance of the loan from the Settlement fund. The parties further agreed that an estimated \$19.4 million be allocated from the Settlement fund to the District to eliminate the remainder of the accumulated deficit. The actual transfer was \$18.2 million.



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
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Notes To Basic Financial Statements (*Continued*)

In addition, the agreement allows for an additional \$40,182,200 to be allocated from the Settlement fund to the District to fund certain academic programs through fiscal year 2014. These programs include Early Childhood Classroom Education, Early Childhood Before and After Care, High Quality Principal Leadership Initiatives, Magnet School Transportation, Parent Infant Interaction Program, St. Louis Plan, Technology Support, and the Pilot One-to-One Computing Program. Specifically, up to \$16,277,400, \$12,777,400, and \$11,127,400 can be allocated for fiscal years 2012, 2013, and 2014, respectively.

In the current fiscal year, the advance from the Settlement fund was forgiven, the fund balance was restored to zero via the transfer of funds, and \$16,277,400 was allocated of which \$7,687,826 was spent by the District for the specified programs discussed above.

There is a remaining cash balance in the Settlement fund which represents monies allotted for the original purpose of the 1999 settlement agreement and agreed upon amounts pursuant to the 2011 agreement to be allocated in 2013 and 2014.

Going forward, in FY 2013, the SLPS has developed a balanced budget that will help continue the systemic strengthening of its financial position.. The planned emphasis for 2013 is sustained fiscal viability through the implementation of policies and procedures that provide the fiscal infrastructure for a financially vibrant school district. During fiscal year 2013 several policies have already been introduced to the District's newly formed Finance Committee, for review in draft form. One such policy is the proposed Fund Balance Policy which seeks to formalize the District's need for establishing and maintaining sufficient stabilization reserves in the event of unanticipated emergencies or economic downturns. Another proposed policy is the Non-Recurring Revenue Utilization Policy. This policy is an attempt to provide additional guidance with respect to the appropriate uses of non-recurring revenue sources. Lastly, in FY 2013 and beyond, the District hopes to address the growing needs of its capital plant by implementing a Deferred Maintenance Policy that will seek to allocate a portion of District revenue, on an incremental basis, for the repair of District instructional facilities.

**Construction In Progress**

The District has entered in to several binding contract obligations totaling approximately \$23.7 million for ongoing construction projects that are currently in progress.

**Operating Lease**

The District leases equipment under two noncancellable Document Services Agreements expiring in June 2013 and November 2016. The agreement also includes a variety of services including maintenance, on-site personnel, training and support related to all document reproduction needs of the District. Lease expense totaled \$1,131,129 in 2012.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
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Notes To Basic Financial Statements (*Continued*)

The following is a schedule by year of future minimum lease payments required under the agreement.

<u>Year</u>	<u>Amount</u>
2013	\$ 1,141,884
2014	30,504
2015	30,504
2016	30,504
2017	12,710
	<u>\$ 1,246,106</u>

**Letter Of Credit**

During the District's normal course of operations, letters of credit are issued. At June 30, 2012, a letter of credit for \$2,225,000 million was outstanding. This amount remains unchanged from the prior year as there were no current year borrowings or other activity.

**Federal And State Grants**

Revenues received from 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, will not be significant.

**13. Subsequent Events**

**Subsequent Bond Issuances**

General Obligation Refunding Bonds were issued in the amount of \$33,749,695 (Series 2012) with interest rates ranging from 1.75 % to 4%. The bond proceeds were used to advance refund maturities of various bond issuances. Savings will be used to reduce the overall debt obligation. The bonds are scheduled to mature at various dates through 2024.

On October 15, 2012, the Missouri State Board of Education reclassified the District to provisionally accredited status under the Missouri School Improvement Program (MSIP). The State Board will review their progress under the standards of MSIP 5 in September 2013 and each year thereafter, until the District achieves full accreditation. This relates only to the classification of the District, and does not change the authority of the SAB.

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**Required Supplementary Information**

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**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND  
For The Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local:				
Current taxes	\$ 175,837,887	\$ 176,740,580	\$ 175,135,200	\$ (1,605,380)
Delinquent taxes	8,635,592	12,632,032	6,456,117	(6,175,915)
Interest	350,500	192,474	117,396	(75,078)
Other	3,055,000	3,082,375	4,140,217	1,057,842
County	2,853,791	2,879,280	3,044,114	164,834
State:				
Categorical aid	10,247,994	10,339,524	14,925,055	4,585,531
Federal	—	502,840	601,719	98,879
<b>Total Revenues</b>	<b>200,980,764</b>	<b>206,369,105</b>	<b>204,419,818</b>	<b>(1,949,287)</b>
<b>Expenditures</b>				
Current:				
Instruction	31,775,963	33,261,982	31,699,912	1,562,070
Building service	29,319,076	28,779,404	26,571,954	2,207,450
School administration	19,566,140	22,246,455	19,828,404	2,418,051
Instructional support	15,607,603	15,427,934	9,294,004	6,133,930
Noninstructional support	20,613,713	17,698,557	16,263,721	1,434,836
Transportation	23,876,754	22,820,262	22,132,643	687,619
Food and community services	1,152,411	1,299,628	1,191,220	108,408
Capital outlay	291,178	403,213	256,735	146,478
<b>Total Expenditures</b>	<b>142,202,838</b>	<b>141,937,435</b>	<b>127,238,593</b>	<b>14,698,842</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>58,777,926</b>	<b>64,431,670</b>	<b>77,181,225</b>	<b>12,749,555</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	99,429,911	96,115,445	72,103,775	(24,011,670)
Transfers out	(80,515,450)	(83,474,992)	(82,581,669)	893,323
<b>Total Other Financing Sources (Uses)</b>	<b>18,914,461</b>	<b>12,640,453</b>	<b>(10,477,894)</b>	<b>(23,118,347)</b>
<b>Net Change In Fund Balance</b>	<b>\$ 77,692,387</b>	<b>\$ 77,072,123</b>	<b>\$ 66,703,331</b>	<b>\$ (10,368,792)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET TO ACTUAL - TEACHERS FUND  
For The Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Local:				
Current taxes	\$ 15,900,000	\$ 16,623,846	\$ 19,729,680	\$ 3,105,834
Other	—	—	405	405
County	300,000	285,356	308,564	23,208
State:				
Basic formula	45,952,854	41,659,680	38,493,945	(3,165,735)
Categorical aid	98,250	91,552	123,375	31,823
Federal	73,222	2,050,000	1,988,827	(61,173)
<b>Total Revenues</b>	<b>62,324,326</b>	<b>60,710,434</b>	<b>60,644,796</b>	<b>(65,638)</b>
<b>Expenditures</b>				
Current:				
Instruction	119,114,625	120,783,837	119,767,119	1,016,718
School administration	11,411,719	11,517,579	11,333,078	184,501
Instructional support	7,902,620	8,159,993	8,322,211	(162,218)
Noninstructional support	3,157,833	3,485,815	3,343,408	142,407
<b>Total Expenditures</b>	<b>141,586,797</b>	<b>143,947,224</b>	<b>142,765,816</b>	<b>1,181,408</b>
<b>Excess Of Expenditures Over Revenues</b>	<b>(79,262,471)</b>	<b>(83,236,790)</b>	<b>(82,121,020)</b>	<b>1,115,770</b>
<b>Other Financing Sources</b>				
Transfers in	79,262,471	83,236,790	82,121,020	(1,115,770)
<b>Net Change In Fund Balance</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
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**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2012**

**1. Budgetary Data**

The District's budgetary practices are intended to conform to Chapter 67 of Revised Missouri State Statutes and are prepared on a basis consistent with accounting principles generally accepted in the United States of America. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- A. The Administration prepares and submits to the SAB a proposed annual operating budget for all current governmental funds for the subsequent fiscal year prior to July 1 each year. Certain operating funds called the "General Operating Budget (GOB)" are monitored on a combined basis. The GOB consists of the General, Teachers', Building Capital and Student Health Funds.
- B. Public budget and tax rate hearings are conducted and the proposed budget is available for public review at the District offices.
- C. Revisions to the annual operating budget subsequent to its formal adoptions are made throughout the fiscal year subject to the following limitations:
  - a. The total amount of appropriations by fund may not be increased without the approval of the governing body.
  - b. All transfers of appropriations between funds require approval of the governing body.
- D. For management purposes only, budgetary control over appropriations is exercised at the sub-function level for all governmental funds providing significant sources of revenue for the District. However, the legal level of control at which actual expenditures may not exceed budgeted appropriations is established by state statute at the fund level.

Budgeted amounts as reflected in the financial statements are as originally adopted and as revised by the SAB.

- E. All appropriations lapse at fiscal year end for the general and special revenue - operating funds. Unencumbered appropriations lapse at fiscal year end for all other special revenue funds.

A budget was not adopted for the Settlement Fund.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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Notes To Required Supplementary Information (*Continued*)

**2. Violations Of Budgetary Laws And Regulations**

Expenditures exceeded appropriations in the following fund for the year ended June 30, 2012:

<u>Fund</u>	<u>Amount</u>
Vocational Education Fund	\$ 16,074
Prop S School Renovation Bond Fund I	320,723
Prop S School Renovation Bond Fund II	2,523,766
Prop S School Renovation Bond Fund III	264,453
Prop S School Renovation Bond Fund IV	333,961

**3. Other Postemployment Benefits**

<u>Valuation Date</u>	<u>Actuarial Value Of Assets (a)</u>	<u>Actuarial Accrued Liability - Unit Credit (b)</u>	<u>Unfunded Actuarial Accrued Liability (b)-(a)</u>	<u>Funded Ratio (a)/(b)</u>	<u>Covered Payroll (c)</u>	<u>Unfunded Actuarial Accrued Liability As A Percentage Of Covered Payroll [(b)-(a)]/(c)</u>
July 1, 2011	—	\$ 41,794,167	\$ 41,794,197	0.00%	\$ 178,812,501	23.37%
July 1, 2009	—	47,577,076	47,577,076	0.00%	187,465,059	25.38%
July 1, 2007	—	48,775,833	48,775,833	0.00%	196,262,993	24.85%

\*Actuarial valuation only required every 2 years.

The Public School Retirement System of the City of St. Louis implemented GASB Statement No. 45 for the year ended June 30, 2008, therefore, information for prior years is not available.

If an actuarial valuation is not performed for a fiscal year, the Annual Required Contribution (ARC) reported is based on the results of the most recent actuarial valuation that is within 24 months of the beginning of the year. For its July 1, 2011-June 30, 2012 fiscal year the District is relying on information obtained from the July 1, 2011 actuarial valuation.

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**Supplementary Information**

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**Combining and Individual Fund  
Statements and Schedules**



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**COMBINING BALANCE SHEET - BY FUND TYPE  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2012**

	Special Revenue	Permanent	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and short-term investments	\$ 6,985,002	\$ 1,841,031	\$ 8,826,033
Other investments	—	5,014,329	5,014,329
<b>Total Cash and Investments</b>	<b>6,985,002</b>	<b>6,855,360</b>	<b>13,840,362</b>
Receivables:			
Grants	14,429,437	—	14,429,437
Other	150,985	1,648	152,633
<b>Total Receivables</b>	<b>14,580,422</b>	<b>1,648</b>	<b>14,582,070</b>
Due from other funds	670,732	—	670,732
Prepaid items	25,620	—	25,620
<b>Total Assets</b>	<b>\$ 22,261,776</b>	<b>\$ 6,857,008</b>	<b>\$ 29,118,784</b>
<b>Liabilities And Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 4,636,065	\$ —	\$ 4,636,065
Due to other funds	13,555,670	—	13,555,670
Unearned revenue	3,255,832	1,841,032	5,096,864
<b>Total Liabilities</b>	<b>21,447,567</b>	<b>1,841,032</b>	<b>23,288,599</b>
Fund balances:			
Nonspendable:			
Permanent fund principal	—	352,344	352,344
Restricted:			
Capital projects	—	4,663,632	4,663,632
Assigned	814,209	—	814,209
<b>Total Fund Balances</b>	<b>814,209</b>	<b>5,015,976</b>	<b>5,830,185</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 22,261,776</b>	<b>\$ 6,857,008</b>	<b>\$ 29,118,784</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
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**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BY FUND TYPE  
NONMAJOR GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2012**

	Special Revenue	Permanent	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Local:			
Investment income	\$ 275	\$ 267,535	\$ 267,810
Other	2,274,282	77,982	2,352,264
State:			
Categorical aid	4,971,014	—	4,971,014
Other	590,119	—	590,119
Federal	69,905,210	—	69,905,210
<b>Total Revenues</b>	<b>77,740,900</b>	<b>345,517</b>	<b>78,086,417</b>
<b>Expenditures</b>			
Current:			
Instruction	39,324,354	78,313	39,402,667
School administration	1,753,713	—	1,753,713
Instructional support	16,586,749	—	16,586,749
Noninstructional support	360,737	7,750	368,487
Food and community services	18,541,151	—	18,541,151
Capital outlay	570,968	7,635	578,603
<b>Total Expenditures</b>	<b>77,137,672</b>	<b>93,698</b>	<b>77,231,370</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>603,228</b>	<b>251,819</b>	<b>855,047</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,713,020	—	1,713,020
Transfers out	(2,427,833)	—	(2,427,833)
<b>Total Other Financing Sources (Uses)</b>	<b>(714,813)</b>	<b>—</b>	<b>(714,813)</b>
<b>Net Change In Fund Balances</b>	<b>(111,585)</b>	<b>251,819</b>	<b>140,234</b>
<b>Fund Balance - Beginning Of Year</b>	<b>925,794</b>	<b>4,764,157</b>	<b>5,689,951</b>
<b>Fund Balance - End Of Year</b>	<b>\$ 814,209</b>	<b>\$ 5,015,976</b>	<b>\$ 5,830,185</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**NONMAJOR SPECIAL REVENUE FUNDS  
For The Year Ended June 30, 2012**

**Operating:**

Established to account for legally restricted financial resources and expenditures related to general activities of the Board.

**Federal:**

Established to account for financial resources and expenditures for major governmental programs related to various elementary, secondary, and post-secondary education programs, and certain other less significant federal grant programs.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2012**

	<b>Operating</b>	<b>Federal</b>	<b>Total</b>
<b>Assets</b>			
Cash and short-term investments	\$ 4,176,641	\$ 2,808,361	\$ 6,985,002
Receivables:			
Grants	4,385,199	10,044,238	14,429,437
Other	150,985	—	150,985
<b>Total Receivables</b>	<b>4,536,184</b>	<b>10,044,238</b>	<b>14,580,422</b>
Due from other funds	—	670,732	670,732
Prepaid items	—	25,620	25,620
<b>Total Assets</b>	<b>\$ 8,712,825</b>	<b>\$ 13,548,951</b>	<b>\$ 22,261,776</b>
<b>Liabilities And Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 3,603,219	\$ 1,032,846	\$ 4,636,065
Due to other funds	3,723,212	9,832,458	13,555,670
Unearned revenue	1,122,075	2,133,757	3,255,832
<b>Total Liabilities</b>	<b>8,448,506</b>	<b>12,999,061</b>	<b>21,447,567</b>
Fund balances:			
Assigned	264,319	549,890	814,209
<b>Total Liabilities And Fund Balances</b>	<b>\$ 8,712,825</b>	<b>\$ 13,548,951</b>	<b>\$ 22,261,776</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For The Year Ended June 30, 2012**

	<b>Operating</b>	<b>Federal</b>	<b>Total</b>
<b>Revenues</b>			
Local:			
Investment income	\$ —	\$ 275	\$ 275
Other	1,134,111	1,140,171	2,274,282
State:			
Categorical aid	79,181	4,891,833	4,971,014
Other	210,033	380,086	590,119
Federal	18,733,806	51,171,404	69,905,210
<b>Total Revenues</b>	<b>20,157,131</b>	<b>57,583,769</b>	<b>77,740,900</b>
<b>Expenditures</b>			
Current:			
Instruction	998,463	38,325,891	39,324,354
School administration	514,394	1,239,319	1,753,713
Instructional support	2,855,604	13,731,145	16,586,749
Noninstructional support	31,315	329,422	360,737
Food and community services	14,069,167	4,471,984	18,541,151
Capital outlay	—	570,968	570,968
<b>Total Expenditures</b>	<b>18,468,943</b>	<b>58,668,729</b>	<b>77,137,672</b>
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<b>1,688,188</b>	<b>(1,084,960)</b>	<b>603,228</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	789,473	923,547	1,713,020
Transfers out	(2,249,393)	(178,440)	(2,427,833)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,459,920)</b>	<b>745,107</b>	<b>(714,813)</b>
<b>Net Change In Fund Balances</b>	<b>228,268</b>	<b>(339,853)</b>	<b>(111,585)</b>
<b>Fund Balance - Beginning Of Year</b>	<b>36,051</b>	<b>889,743</b>	<b>925,794</b>
<b>Fund Balance - End Of Year</b>	<b>\$ 264,319</b>	<b>\$ 549,890</b>	<b>\$ 814,209</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**NONMAJOR SPECIAL REVENUE FUNDS - OPERATING FUNDS  
For The Year Ended June 30, 2012**

**School Lunchroom:**

Established to account for financial resources and expenditures related to the operation of the District's food service activities. While the majority of revenues originate from a federally-funded program, the lunchroom program is a part of the daily operations of the District regardless of the funding sources and, therefore, is presented as an operating fund.

**Student Health:**

Established to account for financial resources and expenditures related to revenues generated from Medicaid services provided by the District.

**Foundation 73 And 16:**

Established to account for financial resources and expenditures related to various state programs and private donations.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - OPERATING FUNDS  
June 30, 2012**

	<b>School Lunchroom</b>	<b>Student Health</b>	<b>Foundation 73</b>	<b>Foundation 16</b>	<b>Total</b>
<b>Assets</b>					
Cash and short-term investments	\$ —	\$ —	\$ 1,026,116	\$ 3,150,525	\$ 4,176,641
Receivables:					
Grants	1,606,814	2,633,169	143,520	1,696	4,385,199
Other	16,879	—	134,106	—	150,985
<b>Total Assets</b>	<b>\$ 1,623,693</b>	<b>\$ 2,633,169</b>	<b>\$ 1,303,742</b>	<b>\$ 3,152,221</b>	<b>\$ 8,712,825</b>
<b>Liabilities And Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 203,162	\$ 66,169	\$ 181,667	\$ 3,152,221	\$ 3,603,219
Due to other funds	1,156,212	2,567,000	—	—	3,723,212
Unearned revenue	—	—	1,122,075	—	1,122,075
<b>Total Liabilities</b>	<b>1,359,374</b>	<b>2,633,169</b>	<b>1,303,742</b>	<b>3,152,221</b>	<b>8,448,506</b>
Fund balances:					
Assigned	264,319	—	—	—	264,319
<b>Total Liabilities And Fund Balances</b>	<b>\$ 1,623,693</b>	<b>\$ 2,633,169</b>	<b>\$ 1,303,742</b>	<b>\$ 3,152,221</b>	<b>\$ 8,712,825</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS - OPERATING FUNDS  
For The Year Ended June 30, 2012**

	School Lunchroom	Student Health	Foundation 73	Foundation 16	Total
<b>Revenues</b>					
Local:					
Other	\$ 686,968	\$ —	\$ 447,143	\$ —	\$ 1,134,111
State:					
Categorical aid	79,181	—	—	—	79,181
Other	—	—	210,033	—	210,033
Federal	13,248,974	5,186,009	298,823	—	18,733,806
<b>Total Revenues</b>	<b>14,015,123</b>	<b>5,186,009</b>	<b>955,999</b>	<b>—</b>	<b>20,157,131</b>
<b>Expenditures</b>					
Current:					
Instruction	—	965,624	32,839	—	998,463
School administration	—	—	514,394	—	514,394
Instructional support	—	2,760,465	95,139	—	2,855,604
Noninstructional support	—	—	31,315	—	31,315
Food and community services	13,786,855	—	282,312	—	14,069,167
<b>Total Expenditures</b>	<b>13,786,855</b>	<b>3,726,089</b>	<b>955,999</b>	<b>—</b>	<b>18,468,943</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>228,268</b>	<b>1,459,920</b>	<b>—</b>	<b>—</b>	<b>1,688,188</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	—	—	789,473	—	789,473
Transfers out	—	(1,459,920)	(789,473)	—	(2,249,393)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>(1,459,920)</b>	<b>—</b>	<b>—</b>	<b>(1,459,920)</b>
<b>Net Change In Fund Balances</b>	<b>228,268</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>228,268</b>
<b>Fund Balances - Beginning Of Year</b>	<b>36,051</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>36,051</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 264,319</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 264,319</b>



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS - OPERATING FUNDS  
For The Year Ended June 30, 2012**

	School Lunchroom			Student Health			Foundation 73		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>									
Local:									
Other	\$ 787,115	\$ 686,968	\$ (100,147)	\$ —	\$ —	\$ —	\$ 1,305,359	\$ 447,143	\$ (858,216)
State:									
Categorical aid	60,128	79,181	19,053	—	—	—	—	—	—
Other	—	—	—	—	—	—	203,092	210,033	6,941
Federal	13,267,111	13,248,974	(18,137)	5,191,536	5,186,009	(5,527)	300,000	298,823	(1,177)
<b>Total Revenues</b>	<b>14,114,354</b>	<b>14,015,123</b>	<b>(99,231)</b>	<b>5,191,536</b>	<b>5,186,009</b>	<b>(5,527)</b>	<b>1,808,451</b>	<b>955,999</b>	<b>(852,452)</b>
<b>Expenditures</b>									
Current:									
Instruction	—	—	—	749,380	965,624	(216,244)	217,043	32,839	184,204
School administration	—	—	—	—	—	—	524,474	514,394	10,080
Instructional support	—	—	—	3,031,448	2,760,465	270,983	14,447	95,139	(80,692)
Noninstructional support	—	—	—	—	—	—	84,521	31,315	53,206
Food and community services	13,832,015	13,786,855	45,160	—	—	—	267,536	282,312	(14,776)
<b>Total Expenditures</b>	<b>13,832,015</b>	<b>13,786,855</b>	<b>45,160</b>	<b>3,780,828</b>	<b>3,726,089</b>	<b>54,739</b>	<b>1,112,021</b>	<b>955,999</b>	<b>156,022</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>282,339</b>	<b>228,268</b>	<b>(54,071)</b>	<b>1,410,708</b>	<b>1,459,920</b>	<b>49,212</b>	<b>696,430</b>	<b>—</b>	<b>(696,430)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	—	—	—	—	—	—	—	789,473	789,473
Transfers out	—	—	—	(1,410,708)	(1,459,920)	(49,212)	—	(789,473)	(789,473)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,410,708)</b>	<b>(1,459,920)</b>	<b>(49,212)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Net Change In Fund Balance</b>	<b>\$ 282,339</b>	<b>\$ 228,268</b>	<b>\$ (54,071)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 696,430</b>	<b>\$ —</b>	<b>\$ (696,430)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL FUNDS  
For The Year Ended June 30, 2012**

**Federal:**

Established to account for financial resources and expenditures for major governmental programs related to various elementary, secondary and post-secondary education programs, and certain other less significant federal grant programs. Each federal program fund may include activity of both a current year fund and one or more prior year carryover funds.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL FUNDS  
June 30, 2012**

	ECIA Title I	NCLB	Early Childhood	Adult Education And Literacy	Special Education	Community Development Agency	Adult Education	Other	Total
<b>Assets</b>									
Cash and short-term investments	\$ 616	\$ 1,486,008	\$ —	\$ —	\$ 200,525	\$ 108,384	\$ 523,156	\$ 489,672	\$ 2,808,361
Receivables:									
Grants	1,282,956	115,146	5,918,409	349,269	—	101,245	61,773	2,215,440	10,044,238
Due from other funds	—	—	670,732	—	—	—	—	—	670,732
Prepaid items	—	—	—	25,620	—	—	—	—	25,620
<b>Total Assets</b>	<b>\$ 1,283,572</b>	<b>\$ 1,601,154</b>	<b>\$ 6,589,141</b>	<b>\$ 374,889</b>	<b>\$ 200,525</b>	<b>\$ 209,629</b>	<b>\$ 584,929</b>	<b>\$ 2,705,112</b>	<b>\$ 13,548,951</b>
<b>Liabilities And Fund Balances</b>									
Liabilities:									
Accounts payable	\$ 52,107	\$ 71,734	\$ 209,015	\$ 38,346	\$ 176,444	\$ 34,008	\$ 49,084	\$ 402,108	\$ 1,032,846
Due to other funds	1,231,465	—	6,380,126	336,543	—	161,576	—	1,722,748	9,832,458
Unearned revenue	—	1,529,420	—	—	24,081	—	—	580,256	2,133,757
<b>Total Liabilities</b>	<b>1,283,572</b>	<b>1,601,154</b>	<b>6,589,141</b>	<b>374,889</b>	<b>200,525</b>	<b>195,584</b>	<b>49,084</b>	<b>2,705,112</b>	<b>12,999,061</b>
Fund balances:									
Assigned	—	—	—	—	—	14,045	535,845	—	549,890
<b>Total Liabilities And Fund Balances</b>	<b>\$ 1,283,572</b>	<b>\$ 1,601,154</b>	<b>\$ 6,589,141</b>	<b>\$ 374,889</b>	<b>\$ 200,525</b>	<b>\$ 209,629</b>	<b>\$ 584,929</b>	<b>\$ 2,705,112</b>	<b>\$ 13,548,951</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL FUNDS  
For The Year Ended June 30, 2012**

	ECIA Title I	NCLB	Early Childhood	Adult Education And Literacy	Special Education	Community Development Agency	Adult Education	Other	Total
<b>Revenues</b>									
Local:									
Investment income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 275	\$ —	\$ 275
Other	—	—	354	—	193	670	1,138,954	—	1,140,171
State:									
Categorical aid	—	—	4,562,356	—	—	—	249,990	79,487	4,891,833
Other	—	—	—	380,086	—	—	—	—	380,086
Federal	24,725,202	4,912,204	794,780	2,750,513	6,911,444	303,429	8,110	10,765,722	51,171,404
<b>Total Revenues</b>	<b>24,725,202</b>	<b>4,912,204</b>	<b>5,357,490</b>	<b>3,130,599</b>	<b>6,911,637</b>	<b>304,099</b>	<b>1,397,329</b>	<b>10,845,209</b>	<b>57,583,769</b>
<b>Expenditures</b>									
Current:									
Instruction	17,770,853	3,697,823	5,375,418	1,325,899	4,796,253	—	—	5,359,645	38,325,891
School administration	340,895	—	—	—	134,633	—	—	763,791	1,239,319
Instructional support	6,085,229	881,993	652,803	—	1,980,751	—	—	4,130,369	13,731,145
Noninstructional support	36,476	—	—	—	—	—	—	292,946	329,422
Food and community services	163,144	332,388	—	1,719,177	—	364,779	1,479,318	413,178	4,471,984
Capital outlay	328,605	—	—	85,523	—	—	—	156,840	570,968
<b>Total Expenditures</b>	<b>24,725,202</b>	<b>4,912,204</b>	<b>6,028,221</b>	<b>3,130,599</b>	<b>6,911,637</b>	<b>364,779</b>	<b>1,479,318</b>	<b>11,116,769</b>	<b>58,668,729</b>
<b>Excess Of Expenditures Over Revenues</b>	<b>—</b>	<b>—</b>	<b>(670,731)</b>	<b>—</b>	<b>—</b>	<b>(60,680)</b>	<b>(81,989)</b>	<b>(271,560)</b>	<b>(1,084,960)</b>
<b>Other Financing Sources (Uses)</b>									
Transfers in	—	—	473,547	—	—	—	—	450,000	923,547
Transfers out	—	—	—	—	—	—	—	(178,440)	(178,440)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>473,547</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>271,560</b>	<b>745,107</b>
<b>Net Change In Fund Balances</b>	<b>—</b>	<b>—</b>	<b>(197,184)</b>	<b>—</b>	<b>—</b>	<b>(60,680)</b>	<b>(81,989)</b>	<b>—</b>	<b>(339,853)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>—</b>	<b>—</b>	<b>197,184</b>	<b>—</b>	<b>—</b>	<b>74,725</b>	<b>617,834</b>	<b>—</b>	<b>889,743</b>
<b>Fund Balances - End Of Year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 14,045</b>	<b>\$ 535,845</b>	<b>\$ —</b>	<b>\$ 549,890</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL FUNDS  
Page 1 Of 2  
For The Year Ended June 30, 2012**

	ECIA - Title I			NCLB			Early Childhood			Adult Education And Literacy		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>												
Local:												
Other	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 355	\$ 354	\$ (1)	\$ —	\$ —	\$ —
State:												
Categorical aid	—	—	—	—	—	—	5,123,984	4,562,356	(561,628)	—	—	—
Other	—	—	—	—	—	—	—	—	—	380,086	380,086	—
Federal	28,512,876	24,725,202	(3,787,674)	4,912,204	4,912,204	—	904,239	794,780	(109,459)	2,750,513	2,750,513	—
<b>Total Revenues</b>	<b>28,512,876</b>	<b>24,725,202</b>	<b>(3,787,674)</b>	<b>4,912,204</b>	<b>4,912,204</b>	<b>—</b>	<b>6,028,578</b>	<b>5,357,490</b>	<b>(671,088)</b>	<b>3,130,599</b>	<b>3,130,599</b>	<b>—</b>
<b>Expenditures</b>												
Current:												
Instruction	19,407,144	17,770,853	1,636,291	3,697,823	3,697,823	—	5,375,418	5,375,418	—	1,325,899	1,325,899	—
School administration	344,679	340,895	3,784	—	—	—	—	—	—	—	—	—
Instructional support	8,099,443	6,085,229	2,014,214	881,993	881,993	—	653,160	652,803	357	—	—	—
Noninstructional support	36,693	36,476	217	—	—	—	—	—	—	—	—	—
Food and community services	224,538	163,144	61,394	332,388	332,388	—	—	—	—	1,719,177	1,719,177	—
Capital outlay	400,379	328,605	71,774	—	—	—	—	—	—	85,523	85,523	—
<b>Total Expenditures</b>	<b>28,512,876</b>	<b>24,725,202</b>	<b>3,787,674</b>	<b>4,912,204</b>	<b>4,912,204</b>	<b>—</b>	<b>6,028,578</b>	<b>6,028,221</b>	<b>357</b>	<b>3,130,599</b>	<b>3,130,599</b>	<b>—</b>
<b>Excess Of Expenditures Over Revenues</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(670,731)</b>	<b>(670,731)</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Other Financing Sources</b>												
Transfers in	—	—	—	—	—	—	—	473,547	473,547	—	—	—
<b>Net Change In Fund Balance</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (197,184)</b>	<b>\$ (197,184)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

(Continued)

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET TO ACTUAL  
NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL FUNDS  
Page 2 Of 2  
For The Year Ended June 30, 2012**

	Special Education			Community Development Agency			Adult Education			Other		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>												
Local:												
Investment income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 275	\$ 275	\$ —	\$ —	\$ —
Other	—	193	193	—	670	670	1,220,947	1,138,954	(81,993)	101,124	—	(101,124)
State:												
Categorical aid	—	—	—	—	—	—	248,376	249,990	1,614	79,488	79,487	(1)
Federal	6,914,138	6,911,444	(2,694)	356,874	303,429	(53,445)	10,000	8,110	(1,890)	13,211,891	10,765,722	(2,446,169)
<b>Total Revenues</b>	<b>6,914,138</b>	<b>6,911,637</b>	<b>(2,501)</b>	<b>357,544</b>	<b>304,099</b>	<b>(53,445)</b>	<b>1,479,323</b>	<b>1,397,329</b>	<b>(81,994)</b>	<b>13,392,503</b>	<b>10,845,209</b>	<b>(2,547,294)</b>
<b>Expenditures</b>												
Current:												
Instruction	4,798,753	4,796,253	2,500	—	—	—	—	—	—	6,863,763	5,359,645	1,504,118
School administration	134,633	134,633	—	—	—	—	—	—	—	774,952	763,791	11,161
Instructional support	1,980,752	1,980,751	1	—	—	—	—	—	—	4,718,704	4,130,369	588,335
Noninstructional support	—	—	—	—	—	—	—	—	—	372,638	292,946	79,692
Food and community services	—	—	—	365,770	364,779	991	1,479,323	1,479,318	5	417,885	413,178	4,707
Capital outlay	—	—	—	—	—	—	—	—	—	194,257	156,840	37,417
<b>Total Expenditures</b>	<b>6,914,138</b>	<b>6,911,637</b>	<b>2,501</b>	<b>365,770</b>	<b>364,779</b>	<b>991</b>	<b>1,479,323</b>	<b>1,479,318</b>	<b>5</b>	<b>13,342,199</b>	<b>11,116,769</b>	<b>2,225,430</b>
<b>Excess Of Expenditures Over Revenues</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(8,226)</b>	<b>(60,680)</b>	<b>(52,454)</b>	<b>—</b>	<b>(81,989)</b>	<b>(81,989)</b>	<b>50,304</b>	<b>(271,560)</b>	<b>(321,864)</b>
<b>Other Financing Sources (Uses)</b>												
Transfers in	—	—	—	60,000	—	(60,000)	—	—	—	—	450,000	450,000
Transfers out	—	—	—	—	—	—	—	—	—	(50,304)	(178,440)	(228,744)
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>60,000</b>	<b>—</b>	<b>(60,000)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(50,304)</b>	<b>271,560</b>	<b>221,256</b>
<b>Net Change In Fund Balance</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 51,774</b>	<b>\$ (60,680)</b>	<b>\$ (112,454)</b>	<b>\$ —</b>	<b>\$ (81,989)</b>	<b>\$ (81,989)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (100,608)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL - DEBT SERVICE FUND  
For The Year Ended June 30, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Local:			
Current taxes	\$ 23,864,202	\$ 23,552,608	\$ (311,594)
Delinquent taxes	918,442	1,128,530	210,088
Investment income	446,349	335,558	(110,791)
Other	5,433,406	25,904	(5,407,502)
County	457,201	409,053	(48,148)
<b>Total Revenues</b>	<b>31,119,600</b>	<b>25,451,653</b>	<b>(5,667,947)</b>
<b>Expenditures</b>			
Debt service:			
Principal retirement	14,245,000	14,245,000	—
Interest charges	16,752,626	11,118,858	5,633,768
Bond issuance costs	48,155	48,152	3
<b>Total Expenditures</b>	<b>31,045,781</b>	<b>25,412,010</b>	<b>5,633,771</b>
<b>Excess Of Revenues Over Expenditures</b>	<b>73,819</b>	<b>39,643</b>	<b>(34,176)</b>
<b>Other Financing Sources (Uses)</b>			
Issuance of bonds	6,309,413	6,100,000	(209,413)
Payment to refunding escrow agent	(6,263,382)	(6,263,382)	—
Premium on issuance of bonds	—	209,413	209,413
<b>Total Other Financing Sources (Uses)</b>	<b>46,031</b>	<b>46,031</b>	<b>—</b>
<b>Net Change In Fund Balance</b>	<b>\$ 119,850</b>	<b>\$ 85,674</b>	<b>\$ (34,176)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL - BUILDING FUND  
For The Year Ended June 30, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Local:			
Investment income	\$ —	\$ 480	\$ 480
Other	1,032,383	1,031,388	(995)
<b>Total Revenues</b>	<b>1,032,383</b>	<b>1,031,868</b>	<b>(515)</b>
<b>Expenditures</b>			
Current:			
Building service	855,162	741,773	113,389
Capital outlay	495,433	301,125	194,308
<b>Total Expenditures</b>	<b>1,430,605</b>	<b>1,042,898</b>	<b>387,707</b>
<b>Excess Of Expenditures Over Revenues</b>	<b>(398,222)</b>	<b>(11,030)</b>	<b>387,192</b>
<b>Other Financing Sources</b>			
Transfers in	237,821	10,649	(227,172)
<b>Net Change In Fund Balance</b>	<b>\$ (160,401)</b>	<b>\$ (381)</b>	<b>\$ 160,020</b>



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
VOCATIONAL EDUCATION FUND  
For The Year Ended June 30, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Local:			
Investment income	\$ 1,500	\$ 1,192	\$ (308)
<b>Expenditures</b>			
Capital outlay	647,665	663,739	(16,074)
<b>Net Change In Fund Balance</b>	<b>\$ (646,165)</b>	<b>\$ (662,547)</b>	<b>\$ (16,382)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
AIR CONDITIONING 2009 FUND  
For The Year Ended June 30, 2012**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Local:			
Investment income	\$ 5,000	\$ 4,353	\$ (647)
<b>Expenditures</b>			
Current:			
Building service	46,210	174,214	(128,004)
Capital outlay	7,360,829	3,531,185	3,829,644
<b>Total Expenditures</b>	<b>7,407,039</b>	<b>3,705,399</b>	<b>3,701,640</b>
<b>Net Change In Fund Balance</b>	<b>\$ (7,402,039)</b>	<b>\$ (3,701,046)</b>	<b>\$ 3,700,993</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
PROP S SCHOOL RENOVATION BOND FUND I  
For The Year Ended June 30, 2012**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Local:			
Investment income	\$ 50,000	\$ 45,034	\$ (4,966)
Other	10,000	7,470	(2,530)
<b>Total Revenues</b>	<b>60,000</b>	<b>52,504</b>	<b>(7,496)</b>
<b>Expenditures</b>			
Current:			
Building service	21,938,565	22,259,288	(320,723)
Capital outlay	19,478	19,478	—
<b>Total Expenditures</b>	<b>21,958,043</b>	<b>22,278,766</b>	<b>(320,723)</b>
<b>Net Change In Fund Balance</b>	<b>\$ (21,898,043)</b>	<b>\$ (22,226,262)</b>	<b>\$ (328,219)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
PROP S SCHOOL RENOVATION BOND FUND II  
For The Year Ended June 30, 2012**

	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Local:			
Investment income	\$ 50,000	\$ 36,638	\$ (13,362)
Other	—	12,350	12,350
<b>Total Revenues</b>	<b>50,000</b>	<b>48,988</b>	<b>(1,012)</b>
<b>Expenditures</b>			
Current:			
Building service	—	2,307,313	(2,307,313)
Capital outlay	—	216,453	(216,453)
<b>Total Expenditures</b>	<b>—</b>	<b>2,523,766</b>	<b>(2,523,766)</b>
<b>Net Change In Fund Balance</b>	<b>\$ 50,000</b>	<b>\$ (2,474,778)</b>	<b>\$ (2,524,778)</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
PROP S SCHOOL RENOVATION BOND FUND III  
For The Year Ended June 30, 2012**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Local:			
Investment income	\$ 50,000	\$ 16,194	\$ (33,806)
<b>Expenditures</b>			
Debt service:			
Bond issuance costs	—	264,453	(264,453)
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	50,000	(248,259)	(298,259)
<b>Other Financing Sources</b>			
Issuance of bonds	—	35,000,000	35,000,000
<b>Net Change In Fund Balance</b>	<b>\$ 50,000</b>	<b>\$ 34,751,741</b>	<b>\$ 34,701,741</b>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET TO ACTUAL  
PROP S SCHOOL RENOVATION BOND FUND IV  
For The Year Ended June 30, 2012**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive (Negative)</u>
<b>Revenues</b>			
Local:			
Investment income	\$ 50,000	\$ 30,576	\$ (19,424)
<b>Expenditures</b>			
Bond issuance costs	—	333,961	(333,961)
<b>Excess (Deficiency) Of Revenues Over Expenditures</b>	<u>50,000</u>	<u>(303,385)</u>	<u>(353,385)</u>
<b>Other Financing Sources</b>			
Issuance of bonds	—	38,355,000	38,355,000
Premium on issuance of bonds		2,329,437	2,329,437
<b>Total Other Financing Sources</b>	<u>—</u>	<u>40,684,437</u>	<u>40,684,437</u>
<b>Net Change In Fund Balance</b>	<u>\$ 50,000</u>	<u>\$ 40,381,052</u>	<u>\$ 40,331,052</u>

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUND - AGENCY FUND  
For The Year Ended June 30, 2012**

	<b>Balance - July 1, 2011</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance - June 30, 2012</b>
<b>Assets</b>				
Cash and short-term investments	\$ 12,979,389	\$ 81,746,891	\$ 76,064,468	\$ 18,661,812
Due from governmental funds	6,072,307	—	6,072,307	—
<b>Total Assets</b>	<b>\$ 19,051,696</b>	<b>\$ 81,746,891</b>	<b>\$ 82,136,775</b>	<b>\$ 18,661,812</b>
<b>Liabilities</b>				
Deposits and escrow funds	\$ 19,051,696	\$ 71,255,089	\$ 71,644,973	\$ 18,661,812

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES BY SOURCE - ALL GOVERNMENTAL FUNDS**

Page 1 Of 2

For The Year Ended June 30, 2012

	Special Revenue								Total
	General	Teachers	School Lunchroom	Student Health Fund	Federal	Debt Service	Capital Projects	Foundation Funds	
Local:									
Current Taxes:									
Real property	\$ 101,980,388	\$ —	\$ —	\$ —	\$ —	\$ 17,826,189	\$ —	\$ —	\$ 119,806,577
Personal property	23,293,728	—	—	—	—	4,071,747	—	—	27,365,475
Surplus commissions	1,230,612	—	—	—	—	215,111	—	—	1,445,723
Merchant and									
Merchant and manufacturers	7,023,949	—	—	—	—	1,227,787	—	—	8,251,736
Financial institution	1,211,524	—	—	—	—	211,774	—	—	1,423,298
Surcharge	15,271,568	—	—	—	—	—	—	—	15,271,568
Sales tax	25,123,431	—	—	—	—	—	—	—	25,123,431
Sales tax-Prop C	—	19,729,680	—	—	—	—	—	—	19,729,680
Delinquent taxes	6,456,117	—	—	—	—	1,128,530	—	—	7,584,647
Investment income	(9,668)	—	—	—	275	313,348	134,467	267,535	705,957
Other:									
Interest and protested taxes	127,064	—	—	—	—	22,210	—	—	149,274
Tuition	—	—	—	—	1,140,171	—	—	—	1,140,171
School Lunch Program	—	—	330,299	—	—	—	—	—	330,299
School Lunch Nonprogram	—	—	71,506	—	—	—	—	—	71,506
Indirect costs recovered	1,719,465	—	—	—	—	—	—	—	1,719,465
Sundry	2,420,752	405	285,163	—	—	25,904	1,051,208	525,125	4,308,557
Total local	185,848,930	19,730,085	686,968	—	1,140,446	25,042,600	1,185,675	792,660	234,427,364
County:									
Fines and forfeitures	—	308,564	—	—	—	—	—	—	308,564
Utility and railroad taxes	2,340,119	—	—	—	—	409,053	—	—	2,749,172
Other	703,995	—	—	—	—	—	—	—	703,995
Total county	3,044,114	308,564	—	—	—	409,053	—	—	3,761,731

(Continued)



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHEDULE OF REVENUES BY SOURCE - ALL GOVERNMENTAL FUNDS**

Page 2 Of 2

For The Year Ended June 30, 2012

	Special Revenue								Total
	General	Teachers	School Lunchroom	Student Health Fund	Federal	Debt Service	Capital Projects	Foundation Funds	
State:									
Basic formula	\$ —	\$ 38,493,945	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 38,493,945
Categorical aid:									
Transportation	5,000,385	—	—	—	—	—	—	—	5,000,385
Exceptional pupil	—	—	—	—	4,562,356	—	—	—	4,562,356
Free and reduced	8,233,771	—	—	—	—	—	—	—	8,233,771
Vocational aid	130,454	123,375	—	—	329,477	—	—	—	583,306
School lunch program	—	—	79,181	—	—	—	—	—	79,181
Other	1,560,445	—	—	—	380,086	—	—	210,033	2,150,564
<b>Total state</b>	<b>14,925,055</b>	<b>38,617,320</b>	<b>79,181</b>	<b>—</b>	<b>5,271,919</b>	<b>—</b>	<b>—</b>	<b>210,033</b>	<b>59,103,508</b>
Federal:									
State administered:									
ECIA - Chapter 1	—	—	—	—	24,725,202	—	—	—	24,725,202
Education of the Handicapped Act (Public Law 94-142)	—	—	—	—	6,911,444	—	—	—	6,911,444
National School Breakfast/Lunch Program	—	—	13,248,974	—	—	—	—	—	13,248,974
Adult Basic Education	—	—	—	—	8,110	—	—	—	8,110
Local and direct grants:									
Other	601,719	1,988,827	—	5,186,009	19,526,648	—	—	298,823	27,602,026
<b>Total federal</b>	<b>601,719</b>	<b>1,988,827</b>	<b>13,248,974</b>	<b>5,186,009</b>	<b>51,171,404</b>	<b>—</b>	<b>—</b>	<b>298,823</b>	<b>72,495,756</b>
<b>Total Revenues</b>	<b>\$ 204,419,818</b>	<b>\$ 60,644,796</b>	<b>\$ 14,015,123</b>	<b>\$ 5,186,009</b>	<b>\$ 57,583,769</b>	<b>\$ 25,451,653</b>	<b>\$ 1,185,675</b>	<b>\$ 1,301,516</b>	<b>\$ 369,788,359</b>

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012

## Statistical Section

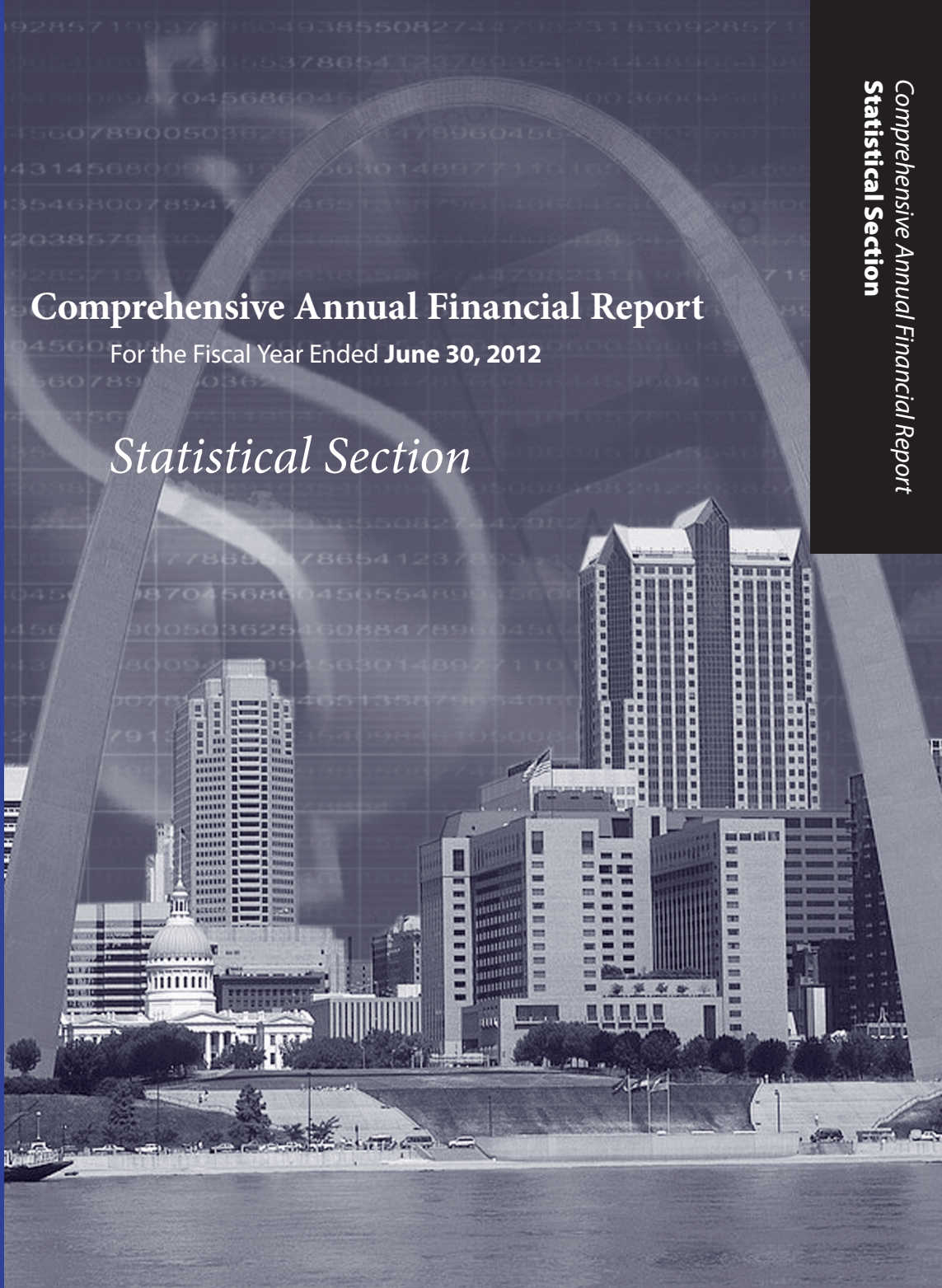
### SPECIAL ADMINISTRATIVE BOARD MEMBERS

**Rick Sullivan**  
*President/CEO*

**Melanie Adams**  
*Vice President*

**Richard K. Gaines**  
*Comprehensive Long Range  
Planning Chair*

**Kelvin R. Adams, Ph.D.**  
*Superintendent of Schools*



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## Part III - Statistical Section (Unaudited)

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This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	97 - 103
These seven (7) schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	104 - 107
These four (4) schedules contain information to help the reader assess the factors affecting the District's current largest own source revenue.	
<b>Debt Capacity</b>	108 - 110
These three (3) schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic And Economic Information</b>	111 - 112
These two (2) schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with over governments.	
<b>Operating Information</b>	113 - 116
These four (4) schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**NET ASSETS BY COMPONENT  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 274,130,368	\$ 285,952,390	\$ 275,639,550	\$ 228,968,116	\$ 270,758,699	\$ 263,556,865	\$ 243,534,249	\$ 220,741,507	\$ 198,696,409	\$ 183,591,491
Restricted:										
Capital Projects	100,412,648	94,658,738	85,577,421	132,969,120	93,228,875	104,247,119	131,137,630	119,455,742	122,361,425	60,638,297
Debt service	22,082,289	20,780,332	22,928,803	27,370,790	29,425,037	29,126,080	29,395,789	28,138,082	32,191,615	32,435,384
Endowments, nonexpendable	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344
Unrestricted	(7,758,477)	(31,414,644)	(21,207,908)	(23,717,985)	(8,358,504)	(8,709,789)	(61,481,909)	(66,217,293)	(53,164,655)	14,633,602
<b>Total primary government net assets</b>	<b>\$ 389,219,172</b>	<b>\$ 370,329,160</b>	<b>\$ 363,290,210</b>	<b>\$ 365,942,385</b>	<b>\$ 385,406,451</b>	<b>\$ 388,572,619</b>	<b>\$ 342,938,103</b>	<b>\$ 302,470,382</b>	<b>\$ 300,437,138</b>	<b>\$ 291,651,118</b>

Source: St. Louis Public School Financial Statements

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**EXPENSES, PROGRAM REVENUES AND NET EXPENSE (REVENUE)  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction	\$ 265,171,163	\$ 243,938,873	\$ 244,342,222	\$ 256,610,630	\$ 233,492,819	\$ 227,778,768	\$ 229,680,393	\$ 224,146,573	\$ 212,515,070	\$ 207,895,286
Building Service	50,876,611	44,134,447	46,074,370	50,850,687	45,395,617	50,587,419	48,234,478	61,923,729	45,437,217	35,400,040
Administration	44,329,770	47,734,402	45,143,764	36,103,139	41,589,097	47,188,728	47,952,938	41,716,823	29,993,491	32,715,917
Instructional support	56,239,496	50,515,399	48,141,158	44,143,664	44,085,503	48,569,976	38,310,839	34,492,445	36,067,256	35,509,506
Noninstructional support	18,549,347	17,451,117	18,131,182	12,971,469	14,228,743	19,255,920	19,028,351	26,292,783	13,009,401	15,407,490
Transportation	29,121,839	21,958,237	24,584,111	25,899,751	30,303,063	32,026,184	29,334,971	29,496,425	22,822,432	22,203,156
Food and community service	27,585,149	27,246,705	23,508,406	24,769,458	21,367,333	21,339,991	20,005,532	20,208,582	19,324,339	19,750,891
Interest charges	12,974,689	11,630,565	10,707,463	11,153,937	12,324,811	11,416,294	11,475,002	11,583,276	11,060,829	12,683,830
<b>Total primary government expenses</b>	<b>504,848,064</b>	<b>464,609,745</b>	<b>460,632,676</b>	<b>462,502,735</b>	<b>442,786,986</b>	<b>458,163,280</b>	<b>444,022,504</b>	<b>449,860,636</b>	<b>390,230,035</b>	<b>381,566,116</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
Instruction	8,652,473	8,607,399	9,400,672	2,359,370	1,578,140	392,824	295,200	—	—	—
School Administration	—	43,442	50,210	—	—	—	—	—	—	—
Noninstructional support	—	360,606	173,925	160,505	98,481	—	—	—	—	—
Food and community service	763,658	217,992	540,282	984,774	2,033,948	2,185,103	2,168,631	1,872,758	1,459,337	1,460,577
<b>Total charges for services</b>	<b>9,416,131</b>	<b>9,229,439</b>	<b>10,165,089</b>	<b>3,504,649</b>	<b>3,710,569</b>	<b>2,577,927</b>	<b>2,463,831</b>	<b>1,872,758</b>	<b>1,459,337</b>	<b>1,460,577</b>
<b>Operating grants and contributions:</b>										
Instruction	86,974,977	83,195,708	84,459,260	97,259,562	53,000,011	52,387,142	48,838,515	59,988,926	58,794,013	51,766,739
Building services	40,062	384,636	216,972	270,160	476,877	132,481	259,749	16,180	189,615	1,160,971
Administration	5,132,952	2,604,221	3,902,773	5,144,851	6,804,366	6,093,616	8,124,836	5,742,176	5,345,111	4,519,472
Instructional support	26,392,219	25,778,059	18,822,196	15,707,656	15,868,374	16,228,413	11,175,763	16,333,786	16,919,388	16,514,157
Noninstructional support	3,128,016	462,812	—	1,421,239	1,322,336	2,731,852	870,476	1,246,508	3,951,776	1,037,419
Transportation	14,874,114	13,945,026	10,563,131	11,899,007	10,665,859	13,227,467	12,118,877	7,362,660	5,785,437	5,014,063
Food and community service	19,367,934	19,866,437	21,917,376	20,978,354	16,406,814	16,138,309	15,673,847	17,101,032	16,154,035	17,182,516
<b>Total operating grants and contributions</b>	<b>155,910,274</b>	<b>146,236,899</b>	<b>139,881,708</b>	<b>152,680,829</b>	<b>104,544,637</b>	<b>106,939,280</b>	<b>97,062,063</b>	<b>107,791,268</b>	<b>107,139,375</b>	<b>97,195,337</b>
<b>Capital grants and contributions</b>										
Instruction	26,456,927	20,848,349	16,001,767	15,779,086	13,157,476	11,808,786	10,939,745	9,273,710	921,159	641,933
<b>Total primary government program revenue</b>	<b>191,783,332</b>	<b>176,314,687</b>	<b>166,048,564</b>	<b>171,964,564</b>	<b>121,412,682</b>	<b>121,325,993</b>	<b>110,465,639</b>	<b>118,937,736</b>	<b>109,519,871</b>	<b>99,297,847</b>
<b>Total primary government net expense</b>	<b>\$ (313,064,732)</b>	<b>\$ (288,295,058)</b>	<b>\$ (294,584,112)</b>	<b>\$ (290,538,171)</b>	<b>\$ (321,374,304)</b>	<b>\$ (336,837,287)</b>	<b>\$ (333,556,865)</b>	<b>\$ (330,922,900)</b>	<b>\$ (280,710,164)</b>	<b>\$ (282,268,269)</b>

Source: St. Louis Public School Financial Statements

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Total primary government net expense	\$ (313,064,732)	\$ (288,295,058)	\$ (294,584,112)	\$ (290,538,171)	\$ (321,374,304)	\$ (336,837,287)	\$ (333,556,865)	\$ (330,922,900)	\$ (280,710,164)	\$ (282,268,269)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes levied for:										
General purposes	131,296,919	134,668,511	129,563,700	139,859,089	136,895,954	150,134,808	154,627,840	154,526,449	158,349,365	160,442,394
Debt service	17,109,484	17,837,525	21,630,889	23,325,391	22,781,661	26,660,677	26,915,994	26,375,224	26,418,051	24,681,140
Capital outlay	684,957	1,453,185	7,454,249	1,653,812	—	—	—	—	—	—
Sales taxes	54,450,615	53,906,993	54,998,727	56,283,369	61,941,455	54,779,955	47,686,826	44,330,464	45,676,880	44,853,111
Unrestricted federal and state aid	76,558,908	68,307,574	66,741,640	61,526,861	102,543,573	91,901,405	71,833,520	61,255,667	39,900,358	38,109,006
Investment earnings	1,781,276	2,091,986	3,438,161	6,161,502	10,816,787	7,175,352	1,329,434	831,077	2,118,690	855,231
Other revenues	917,513	741,177	1,647,811	4,380,322	5,858,940	9,351,258	4,656,391	6,146,928	5,869,172	4,541,367
Gain on disposal of capital assets	—	992,095	2,069,985	—	—	—	—	—	—	—
Total primary government	282,799,672	279,999,046	287,545,162	293,190,346	340,838,370	340,003,455	307,050,005	293,465,809	278,332,516	273,482,249
Change in Net Assets	(30,265,060)	(8,296,012)	(7,038,950)	2,652,175	19,464,066	3,166,168	(26,506,860)	(37,457,091)	(2,377,648)	(8,786,020)
Prior Period Adjustment	1,168,109	—	—	—	—	—	(22,022,596)	(1,677,588)	1,906,302	—
Change in Accounting Principle	—	(10,594,000)	—	—	—	—	—	—	—	—
Change In Net Assets - Primary Government	\$ (29,096,951)	\$ (18,890,012)	\$ (7,038,950)	\$ 2,652,175	\$ 19,464,066	\$ 3,166,168	\$ (48,529,456)	\$ (39,134,679)	\$ (471,346)	\$ (8,786,020)

Source: St. Louis Public School Financial Statements

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**FUND BALANCES AND GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund</b>										
Reserved	\$ 9,089,715	\$ 10,674,725	\$ 5,961,814	\$ 1,063,124	\$ 618,742	\$ 637,350	\$ 637,350	\$ 131,985	\$ —	\$ —
Unreserved	(12,329,933)	(40,763,504)	(29,302,150)	(29,664,258)	(13,732,032)	(12,569,876)	(45,387,598)	(65,697,010)	—	—
Nonspendable	—	—	—	—	—	—	—	—	139,025	312,484
Restricted	—	—	—	—	—	—	—	—	—	8,589,574
Unassigned	—	—	—	—	—	—	—	—	(54,661,562)	3,278,736
<b>Total general fund</b>	<b>\$ (3,240,218)</b>	<b>\$ (30,088,779)</b>	<b>\$ (23,340,336)</b>	<b>\$ (28,601,134)</b>	<b>\$ (13,113,290)</b>	<b>\$ (11,932,526)</b>	<b>\$ (44,750,248)</b>	<b>\$ (65,565,025)</b>	<b>\$ (54,522,537)</b>	<b>\$ 12,180,794</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 25,296,483	\$ 70,715,786	\$ 62,703,105	\$ 67,408,658	\$ 70,382,980	\$ 70,528,906	\$ 69,730,172	\$ 67,565,297	\$ —	\$ —
Unreserved, reported in:										
Capital projects funds	98,526,782	45,220,879	46,155,463	93,283,596	84,126,609	82,103,294	91,345,911	94,025,010	—	—
Debt service	—	—	—	—	—	—	—	—	—	—
Special revenue funds	(1,216,325)	1,244,281	1,913,542	552,296	534,784	4,278,034	4,066,649	1,113,996	—	—
Nonspendable	—	—	—	—	—	—	—	—	36,858,401	352,344
Restricted	—	—	—	—	—	—	—	—	190,490,702	202,463,450
Assigned	—	—	—	—	—	—	—	—	926,175	814,209
<b>Total all other governmental funds</b>	<b>\$ 122,606,940</b>	<b>\$ 117,180,946</b>	<b>\$ 110,772,110</b>	<b>\$ 161,244,550</b>	<b>\$ 155,044,373</b>	<b>\$ 156,910,234</b>	<b>\$ 165,142,732</b>	<b>\$ 162,704,303</b>	<b>\$ 228,275,278</b>	<b>\$ 203,630,003</b>

Source: St. Louis Public School Financial Statements  
Note: Effective July 1, 2010, the District adopted GASB Statement No. 54,  
Fund Balance Reporting and Governmental Fund Type Definitions.

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**GOVERNMENTAL FUNDS REVENUES  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Federal sources:										
Federal grants	\$ 65,663,882	\$ 60,860,815	\$ 66,998,931	\$ 74,920,859	\$ 64,281,371	\$ 66,354,616	\$ 60,345,261	\$ 98,466,970	\$ 91,011,064	\$ 72,495,756
State sources:										
Minimum guarantee	79,606,196	71,129,072	67,415,798	62,137,597	103,569,096	92,829,702	72,559,111	44,468,613	33,331,874	38,493,945
Categorical aid	75,839,715	70,896,336	67,281,693	67,195,096	26,979,933	30,438,550	25,400,729	21,066,501	18,820,621	20,019,444
Other	27,870,630	19,469,652	17,612,395	21,583,474	20,567,951	13,714,334	15,302,753	10,817,354	1,085,653	590,119
<b>Total state sources</b>	<b>183,316,541</b>	<b>161,495,060</b>	<b>152,309,886</b>	<b>150,916,167</b>	<b>151,116,980</b>	<b>136,982,586</b>	<b>113,262,593</b>	<b>76,352,468</b>	<b>53,238,148</b>	<b>59,103,508</b>
Local sources:										
Current taxes	188,621,113	192,698,780	197,703,824	207,821,653	215,923,992	223,483,208	219,993,681	215,246,084	222,118,852	218,417,488
Delinquent taxes	8,071,059	7,973,056	8,198,724	7,170,450	7,452,905	8,946,733	7,980,308	11,106,895	10,745,965	7,584,647
Interest	2,042,415	2,282,362	3,697,482	6,637,522	10,816,787	7,175,351	1,291,877	623,239	2,110,230	855,231
Other	14,760,934	26,657,773	20,432,878	9,904,588	9,245,533	12,242,826	9,981,067	8,509,612	7,674,155	7,569,998
<b>Total local sources</b>	<b>213,495,521</b>	<b>229,611,971</b>	<b>230,032,908</b>	<b>231,534,213</b>	<b>243,439,217</b>	<b>251,848,118</b>	<b>239,246,933</b>	<b>235,485,830</b>	<b>242,649,202</b>	<b>234,427,364</b>
County sources	10,680,438	3,130,684	3,827,752	2,917,157	3,763,186	3,170,640	3,366,619	3,301,623	3,501,022	3,761,731
<b>Total revenues</b>	<b>\$ 473,156,382</b>	<b>\$ 455,098,530</b>	<b>\$ 453,169,477</b>	<b>\$ 460,288,396</b>	<b>\$ 462,600,754</b>	<b>\$ 458,355,960</b>	<b>\$ 416,221,406</b>	<b>\$ 413,606,891</b>	<b>\$ 390,399,436</b>	<b>\$ 369,788,359</b>

Source: St. Louis Public School Financial Statements



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction	\$ 250,413,617	\$ 224,047,503	\$ 226,946,514	\$ 233,901,877	\$ 213,795,775	\$ 206,120,807	\$ 209,185,315	\$ 208,547,473	\$ 198,025,082	\$ 190,869,698
Building service	49,555,376	42,867,693	45,218,574	47,534,695	43,125,281	42,215,152	42,175,149	45,469,575	43,924,937	52,054,542
Administration	40,363,445	45,625,765	42,565,446	36,664,478	40,459,621	46,599,038	47,415,902	40,272,984	30,648,641	32,915,195
Instructional support	53,602,926	47,561,326	45,194,064	43,730,928	45,576,538	45,692,225	42,512,402	36,452,206	35,843,736	34,202,964
Noninstructional support	14,606,656	16,106,849	15,563,794	12,191,327	14,038,567	19,121,357	21,177,316	19,248,981	17,196,329	19,975,616
Transportation	29,112,228	21,730,695	24,558,911	25,669,026	30,284,340	31,949,846	29,115,240	29,119,856	22,730,117	22,132,643
Food and community service	26,337,421	25,775,170	22,121,022	24,526,881	21,326,558	21,307,018	19,974,360	20,162,449	19,295,949	19,732,371
Capital outlay	59,076,463	32,007,653	9,307,110	29,460,550	20,908,707	13,742,072	42,521,234	6,576,531	5,487,694	5,567,318
Debt service:										
Principal retirement	13,596,871	10,811,821	11,949,108	12,347,011	13,168,670	13,907,325	14,342,645	14,541,805	13,752,000	14,245,000
Interest charges	12,048,787	10,244,612	9,405,327	8,918,705	11,333,810	9,868,372	8,950,787	9,912,027	9,843,329	11,118,858
Bond issuance costs	—	—	496,084	597,432	255,740	—	390,986	—	588,461	646,566
Payments to escrow agent	—	—	—	—	—	—	4,927,979	4,878,622	—	—
<b>Total expenditures</b>	<b>\$ 548,713,790</b>	<b>\$ 476,779,087</b>	<b>\$ 453,325,954</b>	<b>\$ 475,542,910</b>	<b>\$ 454,273,607</b>	<b>\$ 450,523,212</b>	<b>\$ 482,689,315</b>	<b>\$ 435,182,509</b>	<b>\$ 397,336,275</b>	<b>\$ 403,460,771</b>
Debt service as a percentage of noncapital expenditures	5.0%	4.7%	4.8%	4.8%	5.7%	5.4%	5.3%	5.7%	6.0%	6.4%

Source: St. Louis Public School Financial Statements

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Excess of revenues over/(under) expenditures</b>	\$ (75,557,408)	\$ (21,680,557)	\$ (156,477)	\$ (15,254,514)	\$ 8,327,147	\$ 7,832,748	\$ (66,467,909)	\$ (21,575,618)	\$ (6,936,839)	\$ (33,672,412)
<b>Other Financing Sources (Uses)</b>										
Operating transfers in	176,970,897	116,059,422	125,808,189	91,632,580	82,204,230	87,280,789	77,214,803	79,109,989	85,958,357	155,948,464
Operating transfers out	(176,970,897)	(116,059,422)	(125,808,189)	(91,632,580)	(82,204,230)	(87,280,789)	(77,214,803)	(79,109,989)	(85,958,357)	(155,948,464)
Proceeds from G.O. bonds	—	—	—	—	—	—	39,295,000	—	81,644,000	79,455,000
Payments to refunding escrow agent	(30,579,800)	—	(47,569,000)	55,000,000	(29,680,211)	(5,680,000)	—	—	—	(6,263,382)
Proceeds from capital lease obligations	2,072,361	—	—	—	—	—	—	—	—	—
Premium on issuance of bonds	—	—	—	—	—	—	1,837,685	—	—	2,538,850
Proceeds from sale of capital assets	—	—	—	—	704,777	893,877	—	—	—	—
Proceeds from refunding bonds	26,313,973	—	44,115,000	—	28,147,782	—	—	—	—	—
Proceeds from premium on bond refunding	—	—	3,950,084	3,166,156	1,788,169	—	—	—	—	—
<b>Total other financing sources (uses)</b>	<b>(2,193,466)</b>	<b>—</b>	<b>(47,569,000)</b>	<b>58,166,156</b>	<b>960,517</b>	<b>(4,786,123)</b>	<b>41,132,685</b>	<b>—</b>	<b>81,644,000</b>	<b>75,730,468</b>
<b>Net change in fund balances</b>	<b>(77,750,874)</b>	<b>(21,680,557)</b>	<b>339,607</b>	<b>42,911,642</b>	<b>9,287,664</b>	<b>3,046,625</b>	<b>(25,335,224)</b>	<b>(21,575,618)</b>	<b>74,707,161</b>	<b>42,058,056</b>
Prior period adjustment	1,168,109	—	—	—	—	—	750,000	—	1,906,302	—
Change in accounting principle	—	(10,594,000)	—	—	—	—	—	—	—	—
<b>Adjusted net change in fund balance</b>	<b>\$ (76,582,765)</b>	<b>\$ (32,274,557)</b>	<b>\$ 339,607</b>	<b>\$ 42,911,642</b>	<b>\$ 9,287,664</b>	<b>\$ 3,046,625</b>	<b>\$ (24,585,224)</b>	<b>\$ (21,575,618)</b>	<b>\$ 76,613,463</b>	<b>\$ 42,058,056</b>

Source: St. Louis Public School Financial Statements

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value	Actual Value			Total taxable value	Total Direct Rate (1)
		Residential Property	Personal Property	Commercial Property		
2003	\$ 3,130,763,016	\$ 5,362,253,053	\$ 3,450,458,582	\$ 3,005,451,803	\$ 11,818,163,438	4.3000
2004	3,328,678,975	6,120,981,195	3,379,281,322	3,247,739,703	12,748,002,220	4.1900
2005	3,307,808,188	6,191,217,458	3,250,075,970	3,275,403,275	12,716,696,703	4.3040
2006	3,793,118,911	8,276,431,968	3,262,633,771	3,540,822,256	15,079,887,995	3.9720
2007	3,714,548,699	8,110,635,568	3,429,869,522	3,228,231,905	14,768,736,995	4.0193
2008	4,289,134,632	10,268,651,237	4,075,980,234	3,101,334,767	17,445,966,238	3.7533
2009	4,250,211,130	10,111,094,805	3,942,733,184	3,202,288,696	17,256,116,685	3.8028
2010	4,321,388,787	9,900,355,458	3,080,241,782	4,417,739,575	17,398,336,815	3.8943
2011	4,397,270,564	10,030,769,852	3,343,032,517	4,303,723,606	17,677,525,975	3.9865
2012	4,144,977,723	9,529,649,205	2,911,691,311	4,262,117,688	16,703,458,204	4.1743

(1) Per \$100 assessed valuation

Source: Assessor's Office - City of St. Louis

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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

Fiscal Year	District Direct Rates			Total	Overlapping Rates								
	General Purposes	Capital Purposes	Debt Purposes		State Blind Person	St. Louis Community College	MSD	Sheltered Workshop Dist.	St. Louis Public Library	Comm. Mental Health	Comm. Child Serv Fund	Zoo and Museum District	City of St. Louis
2003	3.7300	0.020	0.5500	\$4.3000	0.030	0.232	0.069	0.150	0.560	0.090	0.000	0.222	1.609
2004	3.6000	0.040	0.5500	\$4.1900	0.030	0.231	0.065	0.147	0.545	0.088	0.000	0.226	1.562
2005	3.6140	0.040	0.6500	\$4.3040	0.030	0.237	0.069	0.149	0.556	0.089	0.000	0.276	1.591
2006	3.3110	0.040	0.6210	\$3.9720	0.030	0.223	0.069	0.137	0.510	0.082	0.190	0.265	1.440
2007	3.3980	0.000	0.6210	\$4.0190	0.030	0.223	0.069	0.139	0.517	0.083	0.190	0.261	1.459
2008	3.1322	0.000	0.6211	\$3.7533	0.030	0.200	0.067	0.128	0.477	0.077	0.175	0.233	1.345
2009	3.1817	0.000	0.6211	\$3.8028	0.030	0.201	0.000	0.130	0.494	0.078	0.178	0.234	1.323
2010	3.2732	0.000	0.6211	\$3.8943	0.030	0.214	0.000	0.135	0.502	0.080	0.183	0.249	1.360
2011	3.3654	0.000	0.6211	\$3.9865	0.030	0.218	0.079	0.137	0.521	0.082	0.188	0.255	1.422
2012	3.5532	0.000	0.6211	\$4.1743	0.030	0.220	0.082	0.145	0.544	0.087	0.190	0.267	1.469

Source: Assessor's Office - City of St. Louis

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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

Tax Payer by Industry Classification (1)	Calendar Year 2011		Calendar Year 2002	
	Taxable Assessed Value	Percentage Of Assessed Value	Taxable Assessed Value	Percentage Of Assessed Value
Utilities	\$ 95,134,000	2.31%	\$ 70,468,000	2.63%
Gaming	79,524,000	1.93%	—	
Manufacturing	66,781,000	1.62%	73,652,000	2.75%
Telecommunications	63,451,000	1.54%	110,874,000	4.13%
Property Management	61,347,000	1.49%	—	
Financial Services	38,590,000	0.94%	38,302,000	1.43%
Healthcare	34,947,000	0.85%	27,034,000	1.01%
Utilities	29,241,000	0.71%	74,014,000	2.76%
Property Management	28,666,000	0.70%	—	
Property Management	25,380,000	0.62%	—	
Healthcare			NP	
Educational Institution			NP	
Manufacturing			15,806,000	0.59%
Retail			11,014,000	0.41%
<b>Total</b>	<b>\$ 523,061,000</b>	<b>12.71%</b>	<b>\$ 421,164,000</b>	<b>15.71%</b>

Source : Assessor's Office and Collector of Revenue - City of St. Louis

Note:

(1) Taxpayer confidentiality prevents the disclosure of amounts by company name. The above information is individual taxpayers within the noted industry categories.

(2) NP= Non-Profit

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collection in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2003	\$ 134,621,090	\$ 114,247,001	84.87%	\$ 15,128,158	\$ 129,375,159	96.10%
2004	139,471,649	119,151,342	85.43%	15,434,142	134,585,484	96.50%
2005	142,368,064	122,412,220	85.98%	19,955,844	142,368,064	100.00%
2006	150,662,683	131,968,954	87.59%	12,145,557	144,114,511	95.65%
2007	153,532,685	131,844,310	85.87%	9,581,705	141,426,015	92.11%
2008	160,984,090	145,188,991	90.19%	9,419,262	154,608,253	96.04%
2009	161,627,029	148,434,501	91.84%	13,020,441	161,454,942	99.89%
2010	168,287,844	160,525,095	95.39%	6,522,025	167,047,120	99.26%
2011	175,297,191	162,648,139	92.78%	3,568,755	166,216,895	94.82%
2012	173,023,805	162,483,083	93.91%	—	162,483,083	93.91%

Source: Board of Education annual financial reports for the respective years

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Governmental Activities										
Fiscal Year	Net G.O. School Building And Refunding bonds	Energy Loan Payable	Capital Lease Obligations	Leasehold Revenue And Crossover Refunding Bonds	Total Primary Government	Percentage Of Personal Income (a)	G.O. Debt Per Capita (a)	Ratio of G.O. Debt To Estimated Actual Property Value (b)		
2003	\$ 240,506,279	\$ 1,292,440	\$ 7,371,565	\$ —	\$ 249,170,284	2.72	693	0.0204		
2004	229,606,532	998,185	5,797,776	—	236,402,493	2.59	660	0.0180		
2005	217,627,456	698,017	4,535,120	—	222,860,593	2.40	622	0.0171		
2006	238,899,210	391,814	3,386,310	—	242,677,334	2.51	677	0.0158		
2007	224,912,975	79,456	1,923,956	—	226,916,387	2.25	636	0.0152		
2008	206,263,624	—	1,076,087	—	207,339,711	1.96	583	0.0118		
2009	227,414,211	—	588,442	—	228,002,653	3.09	643	0.0132		
2010	210,450,885	—	281,637	—	210,732,522	1.88	591	0.0120		
2011	273,832,723	—	—	—	273,832,723	2.40	858	0.0154		
2012	329,784,781	—	—	—	329,784,781	2.88	1,034	0.0201		

Notes: N/A = Not Available

(a) See Demographic and Economic Statistics Table for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(b) See Assessed Value and Actual Value of Taxable Property Statistics Table for estimated actual property value

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
June 30, 2012**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Direct And Overlapping Debt</u>
City of St. Louis	\$ 960,836,000	100%	\$ 960,836,000
Metropolitan St. Louis Sewer District	658,396,000	10.11% *	66,570,000
St. Louis Junior College District	<u>36,667,000</u>	16.46% *	<u>6,034,000</u>
Subtotal Overlapping Debt	<u>1,655,899,000</u>		<u>1,033,440,000</u>
Board Direct Debt	<u>365,459,000</u>	100% *	<u>365,459,000</u>
Subtotal Direct Debt	<u>365,459,000</u>		<u>365,459,000</u>
Total Direct and Overlapping Debt	<u><u>\$2,021,358,000</u></u>		<u><u>\$1,398,899,000</u></u>

Sources: City of St. Louis Comptroller's Office  
Notes to St. Louis Public School financial statements  
Metropolitan St. Louis Sewer District  
St. Louis Junior College District

Note:

\* Based on assessed property value



**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed Value	\$ 4,144,977,723
Debt Limit (15% of assessed valuation)	621,746,658
Debt applicable to limit	<u>329,784,781</u>
Legal debt margin	<u>\$ 291,961,877</u>

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 469,608,452	\$ 499,301,846	\$ 496,171,228	\$ 568,967,729	\$ 557,182,305	\$ 643,370,195	\$ 637,531,670	\$ 648,208,318	\$ 659,590,585	\$ 621,746,658
Total net debt applicable to limit	243,655,000	233,830,000	199,636,197	238,899,210	224,912,975	206,263,624	227,412,211	210,450,885	273,832,723	329,784,781
Legal debt margin	\$ 225,953,452	\$ 265,471,846	\$ 296,535,031	\$ 330,068,519	\$ 332,269,330	\$ 437,106,571	\$ 410,119,459	\$ 437,757,433	\$ 385,757,862	\$ 291,961,877
Total net debt applicable to the limit as a percentage of debt limit	51.88%	46.83%	40.24%	41.99%	40.37%	32.06%	35.67%	32.47%	41.52%	53.04%

Source: County Clerk's Report  
District Records

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

Calendar Year	(1) Population	(3) Personal Income (thousands of dollars)	(3) Per Capita Personal Income	(2) Unemployment Rate	
2002	*	347,252	\$ 9,162,420	\$ 26,162	7.8%
2003	*	348,039	9,128,411	26,228	8.4%
2004	*	350,705	9,285,829	26,478	8.7%
2005		330,988	9,590,266	28,975	7.9%
2006		324,945	9,854,572	30,327	6.9%
2007		320,131	10,491,667	32,773	7.0%
2008		317,959	10,925,710	34,362	7.8%
2009		317,955	11,453,476	36,022	11.7%
2010		318,842	11,031,613	34,599	8.7%
2011		319,008	11,440,058	35,861	7.8%

Notes:

(1) Source: Census Bureau - Population estimates since 2000 have been slightly inconsistent because the Census Bureau has used an Administrative Records Methodology whereas the City has used a Housing Unit methodology. \* Statistics reflect the City's successful challenge of the Bureau's methodology for Calendar Years 2002, 2003 and 2004.

(2) Data provided by the U.S. Bureau of Labor Statistics

(3) Source: U.S. Bureau of Economic Analysis - Calendar Year 2011 figures are estimates; actual statistics for this period are released in November 2012. Calendar Years 2005-2010 have been updated to reflect actual statistics released as of April 2012

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**PRINCIPAL EMPLOYERS  
CURRENT CALENDAR YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>Calendar Year 2011</u>		<u>Calendar Year 2002</u>	
	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Washington University	14,422	3.37%	11,662	2.30%
BJC Healthcare	12,696	2.97%	15,017	2.96%
St. Louis University	10,140	2.37%	8,977	1.77%
City of St. Louis	8,099	1.89%	9,955	1.96%
Defense Finance & Acct Services	6,320	1.48%		
Wells Fargo	5,524	1.29%	5,490	1.08%
St. Louis Board of Education	4,948	1.16%	8,996	1.77%
AT&T Services	4,358	1.02%	7,155	1.41%
State of Missouri	4,182	0.98%	6,178	1.22%
Anheuser Busch	3,701	0.86%		
U.S. Postal Service			6,889	1.36%
Tenet Health System			6,297	1.24%
<b>Total</b>	<b><u>74,390</u></b>	<b><u>17.39%</u></b>	<b><u>86,616</u></b>	<b><u>17.07%</u></b>

Source: Collector of Revenue - City of St. Louis  
St. Louis City Comptrollers Office

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS**

	Full-time-Equivalent District Employees by Type as of June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Supervisory</b>										
Administrators and Managers	56	37	55	75	85	78	169	111	146	164
Principals	109	92	93	91	91	84	78	74	72	72
Asst. Principals-Nonteaching	67	76	80	77	79	64	54	48	23	23
<b>Total Supervisory</b>	<b>232</b>	<b>205</b>	<b>228</b>	<b>243</b>	<b>255</b>	<b>226</b>	<b>301</b>	<b>233</b>	<b>241</b>	<b>259</b>
<b>Instruction</b>										
Elem. Classroom Teachers	1,826	1,794	1,624	1,521	1,509	1,331	1,418	1,343	1,050	982
Sec. Classroom Teachers	629	557	539	560	537	515	609	593	653	717
Other Classroom Teachers	772	1,325	1,455	861	512	412	544	37	36	32
<b>Total instruction</b>	<b>3,227</b>	<b>3,676</b>	<b>3,618</b>	<b>2,942</b>	<b>2,558</b>	<b>2,258</b>	<b>2,571</b>	<b>1,973</b>	<b>1,739</b>	<b>1,731</b>
<b>Student Services</b>										
Guidance counselors	145	130	88	93	109	113	96	87	83	82
Psychological	48	47	37	37	36	32	35	68	22	21
Librarians, Audio-Visual	102	98	89	86	78	70	56	51	33	19
Consultant/Inst. Supervisors	127	102	93	66	82	114	87	—	—	—
Other Professionals	392	525	483	518	523	402	119	114	29	44
Teacher Aides	602	526	512	538	555	574	338	172	361	461
NLR Teachers	—	—	—	—	—	—	—	212	262	238
Technicians	45	26	34	30	31	28	—	—	—	—
<b>Total Student Services</b>	<b>1,461</b>	<b>1,454</b>	<b>1,336</b>	<b>1,368</b>	<b>1,414</b>	<b>1,333</b>	<b>731</b>	<b>704</b>	<b>790</b>	<b>865</b>
<b>Support and Administration</b>										
Clerical/Technical	425	495	414	362	371	240	213	194	150	158
Service Workers	1,064	616	551	206	179	157	326	147	135	338
Skilled Crafts	136	24	26	1	2	8	—	—	—	—
Unskilled Laborers	31	—	—	—	—	1	—	—	—	—
<b>Total support and Administration</b>	<b>1,656</b>	<b>1,135</b>	<b>991</b>	<b>569</b>	<b>552</b>	<b>406</b>	<b>539</b>	<b>341</b>	<b>285</b>	<b>496</b>
<b>Total</b>	<b>6,576</b>	<b>6,470</b>	<b>6,173</b>	<b>5,122</b>	<b>4,779</b>	<b>4,223</b>	<b>4,142</b>	<b>3,251</b>	<b>3,055</b>	<b>3,351</b>

Source: St. Louis Public Schools Department of Human Resources

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

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**LEVEL OF SERVICE  
LAST TEN FISCAL YEARS**

Function/activity	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Instruction:										
Student enrollment	36,084	34,445	32,947	30,739	27,646	27,527	26,043	26,449	25,189	24,775
Building services:										
Number of schools	93	90	92	91	89	85	88	76	76	76
Transportation:										
Number of students Transported	45,519	27,216	26,447	24,707	22,450	22,876	26,784	27,671	26,902	27,506

Source: District Records

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHOOL BUILDING INFORMATION**

<i>Elementary Schools</i>	<i>Enrollment</i>	<i>Program Capacity</i>	<i>Year</i>	<i>Square Feet</i>
Adams-400	308	415	1878	63,201
Ames ES-425	378	564	1956	72,468
Ashland-406	311	600	1909	74,146
Baden-408 (CLOSED)	—	360	1908	53,188
Bryan Hill-418	229	310	1912	58,991
Buder-420	386	450	1920	59,973
Carver-428 (CLOSED)	—	N/A	1989	51,760
Clark eMints-432	—	255	1907	57,671
Clay CEC-436	164	335	1905	51,297
Cole-440	294	350	1931	55,233
Columbia CEC-442	227	400	1930	59,059
Cote Brilliante-444	210	400	1904	59,640
Dewey International Studies-447	433	452	1918	59,392
Dunbar-448	255	505	1912	67,284
Farragut Accelerated-458	209	410	1906	60,479
Ford CEC-463	252	525	1964	81,700
Froebel-466	306	460	1895	70,481
Gallaudet HI-472	—	70	1927	29,857
Gateway Math & Science Elem.-473	514	714	1995	244,000
Gateway-Michael SpEd-552	76	41	1995	244,000
Hamilton CEC-478	289	510	1918	60,110
Henry-488	277	440	1906	66,465
Herzog CEC-490	418	400	1937	38,532
Hickey-489	230	325	1966	62,222
Hodgen-492	269	350	1884	63,211
Humboldt School of Higher Learning-496	158	N/A	N/A	N/A
New American's Prep Academy-497	153	N/A	N/A	N/A
Jefferson-502	266	395	1960	89,976
Kennard CJA-503	329	380	1930	47,151
Laclede-506	254	350	1915	64,020
Lexington-510	290	405	1996	58,554
Lyon ABI-518	366	288	1910	38,983
Mallinckrodt ABI-524	209	308	1940	38,044
Mann-526	246	295	1902	55,983
Mark Twain-528 (CLOSED)	—	360	1912	61,259
Mason-534	425	440	1921	47,673
Meda P. Washington ECC-540 (CLOSED)	—	350	1930	45,362
Meramec-550	241	200	1909	38,963
Monroe-556	348	400	1899	48,498
Mullanphy-559	434	583	1915	83,122
Nance-561	383	400	2002	61,000
Oak Hill-560	372	500	1908	49,531
Peabody -562	363	515	1957	86,866
Scruggs-574 (CLOSED)	—	380	1918	59,566
Shaw VPA-CEC-578	362	380	1908	53,961
Shenandoah-580	189	225	1926	34,344
Shepard eMints-582 (CLOSED)	—	420	1906	55,998
Sherman CEC-584	140	280	1899	47,638
Sigel CEC-586	309	475	1906	67,605
Simmons-Marshall MEGA-587 (CLOSED)	—	460	1899	87,542
Stix ECC 1-593	525	580	1921	78,961
Walbridge ECC-ACC-596	212	515	1924	67,827
Washington Montessori-601	431	515	1956	35,757
Wilkinson ECC 1-603	195	350	1920	47,683
Woerner-597	377	355	1932	57,623
Woodward-612	292	400	1922	56,510
Griscom-668	31	N/A	N/A	N/A
Lyon Elementary (Alternative)-671	—	N/A	1910	38,983
Big Picture - 697	—	150	1968	16,743

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL  
SCHOOL DISTRICT OF THE CITY OF ST. LOUIS  
(ST. LOUIS PUBLIC SCHOOLS)**

**SCHOOL BUILDING INFORMATION (*Continued*)**

	<i>Enrollment</i>	<i>Program Capacity</i>	<i>Year</i>	<i>Square Feet</i>
<b><i>Middle Schools</i></b>				
Bunche International Studies-311	—	414	1911	74,807
Busch-305	330	310	1953	43,110
Carr Lane VPA-307	510	640	1959	87,620
Compton Drew ILC-339	509	510	1996	92,000
Fanning-314	340	332	1907	70,117
Langston-324	290	389	1964	72,831
Long-326	256	529	1923	71,467
L'Ouverture-328	216	464	1950	83,803
McKinley CJA-313	298	560	1903	166,823
Freshstart @ Turner Middle School-698	—	N/A	1940	49,768
Stevens-340 (Closed 2011-2012)	—	375	1964	74,846
Madison Multiple Pathways-670	110			
Stevens Center for Academic Dev-671	186	N/A	N/A	N/A
Yeatman-Liddell-352	325	512	1967	77,030
Innovative Concept Academy @ Blewett-679	108	N/A	1956	90,471
Big Picture Middle/High @ Northwest-694	—	N/A	1964	170,460
<b><i>Junior Prep Academies</i></b>				
Gateway Math & Science Preparatory-323	436	519	1995	N/A
Stowe Preparatory-375/207 (CLOSED)	—	572	1967	73,320
<b><i>Small High Schools</i></b>				
Carnahan High School of the Future-193	364	500	2003	73,500
Trans & Law Academy @ Northwest-194	262	791	1964	170,460
<b><i>High Schools</i></b>				
Roosevelt-168	718	1,200	1925	294,104
Sumner-180	400	1,106	1910	235,602
Vashon-183	557	1,320	2002	242,000
Special Ed (Non-Enrolled)-197	563	N/A	N/A	N/A
Cleveland NJROTC-144	244	560	1955	103,470
Beaumont-125	259	1,263	1926	274,599
Nottingham CAJT-114	125	180	1953	41,823
Central VPA-186 @Southwest Complex	390	870	1937	247,733
Clyde Miller Career Academy-117	783	800	2004	141,000
Gateway Stem High-111	1,156	1,625	1956	453,091
Metro A&C-156	313	340	1997	56,726
Soldan International Studies-173	604	1,030	1909	251,097
McKinley Leadership Academy-157	90	N/A	1903	166,823
Fresh Start @ Sumner Multiple Pathways-698	166	N/A	N/A	N/A
FreshStart @Meda P. Multiple Pathways-673	101	100	1930	45,362
Alternative-199	238	N/A	N/A	N/A

N/A = NOT AVAILABLE

Source: District records