
***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, 2017



St. Louis, Missouri

Report Submitted by

***Angie Banks
Chief Financial Officer and Treasurer***

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Part I - Introductory Section



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

December 6, 2017

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, 2017. 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 2016 ASBO Certificate of Excellence and the 2016 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 to the provisions of the Uniform Guidance at 2CFR200, *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 requires 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 2016-2017

Saint Louis Public Schools strives to provide a first-rate, relevant education to every student through high-quality instruction, proper and sufficient resources for schools, and safe and updated school buildings. The District continued to meet these goals during FY2016-2017:

- On Jan. 10, 2017, the Missouri State Board of Education voted unanimously to grant Full Accreditation to Saint Louis Public Schools. The State Board's action completed a nine-year, nine-month and 19-day journey for SLPS that saw the District lose accreditation in 2007, improve to Provisional Accreditation status in 2012, and regain Full Accreditation with the vote by State Board.
- Based on data released by the Missouri Department of Elementary and Secondary Education, the District received 104.5 Annual Performance Report points with hold harmless calculations factored in, surpassing the required 98 points required by DESE for Full Accreditation for two straight years.
- SLPS received a \$1.4 million Promoting Student Resilience grant from the U.S. Department of Education. The grant will provide funding to implement the Trauma Informed Program for Schools (TIPS) in approximately 18 SLPS elementary schools, six nonpublic schools in the city of St. Louis, and six North County schools located in the St. Louis Promise Zone.
- Adams and Woodward elementary schools received the 2016 Let's Move! Active Schools National Award—the nation's top physical education and physical activity distinction for K-12 schools—for their outstanding efforts in creating an active school environment.
- Woerner Elementary, Busch Middle School of Character and Nottingham CAJT High School were among 16 schools in Missouri and 67 schools nationwide to be named Character.Org National Schools of Character for 2016. Kennard Classical Junior Academy was recognized as a 2016 State School of Character.
- In support of the District's Transformation Plan, the St. Louis Public Schools Foundation continued to secure robust funding for early childhood education programs, health and wellness initiatives, the cultivation of school leadership and college and career readiness programs for students.

District corporate and community partners continued their valuable work in SLPS schools. Wells Fargo Advisors, Bryan Cave law firm, Laclede Gas (now Spire) and Express Scripts maintained or expanded their programs and services. Biking 4 Books raised \$25,000 to purchase books for students, and Allstate made a significant investment in Peabody Elementary, donating \$30,000 to renovate their library.

- Water sources at all active school buildings were proactively screened for lead. The USEPA action level for lead in drinking water is 15.0 ppb for potable water sources. The District set a more stringent guideline for itself of 10.0 ppb. Any drinking fountains or sinks that failed the test were immediately addressed and fixed.
- Langston Middle and Cote Brillante Elementary were closed at the end of the school year in continued efforts to develop a portfolio of schools that appropriately addresses the needs of the community.

Current Initiatives and Accomplishments

SLPS Transformation Plan: Work continues on the plan to develop a system of excellent schools for SLPS students. The Transformation Plan Oversight Committee (TPOC) meets weekly to review projects, make recommendations and ensure progress continues. The Transformation Plan is the top priority for all District staff.

New School Themes: Eight SLPS schools were re-imagined and re-themed for the 2017-2018 school year to better serve the interests and needs of students: Long International Middle School, Hodgen Tech, Clay Academy of Exploration and Civics, Walbridge STEAM Academy, Pierre Laclede Junior Career Academy, Farragut Academy of New Horizons, Roosevelt High School: A Global Community School and Northwest Academy of Law and Social Justice.

Gifted Instruction: The District's Gifted and Talented Office adjusted its practices to assess a greater number of children districtwide with added emphasis on North City residents who are traditionally less aware of the program. Columbia Elementary is continuing its transition into the District's first fully gifted instruction school in North City. It expanded this year to serve gifted students in grades PK4, kindergarten and 1st grade.

Love of Learning: Now in its second year, the Academics Department adjusted the scope and focus of the Love of Learning initiative to enhance students' experience in the classroom and beyond. The initiative now focuses on: 1) STEAM, 2) Inquiry, 3) Future and 4) Impact.

Custodial Services: Previously outsourced to Aramark, custodial services are now in-house, enabling more intensive, sustainable cleaning with a higher degree of accountability.

Updated Technology: The Technology Services Department is in the process of replacing 5,350 older iPads for staff.

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 a full accreditation status.

Year End Audit and Financial Results

The final independent audit for the 2017 fiscal year was completed by RubinBrown LLP in December 2017 and their audit report is included in the Financial Section of this CAFR.

The District began the year with a \$23.8 million General Operating fund surplus and ended the year with a \$53.5 million surplus.

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

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 311,404. 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 3,125 full-time employees including 1,686 certified teachers and principals, representing 54% of full-time staff. Another 785 substitute and part-time staff support the District for a total staff count of nearly 4,000.

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 (kindergarten through 12th grade). The State funded pre-k attendance for unaccredited and provisionally accredited districts in FY2017, including SLPS. The average daily attendance in the District (including regular and vocational students) over the past eight school years has been:

School Year	Average Daily Attendance
2017	21,422
2016	21,076
2015	22,709
2014	23,317
2013	23,372
2012	20,608
2011	20,880
2010	22,754

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 prior 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. Although enough Annual Performance Result points were earned in FY2015, the Missouri Department of Elementary and Secondary Education (DESE) and the Missouri State Board of Education voted not to recommend Full Accreditation for Saint Louis Public Schools.

The District received enough Annual Performance Result points once again in FY2016 and FY2017 for Full Accreditation. A determination on the District’s accreditation status is anticipated from DESE and the Missouri State Board of Education in January 2018.

The District provides educational programs to students of all ages through its preschool, kindergarten through 12th grades and adult education programs. The District also operates four Community Education Full Service Schools that offer educational and recreational programs to enrollees of all ages. In addition, there are high quality after school programs, which offer 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 primarily 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

The Special Administrative Board adopted a Fund Balance Policy in fiscal year 2013. The purpose of the policy is to establish guidelines that are necessary to ensure that the SLPS maintains an adequate level of unassigned reserves to mitigate financial risk that can arise from unforeseen revenue fluctuations, unforeseen expenditures and similar circumstances. There have been no other relevant financial policies that have had a significant impact on the current year's financial statements.

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 population has declined since 1985 and the 2010 census showed an 8% decline to 319,294 since 2000. However, significant reinvestment in the downtown area of the City over the last 15 years has established a base for the City's future health and growth.

The city's tax base will remain large and relatively diverse given a recent surge in economic development. The City of St. Louis is experiencing modest gains driven by private services hiring, a strengthening manufacturing sector, and significant growth in development activity. Following several years of taxable value declines, the city's tax base shows signs of stabilization. Thirty-one major projects are currently under construction or renovation at a total investment of almost \$2 billion. These projects include luxury apartments, a major expansion of BJC Healthcare - BJC Hospital North, Phase 1 of the Riverside Business Park, and two new resident halls at St. Louis University. Additionally, the city reports significant activity in the Cortex Innovation Community, home to several innovation centers that, at build out, will have 3.7 million developed square feet and support 13,000 jobs with an annual payroll of more than \$700 million. IKEA opened a \$60 million location with 380,000 square feet of retail space in Phase 3. Phase 4 is in predevelopment with expected development to include a MetroLink Station, a mid-rise residential building, numerous tech related buildings, and a 150 room hotel. Additional development includes T-REX, a technology incubator with more than 110 startup companies in residence, the CityArchRiver development that seeks to reconnect the Mississippi River with downtown St. Louis, the \$100 million Union Station Phase 2 redevelopment that will feature a \$50 million aquarium, Ferris Wheel, and 350 new full and part time jobs, and the relocation of the National Geospatial Intelligence Agency (NGA), a \$1.75 billion project that retains 3,100 federal jobs and \$2.6 million in earnings tax.

The city continues to act as a regional hub for the healthcare, higher education, manufacturing and finance sectors and further stabilization is provided by the operations of nine Fortune 500 companies.

St. Louis Public Schools faces the challenges of many large urban school districts: high poverty rates, declining enrollment, and high infrastructure related costs. Local property taxes, 63% of general operating revenues, increased due to a voter approved operating tax increase on April 5, 2016, to \$4.50 per \$100 of assessed valuation (AV), despite an AV decline. The District's ability to participate in future economic growth is dependent on these factors (AV, tax rate), in addition to tax abatement and tax increment financing (TIF) projects.

State Aid represents only 14% of general operating revenues and has been declining for years due to decreasing enrollment. The State appropriation has not fully funded the new foundation formula as planned, but recent years have shown growth. Student enrollment has been a strategic focus but continues to decline and 21,082 K-12 students are projected for FY2018 due to the opening and expansion of charter schools.

Fiscal Year	K-12 Enrollment
2008	27,574
2009	26,108
2010	25,046
2011	23,576
2012	22,516
2013	25,200
2014	24,869
2015	24,154
2016	22,506
2017	21,754

The District's financial position has improved considerably over the past ten years, from a significant operating deficit to a positive fund balance. However, challenges remain and the work is not complete. We will continue to give our best efforts to provide the necessary student resources with the support of the community, partners and other stakeholders.

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, agreed to continue to accept new students unless written notice was 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 Voluntary Interdistrict Choice Corporation (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.

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 2/3rd 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. Another agreement was reached in September 2015 that continues funding many of the existing desegregation programs in addition to Superintendent initiatives for the District's lowest performing schools. The 2015 agreement will provide over \$29 million for FY 2015 through FY 2018 (see additional comments in Note 14).

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. All schools are now air conditioned with either central or window air conditioning.

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.

The average of the District's instructional facilities is over 75 years of age. Capital improvement needs have 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. All projects funded by the bond issue are complete as of June 30 2016.

The Board currently supervises the operation of 78 schools and programs, including 46 elementary schools, 10 middle schools, 14 high schools and 8 special or alternative programs in the District, with an average daily enrollment of over 23,000 preschool-12th grade students. The District will continue to invest in repairs, renovations, improvements and additions as needed to provide safe, well-functioning environments for learning. In fiscal year 2012-2013, as part of an effort to reduce expenses, the District closed two schools. No schools were closed in 2013-14, one was closed in 2014-15, one in 2015-16, and two at the end of 2016-17. The District continues to review facilities and provide recommendations, if appropriate opportunities are available, to close additional buildings or consolidate schools.

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 the potential for declining enrollment and subsequent losses in State aid. Operating with a leaner budget and resources will require constant vigilance and the elimination of non-essential costs. Monthly cash flow projections, budget to actual reports, 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 sustained financial solvency. Additional plans include efforts to increase the revenue stream through soliciting the support of business leaders; allocating more funds to the classroom; increasing efforts to enroll more students in district schools; and adding more innovative programs that provide for high quality education. St. Louis Public Schools is presently accelerating efforts to continue 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, 2017 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

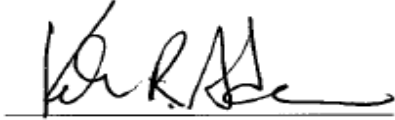
The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016. This was the 33rd consecutive year for the ASBO and 29th 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 2016-2017 fiscal year.

Respectfully Submitted,

Handwritten signature of Kelvin R. Adams in black ink, written over a horizontal line.

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

Handwritten signature of Angela Banks in black ink, written over a horizontal line.

Angela Banks
Chief Financial Officer/Treasurer

PRINCIPAL OFFICIALS

Special Administrative Board

Mr. Rick Sullivan
Ms. Darnetta Clinkscale
Mr. Richard K. Gaines

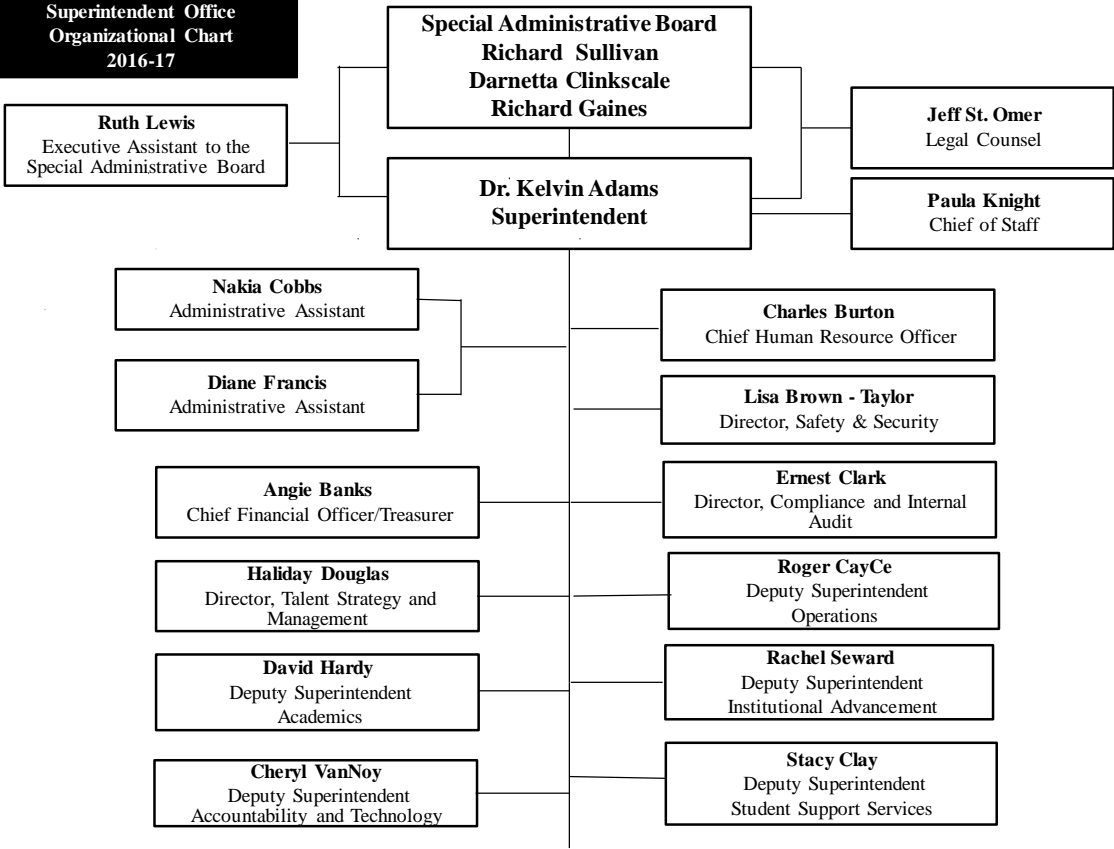
Senior Administration

Kelvin R. Adams, Ph.D., Superintendent of Schools
Angela Banks, Chief Financial Officer / Treasurer

Elected Board

Ms. Susan Jones, President
Ms. Katherine Wessling, Vice President
Ms. Natalie Vowell, Secretary
Ms. Charli Cooksey
Mr. William Haas
Ms. Donna Jones
Ms. Dorothy Rohde-Collins

**Superintendent Office
Organizational Chart
2016-17**





Government Finance Officers Association

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, 2016

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting
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, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

**Anthony N. Dragona, Ed.D., RSBA
President**

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

**John D. Musso, CAE
Executive Director**

Part II - Financial Section

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

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of St. Louis Public Schools Foundation, which is reported as a discretely presented component unit, as described in Note 1. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of St. Louis Public Schools Foundation were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change In Accounting Principle

As discussed in Note 1 to the financial statements in 2017, the District adopted the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*. Our opinion is not modified with respect to this matter.

Emphasis Of Matter Relating To Restatement

As discussed in Note 11 to the financial statements, the net position and governmental fund balance as of July 1, 2016 financial statements have been restated to correct errors that relate to depreciation and capital asset balances. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Funding Progress- Other Postemployment Benefits, and the Schedules of Selected Pension 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.

Other Information

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

The introductory section and statistical section 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.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2017 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* in considering the District's internal control over financial reporting and compliance.

RubinBrown LLP

December 6, 2017

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
For The Fiscal Year Ended June 30, 2017**

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, 2017. It should be read in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is a required component 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 2011 Desegregation Agreement, which provided funding to restore the unassigned fund balance, along with other cost savings/containment initiatives, has proven to be a significant step toward improving the District's financial condition, both in the near term and in the long-term. In fiscal year 2012, the District generated its first unassigned surplus in nine years, in the amount of \$3.3 million. As of June 30, 2013, unassigned fund surplus in the Incidental Fund was approximately \$17.9 million, an increase of \$14.6 million over fiscal year 2012. Fiscal year 2014 yielded more positive results with an additional \$7.2 million Incidental Fund increase to the unassigned fund balance of \$25.1 million. During fiscal year 2015 the unassigned fund balance decreased by \$6.7 million to \$18.4 million due to charter school legal settlements and capital improvements funded from the Incidental fund. As of fiscal year 2016 the unassigned fund balance increased by \$2.4 million to \$19.2 million due to expenses coming in under budget. At the end of fiscal year 2017, the unassigned fund balance increased by \$30 million to \$49.2 million mainly due to the tax rate increase and expenses coming in under budget.
- In fiscal year 2013, the District capitalized on historically low interest rates in the bond market by refunding approximately \$75 million in outstanding debt. The interest savings to be realized is approximately \$5 million. No bonds were issued or refunded in fiscal year 2014 or 2015. In fiscal year 2016 the District refunded approximately \$24.1 million in outstanding debt. The interest savings to be realized is approximately \$1.2 million. No bonds were issued or refunded in fiscal year 2017.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

Pooled cash reserves were not sufficient enough to provide adequate funds for day-to-day operations. As a result, the District used \$28 million in Tax Anticipation Notes (TANS) during the 2016-17 fiscal year. The assets and deferred outflows of resources for the District exceeded liabilities and deferred inflows by \$22.8 million on the government-wide financial statements. Of this amount, there is a negative \$147.1 million in unrestricted net position, compared to \$150.4 million in unrestricted net position in FY 2016. The District's total net position, when compared to fiscal year 2016, decreased by \$14.8 million. The main reason for this decrease was lower federal and state aid and prior period adjustments.

- On the fund financial statements, the net change in fund balances was a positive \$20.4 million as compared to a negative \$9.9 million from fiscal year 2016. This can be attributed to a tax rate increase and expenses coming in under budget. The main decreases in fund balance were the use of desegregation funds for programs, lower federal and state funding and higher building services costs in the capital building fund. The total fund balance reported for the District's total governmental funds was \$94.1 million, again an increase of \$20.4 million from the prior year.
- The largest portion of the District's net position reflects a net investment of \$127.8 million 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. The voters of the City of St. Louis at the April 2016 election approved a tax rate increase of \$0.75 for general operating expenses. Assessed valuation of \$4.22 billion represents a decrease from the preceding year. The decrease was due mainly to decreases in residential and personal 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>2015</u>	<u>2016</u>	<u>Change</u>
General fund	\$ 3.7500	\$ 4.5000	\$0.7500
Debt service fund	<u>.6211</u>	<u>.6211</u>	-
	<u>\$ 4.3711</u>	<u>\$ 5.1211</u>	<u>\$ 0.7500</u>

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

ST. LOUIS PUBLIC SCHOOLS

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

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 Position; Statement of Revenues, Expenses and Changes in Fund Net Position; 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.

GOVERNMENT-WIDE ANALYSIS

This is the fourteenth 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.

	Governmental Activities		
	June 30,		
	2016	2017	Change
Assets			
Current and other assets	\$127.9	\$142.3	\$14.4
Capital assets, net	437.2	409.2	(28.0)
Total Assets	565.1	551.5	(13.6)

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

Deferred Outflows of Resources			
Deferred outflows on bond refunding	5.2	4.1	(1.1)
Deferred outflows related to pension contribution	18.4	17.1	(1.3)
Difference between expected and actual experience - pension		3.7	3.7
Deferred amount related to assumption changes		40.5	40.5
Deferred amount for difference between projected and actual investment earnings for pension	66.7	62.3	(4.4)
Total Deferred Outflows of Resources	90.3	127.7	37.4
Liabilities			
Current liabilities	35.5	26.1	(9.4)
Long-term liabilities	573.9	620.6	46.7
Total Liabilities	609.4	646.7	37.3
Deferred Inflows of Resources			
Deferred pension inflows - difference between actual and expected experience	6.1	4.3	(1.8)
Deferred pension inflows - change in proportional share	2.2	5.4	3.2
Total Deferred Inflows of Resources	8.3	9.7	1.4
Net Position			
Net investment in capital assets	136.8	127.8	(9.0)
Restricted for capital projects	5.8	5.1	(0.7)
Restricted for debt service	28.2	25.5	(2.7)
Restricted for desegregation settlement program	17.0	11.1	(5.9)
Restricted for endowments, nonexpendable	0.3	0.4	0.1
Unrestricted	(150.5)	(147.1)	3.4
Total Net Position	\$37.6	\$22.8	(\$14.8)

Total net position for the District decreased \$14.8 million from the prior year due primarily to lower federal and state aid, and prior period adjustments. Current and other assets increased by \$14.4 million as cash has increased due to the tax rate increase and expenses coming under budget. Capital assets decreased by \$28 million due to additional depreciation. Current liabilities decreased by \$9.4 million as a result of decreases in accounts payable. Total long-term liabilities increased \$46.7 million, primarily due to the increase in net pension liability.

The District is able to report positive balances in the following categories of net position for the government as a whole: (1) *net investment in capital assets* and (2) *restricted net position*.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

Changes in Net Position from Operating Results (In Millions)

	For The Years Ended June 30,		
	2016	2017	Change
Revenues			
Program Revenues:			
Charges for services	\$ 0.6	\$ 0.7	\$ 0.1
Operating grants and contributions	92.0	84.1	(7.9)
Capital grants and contributions	4.9	1.8	(3.1)
Total Program Revenues	97.5	86.6	(10.9)
General Revenues:			
Taxes	244.9	274.5	29.6
Federal and state aid not restricted to specific purposes	39.6	35.3	(4.3)
Earnings on investments	1.1	0.1	(1.0)
Miscellaneous	3.9	5.2	1.3
Total General Revenues	289.5	315.1	25.6
Total Revenues	387.0	401.7	14.7
Expenses			
Instruction	201.5	220.8	19.3
Building services	44.8	42.1	(2.7)
School administration	39.6	34.1	(5.5)
Instructional support	32.1	29.3	(2.8)
Non-instructional support	16.8	16.4	(0.4)
Transportation	24.4	25.3	0.9
Food and community services	37.3	34.5	(2.8)
Interest expense	9.2	9.1	(0.1)
Total Expenses	405.7	411.6	5.9
Change In Net Position	(18.7)	(9.9)	8.8
Net Position - Beginning Of Year	58.6	37.6	(21.0)
Prior Period Adjustment	(2.3)	(4.9)	(2.6)
Net Position - End Of Year	\$ 37.6	\$ 22.8	(\$14.8)

Total revenues increased by \$14.7 million of which local tax revenue increased by \$29.6 million due to a tax rate increase while state and federal revenue decreased \$4.3 million primarily due to lower enrollment. Expenses increased by \$5.9 million due to a pay raise and higher expenses in contracts.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

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, 2017. It also depicts the amount and percentage increases and decreases in relation to prior year revenues and other financial sources from fiscal year 2016.

Revenue Source (In Millions)			Percentage	
			Increase	Increase
	2016	2017	(Decrease)	(Decrease)
	Amount	Amount	Over 2016	Over 2016
Local	\$255.2	\$281.8	\$26.6	10.4
County	4.2	4.0	(0.2)	(4.8)
State	63.2	56.4	(6.8)	(10.8)
Federal	65.0	58.9	(6.1)	(9.4)
Total	\$387.6	\$401.1	\$13.5	3.5

Local revenues increased by \$26.64 million due to higher property tax rates while merchants and manufacturers taxes and indirect revenue decreased. State revenues decreased by \$6.8 million due to lower basic formula revenue because of lower enrollment. Federal revenue also decreased by \$6.1 million due to lower federal grants for Medicaid, fresh fruits and vegetables, and a reduction in Title reimbursements.

The following schedule represents a summary of the expenditures for the governmental funds by function for the period ended June 30, 2017. It also depicts the amount and percentage increases and decreases in relation to prior year amount.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

	Expenditures (In Millions)				Percentage	
		Percent		Percent	Increase	Increase
	2016	Of	2017	Of	(Decrease)	(Decrease)
	Amount	Total	Amount	Total	From 2016	From 2016
Instruction	\$171.9	42.9	\$167.6	43.9	(\$4.3)	(2.5)
Building service	37.3	9.3	38.0	10.0	0.7	1.9
Administration	39.6	9.9	33.6	8.8	(6.0)	(15.2)
Instructional support	32.3	8.1	32.7	8.6	0.4	1.2
Non-instructional support	19.4	4.8	16.4	4.3	(3.0)	(15.5)
Transportation	24.4	6.1	25.2	6.6	0.8	3.3
Food and community	37.3	9.3	34.5	9.0	(2.8)	(7.5)
Capital outlay	10.8	2.7	5.0	1.3	(5.8)	(53.7)
Debt service	27.5	6.9	28.4	7.4	0.9	3.3
Total	\$400.5	100.0	\$381.4	100.0	(\$19.1)	(4.8)

The District experienced an overall expenditure decrease of \$19.1 million from the prior year. Capital outlay expenditures decreased \$5.8 million in both the General fund and the Building fund. Other changes fund are discussed 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 \$49.2 million. Expenses decreased by \$5.3 million even though there was a pay raise. Administration decreased by \$5.3 million due to a one time legal settlement in the previous year. Instructional support increased by \$1.7 million due to increased contractual services and supplies. Non-instructional support decreased by \$2.6 million due to no early retirement program this year. Food and community services program increased by \$0.7 million because the fresh fruits and vegetable program was not funded in food services.

Debt Service Fund

The Debt Service Fund expenditures exceeded revenues by nearly \$2.7 million in 2017 and by \$1.4 million in 2016. This is primarily due to federal sequestration that reduced the interest subsidy on the Proposition S bonds payments and higher bond payments due to an advance refunding last year.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

Settlement Fund

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. The Settlement fund ended fiscal year 2017 with a \$6.8 million fund balance. Another Desegregation Settlement Agreement began in fiscal year 2015 and extends through fiscal year 2018 expending most of the funds. The current year fund balance decreased by \$6.5 million as we funded more programs in the general fund.

Teachers' Fund

The Teachers' Fund is supplemented by the General Fund and therefore maintains a zero fund balance. Expenses decreased by \$5.8 million. Instruction decreased by \$5.3 as we had fewer teachers due to enrollment declines. Instructional support decreased by \$0.5 million due to fewer teachers.

CAPITAL ASSETS

At June 30, 2017, the District had \$409.2 million invested in a broad range of capital assets, including land, building and improvements, and equipment.

	Primary Government (In Thousands)					June 30, 2017 Balance
	June 30, 2016 Balance	Prior Period Adjustment	June 30, 2016 Balance As Restated	Additions And Transfers In	Deletions And Transfers Out	
Land	\$24,779		\$24,779		(\$203)	\$24,576
Construction in progress	39		39	1,956	(1,729)	266
Idle and held for sale assets	-		-	-		0
Impaired assets	12,644		12,644	106	(1,330)	11,420
Building and non-movable equipment	796,851	(28,224)	768,627	1,622	(8)	770,241
Movable equipment	37,265		37,265	614	(5)	37,874
Total Capital Assets	871,578	(28,224)	843,354	4,298	(3,275)	844,377
Less: Accumulated depreciation	434,411	(23,284)	411,127	24,096	(14)	435,209
Totals	\$437,167	(\$4,940)	\$432,227	(\$19,798)	(\$3,261)	\$409,168

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

LONG-TERM DEBT

As of June 30, 2017, the District had \$302.8 million in debt compared to \$322.4 million last year. This \$19.6 million decrease in long-term obligations was attributable to the repayment of bonds.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

	For The Years Ended June 30,		
	2016	2017	Change
Changes In Long-Term Debt (In Thousands)			
Compensated absences	\$1,409	\$1,790	\$381
Other postemployment benefits	5,235	6,780	1,545
Claims payable	8,881	8,159	(722)
Remediation liability	1,128	564	(564)
General obligation school building and refunding bonds	297,519	277,879	(19,640)
Less: Capital appreciation to maturity on bonds	3,145	2,111	(1,034)
Plus: Unamortized premium on bonds	11,345	9,710	(1,635)
Totals	\$322,372	\$302,771	(\$19,601)

Additional information on long-term debt can be found in Note 6 to the Basic Financial statements.

BUDGET REQUIREMENTS AND VARIANCES

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."

General Fund Budget

	Original	Final	Increase (Decrease) Over Original
Revenue	\$214.9	\$246.0	\$31.1
Expenses	\$129.1	\$135.4	\$6.3

The general original and final budgets increased by \$31.1 million for revenues and \$6.3 million for expenses. The increased budget revenues and expenses were due to funding programs supported by Proposition 1 property taxes and an energy loan from the Department of Economic Development.

General fund actual revenues were \$1.5 million lower than the final budget due to State-other revenues. General fund actual expenditures were lower by \$9.8 million as compared to the final budget. Non-instructional support, building service and transportation all came in under budget.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

ECONOMIC OUTLOOK

The District has made steady academic and financial progress over the past five years. The District has moved from unaccredited to provisional accreditation to earning enough Annual Performance Result (APR) points in fiscal year 2015 for full accreditation. The District has moved from financially distressed (-15.7% unrestricted fund balance) to financially stable (8.1% unrestricted fund balance). The District has moved from a 93% pro-rated State Formula to 100% funding. Assessed Valuations (AV) continue to recover from the Housing Bubble of 2008. The District's facilities and technology have been upgraded and modernized as a result of the Proposition S bond issues. Equally important is the stable leadership the District has maintained with the SAB and Superintendent.

One of the biggest threats the District faces is the loss of students to charter schools and surrounding districts. The District was down over 1,500 K-12 students in fiscal year 2016 and another 750 in fiscal year 2017. The loss of students is a loss of revenue. However, as a provisionally accredited district at the beginning of fiscal year 2017, the District received State Aid for approximately 50% of its preschool population for the first time under HB 1689. Fully accredited districts will not receive preschool funding until the State formula is fully funded and appropriated. The District and the St. Louis Public Schools Foundation have revitalized their partnership and corporate donations have increased by over \$9 million of the \$12 to \$15 million goal in the Foundation's four focus areas of Early Childhood, Leadership Development, Health and Wellness, and College and Career Readiness. The Transformation Plan 2.0 will be the District's strategic plan to address enrollment and other pressing issues and high priority initiatives over the next three to five years.

The District has made progress, but similar to many urban districts, has more challenges to overcome. More families will be attracted to the District as the Transformation Plan enhancements and academic and financial progress are communicated. More 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

Basic Financial Statements

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

STATEMENT OF NET POSITION

June 30, 2017

	Governmental Activities
Assets	
Cash and short-term investments	\$ 86,246,616
Investments	15,088,064
Receivables (net):	
Grants	20,484,802
Taxes	18,625,021
Other	1,842,368
Capital assets:	
Land	24,574,730
Construction in progress	266,700
Impaired assets	11,420,755
Depreciable buildings, movable and nonmovable equipment, net	372,905,968
Total Assets	551,455,024
Deferred Outflows Of Resources	
Deferred amount on bond refunding	4,140,484
Deferred amount related to pension contributions	17,125,315
Difference between expected and actual experience-pension	3,666,211
Deferred amount related to assumption changes-pension	40,451,999
Deferred amount for difference between projected and actual investment earnings for pension	62,345,538
Total Deferred Outflows Of Resources	127,729,547
Liabilities	
Accounts payable	16,336,981
Accrued interest	1,969,470
Unearned revenue	4,427,236
Deposits and escrow funds	3,331,779
Long-term liabilities:	
Long-term obligations due within one year	25,430,423
Long-term obligations due in more than one year	277,340,258
Net pension liability	317,871,856
Total Liabilities	646,708,003
Deferred Inflows Of Resources	
Difference between actual and expected experience-pension	4,285,093
Change in proportional share-pension	5,380,132
Total Deferred Inflows Of Resources	9,665,225
Net Position	
Net investment in capital assets	127,830,747
Restricted:	
Expendable:	
Capital projects	5,112,508
Debt service	25,494,954
Desegregation settlement programs	11,094,358
Endowments, nonexpendable	352,344
Unrestricted	(147,073,568)
Total Net Position	\$ 22,811,343

ST. LOUIS PUBLIC SCHOOL FOUNDATION

STATEMENT OF FINANCIAL POSITION**June 30, 2017****Assets**

	Unrestricted	Temporarily Restricted	Total 2017
Current Assets			
Cash and cash equivalents	\$ 338,319	\$ —	\$ 338,319
Investments	296,489	4,897,031	5,193,520
Unconditional promises to give	—	97,486	97,486
Prepaid expenses	7,625	—	7,625
Total Current Assets	642,433	4,994,517	5,636,950
Unconditional Promises to Give	—	20,000	20,000
Property And Equipment	3,685	—	3,685
Total Assets	\$ 646,118	\$ 5,014,517	\$ 5,660,635

Liabilities And Net Assets

Current Liabilities			
Accounts payable	\$ 48,880	\$ —	\$ 48,880
Accrued expenses	22,606	—	22,606
Total Current Liabilities	71,486	—	71,486
Net Assets			
Unrestricted:			
Unrestricted	517,297	—	517,297
Unrestricted - Board designated	57,335	—	57,335
Temporarily restricted	—	5,014,517	5,014,517
Total Net Assets	574,632	5,014,517	5,589,149
Total Liabilities And Net Assets	\$ 646,118	\$ 5,014,517	\$ 5,660,635

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

**STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017**

Functions	Expenses	Program Revenues			Net (Expense) Revenue And Changes In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Instruction	\$ 220,835,851	\$ 1,986	\$ 39,093,105	\$ 1,836,885	\$ (179,903,875)
Building services	42,131,729	—	305,847	—	(41,825,882)
School administration	34,081,716	—	398,456	—	(33,683,260)
Instructional support	29,243,134	—	8,787,182	—	(20,455,952)
Noninstructional support	16,391,456	—	2,301,576	—	(14,089,880)
Transportation	25,264,106	—	6,401,350	—	(18,862,756)
Food and community services	34,524,224	667,014	26,797,423	—	(7,059,787)
Interest expense and bond issuance costs	9,126,528	—	—	—	(9,126,528)
Total Governmental Activities	\$ 411,598,744	\$ 669,000	\$ 84,084,939	\$ 1,836,885	(325,007,920)
General Revenues					
Property taxes levied for:					
General purposes					197,535,701
Debt service					24,969,815
Sales taxes					52,027,178
Federal and state aid not restricted to specific purposes					35,332,610
Earnings on investments					22,520
Other revenues					5,195,158
Total General Revenues					315,082,982
Change In Net Position					(9,924,938)
Net Position - Beginning Of Year, As Previously Stated					37,675,804
Prior Period Adjustment					(4,939,523)
Net Position - Beginning Of Year, As Restated					32,736,281
Net Position - End Of Year					\$ 22,811,343

ST. LOUIS PUBLIC SCHOOL FOUNDATION

STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals 2017</u>
Operating Activities			
Revenue, gains and other support			
Contributions	\$ 403,279	\$ 272,083	\$ 675,362
Grants	494,276	362,295	856,571
Special events	33,064	—	33,064
In-kind contributions	14,004	—	14,004
Investment income	23,786	—	23,786
Other	34,603	—	34,603
Net assets released from restrictions	1,442,332	(1,442,332)	—
Total Revenue, Gains And Other Support	2,445,344	(807,954)	1,637,390
Expenses			
Program services	2,217,845	—	2,217,845
Supporting activities			
Management and general	89,937	—	89,937
Fundraising	134,910	—	134,910
Total Supporting Activities	224,847	—	224,847
Total Expenses	2,442,692	—	2,442,692
Change In Net Assets	2,652	(807,954)	(805,302)
Net Assets - Beginning Of Year	571,980	5,822,471	6,394,451
Net Assets - End Of Year	\$ 574,632	\$ 5,014,517	\$ 5,589,149

**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

For The Year Ended June 30, 2017

	Capital Projects							Nonmajor Governmental Funds	Total Governmental Funds
	General	Teachers	Debt Service	Building	Vocational Education	Settlement			
Assets									
Cash and investments:									
Cash and short-term									
investments	\$ 38,997,530	\$ —	\$ 15,033,306	\$ 866,890	\$ 519,906	\$ 6,794,499	\$ 9,814,047	\$ 72,026,178	
Other investments	—	—	—	—	—	—	4,905,095	4,905,095	
Investments held for bonded									
indebtedness by trustee	—	—	10,182,969	—	—	—	—	10,182,969	
Total Cash And Investments	38,997,530	—	25,216,275	866,890	519,906	6,794,499	14,719,142	87,114,242	
Receivables:									
Grants	—	8,461	—	—	—	—	20,476,341	20,484,802	
Taxes	20,821,707	—	2,430,979	—	—	—	—	23,252,686	
Other	783,944	—	42,120	42,430	—	—	951,663	1,820,157	
Total Receivables	21,605,651	8,461	2,473,099	42,430	—	—	21,428,004	45,557,645	
Due from other funds	18,868,049	7,472,356	—	—	—	—	323,963	26,664,368	
Total Assets	\$ 79,471,230	\$ 7,480,817	\$ 27,689,374	\$ 909,320	\$ 519,906	\$ 6,794,499	\$ 36,471,109	\$ 159,336,255	

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

BALANCE SHEET - GOVERNMENTAL FUNDS

Page 2 Of 2

For The Year Ended June 30, 2017

	Capital Projects						Nonmajor Governmental Funds	Total Governmental Funds
	General	Teachers	Debt Service	Building	Vocational Education	Settlement		
Liabilities, Deferred Inflows Of Resources And Fund Balances								
Liabilities								
Accounts payable	\$ 5,237,334	\$ 7,480,817	\$ —	\$ 909,320	\$ —	\$ —	\$ 1,935,915	\$ 15,563,386
Due to other funds	7,472,356	—	—	—	—	—	19,192,012	26,664,368
Deposits and escrow funds	—	—	—	—	—	—	3,331,779	3,331,779
Unearned revenue	—	—	—	—	—	—	4,427,236	4,427,236
Total Liabilities	12,709,690	7,480,817	—	909,320	—	—	28,886,942	49,986,769
Deferred Inflows Of Resources								
Property taxes	13,226,664	—	2,041,148	—	—	—	—	15,267,812
Fund Balances								
Nonspendable								
Permanent fund principal	—	—	—	—	—	—	352,344	352,344
Total Nonspendable	—	—	—	—	—	—	352,344	352,344
Restricted for:								
Bonded indebtedness	—	—	25,648,226	—	—	—	—	25,648,226
Capital projects	—	—	—	—	519,906	—	4,592,602	5,112,508
Desegregation settlement programs	4,299,859	—	—	—	—	6,794,499	—	11,094,358
Total Restricted	4,299,859	—	25,648,226	—	519,906	6,794,499	4,592,602	41,855,092
Assigned to:								
School lunchroom	—	—	—	—	—	—	1,817,066	1,817,066
Community development agency	—	—	—	—	—	—	118,128	118,128
Adult education	—	—	—	—	—	—	704,027	704,027
Total Assigned	—	—	—	—	—	—	2,639,221	2,639,221
Unassigned	49,235,017	—	—	—	—	—	—	49,235,017
Total Fund Balances	53,534,876	—	25,648,226	—	519,906	6,794,499	7,584,167	94,081,674
Total Liabilities And Fund Balances	\$ 79,471,230	\$ 7,480,817	\$ 27,689,374	\$ 909,320	\$ 519,906	\$ 6,794,499	\$ 36,471,109	\$ 159,336,255

**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 POSITION
June 30, 2017**

Total Fund Balance - Governmental Funds \$ 94,081,674

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$844,377,475 and the accumulated depreciation is \$435,209,322 409,168,153

Certain changes in the net pension liability are amortized over time and are not reported in the funds 113,923,838

Some of the District's property taxes will be collected after the 60-day availability period and are deferred inflows of resources in the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements, net of allowance for uncollectible amounts totaling \$4,627,665 10,640,147

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 position. 5,410,053

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 position. Bond discounts and premiums 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, 2017 are:

Accrued interest on outstanding debts	(1,969,470)
Bonds and notes payable	(275,768,092)
Unamortized deferred outflow on bond refunding	4,140,484
Unamortized bond premium	(9,709,798)
Accrued compensated absences	(1,790,044)
Other post-employment benefits	(6,779,459)
Remediation liability	(564,287)
Desegregation liability	(100,000)
Net pension liability	(317,871,856)
	<u>(317,871,856)</u>

Total Net Position - Governmental Activities **\$ 22,811,343**

**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, 2017**

	Capital Projects						Nonmajor Governmental Funds	Total Governmental Funds
	General	Teachers	Debt Service	Building	Vocational Education	Settlement		
Revenues								
Local:								
Current taxes	\$ 216,555,104	\$ 24,486,943	\$ 23,647,965	\$ —	\$ —	\$ —	\$ —	\$ 264,690,012
Delinquent taxes	7,980,900	—	1,321,850	—	—	—	—	9,302,750
Investment income (loss)	290,478	—	306,948	5,333	1,742	—	(581,980)	22,521
Other	2,954,623	—	49,838	648,020	—	—	4,139,213	7,791,694
County	3,342,294	216,996	461,311	—	—	—	—	4,020,601
State:								
Basic formula	—	35,689,505	—	—	—	—	—	35,689,505
Categorical aid	11,960,287	123,376	—	—	—	—	6,175,505	18,259,168
Other	1,348,163	—	—	—	—	—	1,068,476	2,416,639
Federal	88,808	513,287	—	—	—	—	58,341,714	58,943,809
Total Revenues	244,520,657	61,030,107	25,787,912	653,353	1,742	—	69,142,928	401,136,699
Expenditures								
Current:								
Instruction	15,172,173	124,999,519	—	—	—	—	27,390,523	167,562,215
Building service	36,175,799	320,577	—	1,458,864	—	—	353	37,955,593
School administration	18,251,509	15,057,688	—	—	—	—	321,339	33,630,536
Instructional support	13,413,807	10,199,366	—	—	—	—	9,116,406	32,729,579
Noninstructional support	13,754,928	985,428	3,508	355,640	—	—	1,266,699	16,366,203
Transportation	23,315,013	—	—	—	—	—	1,899,961	25,214,974
Food and community services	3,613,916	4,077,256	—	—	—	—	26,783,935	34,475,107
Capital outlay	1,972,897	—	—	169,353	—	—	2,900,748	5,042,998
Debt service:								
Principal retirement	—	—	19,640,000	—	—	—	—	19,640,000
Interest charges	—	—	8,801,028	—	—	—	—	8,801,028
Bond issuance costs	—	—	—	—	—	—	—	—
Total Expenditures	125,670,042	155,639,834	28,444,536	1,983,857	—	—	69,679,964	381,418,233
Excess (Deficiency) Of Revenues Over Expenditures	118,850,615	(94,609,727)	(2,656,624)	(1,330,504)	1,742	—	(537,036)	19,718,466
Other Financing Sources (Uses)								
Transfers in	7,489,747	94,609,727	—	487,177	—	—	1,333,301	103,919,952
Transfers out	(96,430,206)	—	—	—	—	(6,508,585)	(981,161)	(103,919,952)
Issuance of refunding bonds	—	—	—	—	—	—	—	—
Proceeds from sale of capital assets	336,088	—	—	336,088	—	—	—	672,176
Payment to refunding escrow agent	—	—	—	—	—	—	—	—
Premium on issuance of bonds	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	(88,604,371)	94,609,727	—	823,265	—	(6,508,585)	352,140	672,176
Net Change In Fund Balances	30,246,244	—	(2,656,624)	(507,239)	1,742	(6,508,585)	(184,896)	20,390,642
Fund Balances - Beginning Of Year	23,288,632	—	28,304,850	507,239	518,164	13,303,084	7,769,063	73,691,032
Fund Balances - End Of Year	\$ 53,534,876	\$ —	\$ 25,648,226	\$ —	\$ 519,906	\$ 6,794,499	\$ 7,584,167	\$ 94,081,674

**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, 2017**

Net Change In Fund Balances - Total Governmental Funds \$ 20,390,642

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 outlay exceeded depreciation in the current period.

Capital outlay	\$ 2,569,870	
Depreciation expense	<u>(24,096,272)</u>	
		(21,526,402)

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. (1,533,038)

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		(380,749)
Other post-employment benefits		(1,544,608)
Remediation liability		563,563

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bond principal	19,640,000	
Accrued interest - general obligation bonds	165,560	
Amortization of premium, deferred outflow on bond refunding and capital appreciation bonds	(491,060)	
Pension expense	<u>(29,251,782)</u>	
		(9,937,282)

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. 539,931

Internal service funds are used by the District to charge the costs of insurance to individual funds. The net income of the internal service funds is reported with governmental activities. 3,503,005

Change In Net Position Of Governmental Activities \$ (9,924,938)

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

**STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2017**

	<u>Governmental Activity</u>
	<u>Internal Service</u>
Assets	
Current Assets:	
Cash	\$ 14,220,438
Receivables-other	22,211
	<hr/>
Total Assets	14,242,649
	<hr/>
Liabilities	
Current Liabilities:	
Accounts payable	673,595
Claims payable	3,175,810
Total Current Liabilities	3,849,405
	<hr/>
Noncurrent Liabilities:	
Claims payable	4,983,191
	<hr/>
Total Liabilities	8,832,596
	<hr/>
Net Position	
Unrestricted	\$ 5,410,053
	<hr/> <hr/>

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

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
For The Year Ended June 30, 2017**

	<u>Governmental Activity</u>
	<u>Internal Service</u>
Operating Revenues	
Interfund services provided	<u>\$ 47,336,840</u>
Operating Expenses	
Claims	2,583,691
Insurance premiums	41,257,132
Total Operating Expenses	<u>43,840,823</u>
Operating Income	3,496,017
Nonoperating Revenue	
Interest	<u>6,988</u>
Change In Net Position	3,503,005
Net Position - Beginning Of Year	<u>1,907,048</u>
Net Position - End Of Year	<u><u>\$ 5,410,053</u></u>

**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, 2017**

	Governmental Activity
	Internal Service
Cash Flows From Operating Activities	
Cash receipts from interfund services provided	\$ 48,094,718
Cash payments to suppliers for goods and services	(44,592,344)
Net Cash Provided By Operating Activities	<u>3,502,374</u>
Cash Flows Provided By Investing Activities	
Cash from interest received	<u>6,988</u>
Net Increase In Cash	3,509,362
Cash - Beginning Of Year	<u>10,711,076</u>
Cash - End Of Year	<u><u>\$ 14,220,438</u></u>
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities	
Operating income	\$ 3,496,017
Change in assets and liabilities:	
Decrease in accounts receivable	757,878
Decrease in accounts payable	(29,575)
Decrease in claims payable	(721,946)
Net Cash Provided By Operating Activities	<u><u>\$ 3,502,374</u></u>

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

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2017**

Assets

Cash and short-term investments

\$ 23,149,252

Liabilities

Deposits and escrow funds

\$ 23,149,252

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

**NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017**

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 13 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 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.

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*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB Statement No. 14* and GASB Statement No. 61, *the Financial Reporting Entity - Omnibus*. 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 Saint Louis Public Schools Foundation (the Foundation) is a legally separate tax-exempt entity which meets the criteria set forth for component units under GASB Statement No. 39. The Foundation provides financial support for the objectives, purposes, and programs of the District. Although the District does not control the timing, purpose, or amount of receipts from the Foundation, the resources (and income thereon) which the Foundation holds and invests are restricted to the activities of the District. Because these resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District and is discreetly presented in the District's financial statements.

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

The Foundation is a private nonprofit organization that reports under generally accepted accounting principles set forth by the Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from Governmental Accounting Standards Board revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial report for these differences. The Foundation's significant notes are summarized in Note 15.

During the year ended June 30, 2017, the Foundation distributed \$592,954 to the District for restricted and unrestricted purposes.

Complete financial statements can be obtained by sending a written request to: Saint Louis Public Schools Foundation, 801 N. 11th Street, Third Floor, Saint Louis, MO 63101.

Basis Of Presentation: The District's basic financial statements consist of government-wide statements, which include a statement of net position 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 position 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 (agency). 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."

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Notes To Basic Financial Statements (*Continued*)

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.
- 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 13 for additional information)

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 position. The proprietary fund type operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

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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 for property taxes and 120 days for grants.

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.

Unearned Revenue: Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and when certain grants received before eligibility requirements are met are reported as unearned revenues.

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 mutual funds, insured cash sweep accounts 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 securities, money market mutual funds, commercial paper and guaranteed investment contracts, which are carried at net asset value, contract value or amortized cost, which approximates fair value, or fair value in accordance with GASB Statement 72, *Fair Value Measurement and Application* as amended by GASB 79, *Certain External Investment Pools and Pool Participants*.

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 position (See Note 2).

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

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 position 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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition 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.

On July 1, 2012, the District added a new sick leave policy that allows employees to take up to twelve sick days per year. 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. Upon retirement, employees have the option of receiving \$100 per day for exempt employees or \$50 per day for non-exempt employees for unused sick time or employees have the option of converting it to time worked for the retirement plan calculation. Such time is only considered to be vested, and thus accrued, upon retirement.

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Notes To Basic Financial Statements (*Continued*)

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 position. Bond premiums and discounts 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 and applicable bond premiums and discounts.

In the fund financial statements, governmental funds recognize bond premiums, discounts, and 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.

Deferred Outflows And Inflows Of Resources: In addition to assets and liabilities, the statement of net position will sometimes include separate sections for deferred outflows and inflows of resources. This separate financial statement element represents the use or acquisition of net position that applies to a future period or periods and will not be recognized as an outflow or inflow of resources until then. The District has deferred outflows in the statement of net position that relate to deferred loss on bond refunding and pension related deferrals required by the implementation of GASB Statement No. 68. In the governmental fund financial statements, receivables that will not be collected within the available period have been reported as deferred inflows of resources.

Pensions

Pension-related expenses, liabilities, deferred outflows of resources and deferred inflows of resources have been determined on the same basis as they are reported by the Public School Retirement System of the City of St. Louis (the System). For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balances And Net Position: 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).

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- *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 through formal action by the governments 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.
- *Assigned Fund Balance* - Includes 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. By adopted Board policy, assignments are made by the Special Administrative Board.
- *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.

The District's policy 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 position are classified as follows:

Net investment in capital assets - the component of net position 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 position 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 position - net investment in capital assets or net position - restricted for specific purposes.

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Notes To Basic Financial Statements (*Continued*)

New Accounting Standards Implemented

During the year, the District adopted GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. Disclosure is summarized at Note 14.

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 position 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.

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.

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Notes To Basic Financial Statements (*Continued*)

2. Deposits And Investments

A summary of cash and investments as of June 30, 2017 is as follows:

	Cost	Fair Value	Carrying Value
Primary Government:			
Cash	\$ 7,937,218	\$ 7,937,218	\$ 7,937,218
Insured cash sweep account	29,069,860	29,069,860	29,069,860
Money market mutual funds	8,001,969	8,001,969	8,001,969
MOSIP liquid series investments pool	27,307,711	27,307,683	27,307,683
MOSIP term investments	9,100,000	9,100,000	9,100,000
Commercial paper	8,000,000	8,000,000	8,000,000
Federal Home Loan Bank DN	10,986,890	10,995,937	10,995,937
Equity securities (endowment)	1,711,233	4,905,096	4,905,096
US Treasury Bills	16,979,183	16,985,169	16,985,169
Guaranteed investment contracts	2,181,000	2,181,000	2,181,000
	<u>\$ 121,275,064</u>	<u>\$ 124,483,932</u>	<u>\$ 124,483,932</u>

Cash and investments are presented in the financial statements as follows:

Government-wide:	
Cash and short-term:	
investments	\$ 86,246,616
Investments	15,088,064
Fiduciary fund:	
Cash and short-term	
investment	<u>23,149,252</u>
	<u>\$ 124,483,932</u>

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.

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Notes To Basic Financial Statements (*Continued*)

Investment Type And Maturities

The District's investments in guaranteed investment contracts (related to bond indentures) have weighted average maturities of 4.7 years. All other investments mature in less than one year.

State Statutes limit maturities for investments in bankers' acceptances and commercial paper to not more than 180 days from the date of purchase of which the District is in compliance. 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 insured cash sweep accounts to ensure that appropriate liquidity is maintained to meet ongoing obligations.

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, 2017.

	<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
Missouri Direct Deposit Program - Money Market Funds	AAAm	Aaa	\$ 8,001,969
Missouri Direct Deposit Program - Guaranteed Investment Contracts	Unrated	Unrated	2,181,000
Commercial paper	A-1	P-1	8,000,000
Missouri Securities Investment Program - Liquid Series Investment Pool	AAAm	AAAf	27,307,683
Insured cash sweep account	Unrated	Unrated	29,069,860
Missouri Securities Investment Program - Term Investments	AAAf	AAAf	9,100,000
Federal Home Loan Bank DN	A-1+	Aaa/Prime1	10,995,937

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Notes To Basic Financial Statements (*Continued*)

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. Securities greater than 5% are:

	<u>Percent Of Total Investments</u>
Missouri Direct Deposit Money Market Funds	6.87%
Federal Home Loan Bank DN	9.43%
Insured cash sweep account	24.94%
Commercial paper	6.86%

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.

For deposits, custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned. 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.

Fair Value Measurement And Application

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles pursuant to GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2017:

- Money market mutual funds of \$8,001,969 are valued using market transactions involving identical or similar groups of assets. (Level 2 Inputs)

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

- Federal Home Loan Bank Discount Notes of \$10,995,937 are valued using benchmark curves, benchmarking of like securities, sector grouping, and matrix pricing approaches to measuring fair value prices. These approaches consider relevant information generated by market transactions involving identical or similar assets or groups of assets. (Level 2 inputs)
- Missouri Securities Investment Program (MOSIP) Term Series Investments of \$9,100,000 are measured at net asset value (NAV) per share (or its equivalent). MOSIP Term Series offers investors fixed-term investments with a minimum maturity of 60 days to a maximum maturity of up to 180 days. The investment strategy of MOSIP Term Series is to match the cash flows required to meet investors' planned redemptions, including the projected dividend, with the cash flows of the portfolio. A penalty applies if the investment is redeemed before maturity. The fair values of the investment have been determined using the NAV per share (or its equivalent) of the investment.
- Equity securities of \$4,905,096 are valued using quoted market prices. (Level 1 inputs)
- US Treasury Bills of \$16,985,169 are valued through government auctions. (Level 2 inputs)

MOSIP Liquid Series Investment Pool, Commercial Paper, and Guaranteed Investment Contracts are not measured at fair value under GASB Statement No. 72 and 79, but are measured at amortized cost or cost.

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, 2017, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2016 or earlier. Delinquent property tax receivables less an allowance for uncollectable taxes totaling \$4,627,665 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 \$4,224,304,398.

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Notes To Basic Financial Statements (*Continued*)

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:

	2016		2015	
General fund	\$	4.5000	\$	3.7500
Debt service		0.6211		0.6211
	\$	5.1211	\$	4.3711

The receipts of local current property taxes during the fiscal year ended June 30, 2017 aggregated 92.1% of the current assessed valuation, computed on the basis of the levy as shown above.

4. Capital Assets

Capital asset activity for the year ended June 30, 2017 is as follows:

	Balance - June 30, 2016	Prior Period Adjustment	Balance June 30, 2,016 As Restated	Additions And Transfers In	Deletions And Transfers Out	Balance - June 30, 2017
Governmental activities:						
Capital assets not being depreciated:						
Land	\$ 24,778,192	\$ —	\$ 24,778,192	\$ —	\$ (203,462)	\$ 24,574,730
Construction in progress	39,752	—	39,752	1,955,652	(1,728,704)	266,700
Impaired assets	12,643,951	—	12,643,951	106,380	(1,329,576)	11,420,755
Total capital assets not being depreciated	37,461,895	—	37,461,895	2,062,032	(3,261,742)	36,262,185
Capital assets being depreciated:						
Buildings and improvements	796,851,625	(28,223,085)	768,628,540	1,622,324	(8,821)	770,242,043
Movable equipment	37,264,194	—	37,264,194	614,218	(5,165)	37,873,247
Total capital assets being depreciated	834,115,819	(28,223,085)	805,892,734	2,236,542	(13,986)	808,115,290
Less accumulated depreciation for:						
Buildings and improvements	398,683,878	(23,283,562)	375,400,316	23,727,704	(8,821)	399,119,199
Movable equipment	35,726,720	—	35,726,720	368,568	(5,165)	36,090,123
Total accumulated depreciation	434,410,598	(23,283,562)	411,127,036	24,096,272	(13,986)	435,209,322
Total capital assets being depreciated, net	399,705,221	(4,939,523)	394,765,698	(21,859,730)	—	372,905,968
Governmental activities capital assets, net	\$ 437,167,116	\$ (4,939,523)	\$ 432,227,593	\$ (19,797,698)	\$ (3,261,742)	\$ 409,168,153

It was determined that prior period asset cost and accumulated depreciation values for buildings and improvements were overstated by approximately \$28.2 million and \$23.2 million, respectively. The net effect of the overstatement on capital assets was approximately \$4.9 million. Thus, the District made a prior period adjustment for approximately \$4.9 million net, decreasing the carrying value for buildings and improvements and beginning net position on the government wide financial statements. (Note 11).

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As of June 30, 2017, the District has 23 total impaired school buildings, four of which are currently closed and nineteen that are closed and currently being held for sale under a listing agreement. No new school buildings were deemed to be impaired and written down to fair value during 2017. However, six buildings that were previously impaired were written down further to their fair value as of June 30, 2017. All six school buildings are closed and currently being held for sale under a listing agreement. Fair value for the available-for-sale buildings was determined by reference to the offering prices per the listing agreement, which was less than carrying value. Total impairment losses amounting to \$314,009 (included in Building Services in the Statement of Activities) has been charged to operations in 2017.

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 22,477,246
Building services	1,408,533
School administration	70,431
Food and community services	49,117
Transportation	49,132
Noninstructional support	25,253
Instructional support	<u>16,560</u>
Total governmental activities depreciation expense	<u>\$ 24,096,272</u>

5. Short-Term Debt

Short-term debt provides financing for governmental activities. In October 2016, the District issued Tax Anticipation Notes (TANS) accounted for in the General Fund in the amount of \$28,000,000. This debt was issued for the interim financing of General Fund operations. On January 9, 2017, the District repaid the note plus \$60,257 in interest at a rate of 0.8818%.

6. Long-Term Obligations

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

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During the fiscal year ended June 30, 2017, the following changes occurred in long-term obligations:

	Balance - June 30, 2016	Additions	Reductions	Balance - June 30, 2017	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,409,295	\$ 1,393,385	\$ 1,012,636	\$ 1,790,044	\$ 1,020,326
Other postemployment benefits	5,234,851	3,567,941	2,023,333	6,779,459	—
Claims payable	8,880,947	2,533,969	3,255,915	8,159,001	3,175,810
Remediation liability	1,127,850	178,511	742,074	564,287	564,287
General obligation school building and refunding bonds, Series 2002A, 2004, 2007A 2009, 2010A, 2010B, 2011A, 2011B, 2012, 2013A, 2013B, and 2016	297,519,000	—	19,640,000	277,879,000	20,670,000
	<u>\$ 314,171,943</u>	<u>\$ 7,673,806</u>	<u>\$ 26,673,958</u>		<u>\$ 25,430,423</u>
Less: Capital appreciation to maturity on bonds				2,110,908	
Add: Unamortized premium on bonds				<u>9,709,798</u>	
				285,477,890	
Total Long-Term Obligations				<u>\$ 302,770,681</u>	

General Obligation School Building And Refunding Bonds

Obligation Bonds	Balance - June 30, 2016	Additions	Reductions	Balance - June 30, 2017	Due Within One Year
2002A Series	\$ 14,405,000	\$ —	\$ 7,135,000	\$ 7,270,000	\$ 7,270,000
2004 Series	9,210,000	—	—	9,210,000	—
2007A Series	28,340,000	—	—	28,340,000	—
2009 Series	5,880,000	—	2,955,000	2,925,000	2,925,000
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	—
2012 Series	35,020,000	—	200,000	34,820,000	1,670,000
2013A Series	10,680,000	—	1,360,000	9,320,000	1,375,000
2013B Series	15,450,000	—	6,965,000	8,485,000	7,430,000
2016 Series	23,535,000	—	1,025,000	22,510,000	—
Total General Obligation School Building And Refunding Bonds	\$ 297,519,000	\$ —	\$ 19,640,000	\$ 277,879,000	\$ 20,670,000

During the fiscal year ended June 30, 2016, the District issued \$23,535,000 General Obligation Refunding Bonds (Series 2016), with interest rates ranging from 3% to 5% to refund \$24,135,000 of outstanding General Obligation Refunding Bonds (Series 2006A and 2009). The bonds are scheduled to mature at various dates through 2021. As a result of the refunding, the District decreased its total debt service requirements by \$1,200,763, which resulted in an economic gain of \$1,171,867.

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During the fiscal year ended June 30, 2013, the District issued \$35,990,000 General Obligation Refunding Bonds (Series 2012), net of \$1,820,610 capital appreciation with interest rates ranging from 2% to 4% to advance refund \$33,750,000 of outstanding General Obligation Refunding Bonds (Series 2006A). The bonds are scheduled to mature at various dates through April 2024. As a result of the refunding, the District decreased its total debt service requirements by \$2,009,641, which resulted in an economic gain of \$1,794,051.

During the fiscal year ended June 30, 2013, the District issued \$14,620,000 General Obligation Refunding Bonds (Series 2013A) with interest rates ranging from 2% to 4% to advance refund \$15,130,000 of outstanding General Obligation Refunding Bonds (Series 2003A). The bonds are scheduled to mature at various dates through April 2023. As a result of the refunding, the District decreased its total debt service requirements by \$2,253,566, which resulted in an economic gain of \$2,077,139.

During the fiscal year ended June 30, 2013, the District issued \$20,210,000 Taxable General Obligation Refunding Bonds (Series 2013B) with interest rates ranging from 1% to 4% to advance refund \$20,295,000 of the outstanding General Obligation Refunding Bonds (Series 2004). The bonds are scheduled to mature at various dates through April 2020. As a result of the refunding, the District decreased its total debt service requirements by \$791,030, which resulted in an economic gain of \$749,199.

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 April 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 April 2027.

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 April 2028.

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 April 2030.

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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 maturity of these bonds were advance refunded as part of the Series 2016 issuance. The remaining bonds are scheduled to mature April 2018.

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 April 2021. The bond proceeds were used to advance refund maturities of various bond issuances.

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%. The bond proceeds were used to advance refund maturities of various bond issuances. A portion of these bonds were advanced refunded in 2013 with the Series 2013B issuance. The remaining bonds are scheduled to mature at various dates through April 2019.

During the fiscal year ended June 30, 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. A portion of the bonds were refunded through various other issuances. The bonds are scheduled to mature at various dates through April 1, 2018.

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, 2017, the amount of prior years' defeased debt outstanding, but removed from the financial statements amounted to \$124,480,000.

There were no unspent bond proceeds at June 30, 2017.

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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. In March 2013, pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the overall interest rate subsidy was reduced by 8.7%. On September 30, 2013, a revision was made amending the interest subsidy reduction by 7.2%. This rate reduction became effective on October 1, 2013. On October 1, 2014, a revision was made amending the interest subsidy reduction by 7.3%. This rate reduction became effective on October 1, 2014. On August 5, 2015, a revision was made amending the interest subsidy reduction by 6.8%. This rate reduction became effective on October 1, 2015.

The Internal Revenue Service announced an increase in the sequestration rate for refundable credit amounts from 6.8% to 6.9% for payments processed after October 1, 2016 and on or before September 30, 2017.

Annual principal and interest requirements to maturity (including capital appreciation to maturity of \$2,110,909 on the general obligation school building and refunding bonds as of June 30, 2017 are as follows:

General Obligation School Building And Refunding Bonds			
Year Ending June 30,	Principal	Interest	Total
2018	\$ 20,670,000	\$ 13,273,106	\$ 33,943,106
2019	21,945,000	13,363,847	35,308,847
2020	23,445,000	11,840,500	35,285,500
2021	25,315,000	10,786,800	36,101,800
2022	20,545,000	9,585,700	30,130,700
2023-2027	83,804,000	33,926,050	117,730,050
2028-2030	82,155,000	6,676,200	88,831,200
	\$ 277,879,000	\$ 99,452,203	\$ 377,331,203

Energy Loan

During the fiscal year ended 2016, the District entered in to a loan agreement with the Missouri Department of Economic Development/Division of Energy. The purpose of the loan is to provide funds for implementation of energy conservation measures. The loan has a maximum borrowing limit of \$1,829,465. The annual interest rate is 2.5%. No borrowings were made throughout the original loan term. The loan expired in December 2016. Since that date, the loan has been extended two times with no change in terms. The latest extension is through February 2019. There have been no borrowings to date.

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Remediation Liability

The District has a pollution remediation obligation as a result of the District commencing renovation projects at various SLPS campuses, as identified in the Proposition S Bond Program. Projects include asbestos abatement, lead based paint removal, removal of hazardous chemicals and mold/indoor air quality remediation. Federal law in the form of the Asbestos Hazard Emergency Response Act provides guidance for asbestos abatement projects. Lead based paint removal projects are subject to Missouri statutes RSMo 701.300 through 701.338 and the Code of State Regulations 19 CSR 30-70-630. Hazardous material removal is subject to guidance provided by the US EPA Resource Conservation and Recovery Act.

At June 30, 2017, the District had entered into pollution remediation contracts or committed to, approximating \$564,287 which was accrued as a liability as of June 30, 2017. The District expects that the majority of those projects will be completed in fiscal year 2018.

The District utilized actual contract costs to determine an accurate measurement of the District's pollution remediation liability, which includes all remediation work, that the government expects to perform.

7. Retirement Plan

General Information About The Pension Plan

Plan description. Benefit eligible employees of the District are provided with pensions through the Public School Retirement System of the City of St. Louis (the System) - a cost-sharing multiple-employer defined benefit pension plan. The System issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available financial report that can be obtained at www.psrstl.org.

Benefits provided. The System provides retirement, disability, death and survivor benefits for employees of St. Louis Public Schools, employees of the System, and employees of the Charter Schools located within St. Louis. The specific benefit provisions are set forth in RSMo. Chapters 169.410-.540 and general provisions are set forth in RSMo. Chapters 169.560-.597 and 105.660-.691. The statutes assign responsibility for the administration of the system to an 11-member Board of Trustees. Upon retirement at age 65, or at any age if age plus years of created service equals or exceed 85 (Rule of 85), and after 5 years of service, members receive monthly payments for life of yearly benefits equal to years of credit service multiplied by 2% of average final compensation, but not to exceed 60% of average final compensation. Early retirement can occur at age 60 with 5 years of service. The service retirement allowance is reduced five ninths of one percent for each month of commencement prior to age 65 or the age at which the Rule of 85 would have been satisfied had the employee continued working until that age, if earlier.

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Contributions. Employees in the System are required to contribute 5.0 percent of their annual covered salary and the District is required to contribute a percentage of its employees' covered compensation as determined annually by an actuarial valuation of the System. Beginning January 1, 2018, the percentage shall increase one-half of one percent annually until such time as the percentage equals nine percent. For any member hired for the first time on or after January 1, 2018, a 9.0 percent contribution of covered salary is required. The District's required contribution rate from July 1, 2016 through December 31, 2016, was 15.14%, and from January 1, 2017 through June 30, 2017 was 15.73%. The District's contributions for the fiscal year ended June 30, 2017 were \$30,872,403, including sick leave conversion of \$412,970. These contributions were 100% of the requirement contributions for the current year.

Pension Liabilities, Pension Expense, And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

At June 30, 2017, the District reported a liability of \$317,871,856 as its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability was based on the District's actual employer's compensation relative to the actual compensation of all participating employers for the System's plan year ended December 31, 2016. At December 31, 2016, the District's portion was 76.47 percent, a decrease from its proportional share of 78.05 percent used to allocate the liability as of December 31, 2015.

There were no changes in benefit terms during the System's plan year ended December 31, 2016, that affected the measurement of total pension liability.

For the year ended June 30, 2017, the District recognized pension expense of \$29,251,781. At June 30, 2017, the District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ 3,666,211	\$ 4,285,093
Net difference between projected and actual earnings on pension plan investments	62,345,538	—
Changes in assumptions	40,451,999	—
Amount related to change in proportional share	—	5,380,132
District contributions subsequent to the measurement date of December 31, 2016	<u>17,125,315</u>	<u>—</u>
Total	<u>\$ 123,589,063</u>	<u>\$ 9,665,225</u>

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Deferred outflows of resources of \$17,125,315 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the District's fiscal year following the System's fiscal year as follows:

Amortization Schedule

<u>Year</u>	<u>Amount</u>
2018	\$ 32,634,361
2019	32,634,361
2020	28,074,739
2021	3,455,062
	<u>\$ 96,798,523</u>

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5 percent, approximate
Salary increases	5.0 percent annually for the first five years and 3.5 percent annually after that, average
Investment rate of return	7.5 percent per year, compounded annually, net after investment expenses and including inflation year

Mortality rates were based on the RP-2014 combined healthy mortality table projected to 2017 with Scale MP-2015.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of actual experience of the System.

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The following is the System's target allocation policy:

<u>Asset Class</u>	<u>Policy Allocation</u>
U.S. Equity	22.0%
Non-U.S. Equity	19.0%
Global Equity	5.0%
Fixed Income	21.0%
Real Estate	5.0%
Private Markets	7.0%
Hedge Funds	9.0%
GAA	12.0%
<u>Total</u>	<u>100.0%</u>

The long-term expected rate of return is determined by discounting 30 Year Nominal returns with a 3% 30-year US CPI assumption. The capital market assumptions as of December 31, 2016 are as follows:

<u>Asset Class</u>	<u>Policy Allocation</u>
U.S. Equity	6.2%
Non-U.S. Equity	7.9%
Global Equity	6.8%
Fixed Income	2.1%
Real Estate	4.6%
Private Markets	7.7%
Hedge Funds	4.2%
GAA	5.0%

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	Sensitivity of the District's proportionate share of the NPL		
	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	\$ 413,772,402	\$ 317,871,856	\$ 236,498,147

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued System financial report.

Payables To The Pension Plan

The District did not report any payables to the System for June 30, 2017.

8. 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. The Revised Statutes of the State of Missouri (the Statutes) assign the authority to establish administer and amend plan provisions to the System's Board of Trustees. 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.

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Funding Policy:

The District finances its OPEB contributions using a pay-as-you-go method. As of June 30, 2017, 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.

Annual Other Postemployment Benefit Cost:

At June 30, 2017, the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the plan are as follows:

Annual required contribution	\$ 3,646,753
Interest on OPEB obligation	235,568
Adjustment to annual required contribution	(314,380)
Annual OPEB cost	<u>3,567,941</u>
Contributions made	<u>2,023,333</u>
Increase in OPEB obligation	1,544,608
Net OPEB obligation-beginning of year	<u>5,234,851</u>
Net OPEB obligation-end of year	<u><u>\$ 6,779,459</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the previous two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 3,567,941	56.7%	\$ 6,779,459
June 30, 2016	3,497,100	55.9%	5,234,851
June 30, 2015	3,164,412	86.5%	3,691,460

Funded Status And Funding Progress:

As of July 1, 2015, 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 \$35,824,191 on covered payroll (annual payroll of active employees covered by the plan) of \$183,224,916, and the ratio of UAAL to covered payroll was 19.55%.

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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.

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, 2015 actuarial calculation, the liabilities were computed using the Unprojected Unit Credit Cost method. There are no liabilities dependent on salary. The open, level dollar method was selected for amortizing the unfunded actuarial liability over 30 years. The actuarial assumptions utilized a 4.5% discount rate based on the expected return on assets. 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 5.5% healthcare cost trend rate, which will be reduced by decrements to an ultimate 5% increase for 2018 and later years. Both rates include a 3.5% inflation assumption. 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.

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

Notes To Basic Financial Statements (*Continued*)

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, 2017, the District's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for workers' compensation and unemployment benefits were \$7,951,654 and \$207,347, respectively.

Changes in the self-insured claims liabilities at June 30, 2017 and 2016 were as follows:

	Workers' Compensation	Unemployment	Total Self-Insured Liabilities
Balance - June 30, 2015	\$ 7,381,800	\$ 456,940	\$ 7,838,740
Current year claims and changes in estimate	3,897,419	270,490	4,167,909
Claim payments	(2,797,923)	(327,779)	(3,125,702)
Balance - June 30, 2016	8,481,296	399,651	8,880,947
Current year claims and changes in estimate	2,507,096	26,873	2,533,969
Claim payments	(3,036,738)	(219,177)	(3,255,915)
Balance - June 30, 2017	\$ 7,951,654	\$ 207,347	\$ 8,159,001

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL
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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:

<u>Due From/Due To</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental		
General	\$ 18,868,049	\$ 7,472,356
Teachers	7,472,356	—
Other Governmental		
Student Health	—	1,354,104
ECIA Title I	—	6,431,125
Early Childhood	—	6,795,664
Adult Education And Literacy	—	247,766
Special Education	—	1,490,810
NCLB	—	866,775
Federal - Other	—	1,681,805
Permanent	323,963	323,963
	<u>\$ 26,664,368</u>	<u>\$ 26,664,368</u>

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:

<u>Transfers In/Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund	\$ 7,489,747	\$ 96,430,206
Teachers	94,609,727	—
Other Governmental:		
Student Health	1,003,044	972,279
ECIA Title I	81,254	—
NCLB	85,507	—
Building	487,177	—
Early Childhood	163,496	—
Settlement	—	6,508,585
Foundation 73	—	8,882
	<u>\$ 103,919,952</u>	<u>\$ 103,919,952</u>

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

The transfers between the General fund and Settlement fund were to transfer funds for academic program expenditures for the current year. These terms were agreed upon in the Desegregation agreement as discussed in footnote 13.

The amounts transferred between the General fund and Student Health fund were to zero out the Student Health fund at the end of the year by transferring excess funds to the General fund. Reversing entries are initiated at the beginning of the year to counter the previous year's interfund transfer that was made to zero out the Student Health fund.

Transfers from the General fund to the Title I, NCLB, and Early Childhood Special Education funds were to cover expenses that were made during the year and to adjust these fund balances to zero.

Transfers from the General fund to the Building fund were made to cover excess expenditures in the Building fund and adjust the balance to zero. SLPS did not have as many buildings sold during the current year, so expenditures exceeded revenue resulting in a negative fund balance.

Transfers from the General fund to the Teacher's fund were made to cover excess expenditures and adjust the balance to zero.

Transfers from Foundation 73 fund to the General fund were made to reverse a prior year entry that allocated funds to the Foundation 73.

11. Prior Period Adjustment

The District has restated its beginning balances in fiscal year ending June 30, 2016 to correct an error. The District's year-end asset cost and accumulated depreciation values for buildings and improvements were overstated by \$28,223,085 and \$23,283,562, respectively. The net effect of the overstatement on capital assets was \$4,939,523. Thus, the District made a prior period adjustment for these amounts, thereby decreasing the net carrying value for buildings and improvements and net position on the government wide financial statements by \$4,939,523. The restatement had no effect on the change in net position for the year ended June 30, 2016.

The impact of this restatement, is as follows for the year ended June 30, 2016:

Financial Statement Line Item	As Originally Stated	Restatement	As Restated
Net position - July 1, 2016	\$ 37,675,804	\$ (4,939,523)	\$ 32,736,281
Total capital assets being depreciated	\$ 834,115,819	\$ (28,223,085)	\$ 805,892,734
Total accumulated depreciation	\$ 434,410,598	\$ (23,283,562)	\$ 411,127,036

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

Notes To Basic Financial Statements (*Continued*)

12. Pending Litigation

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.

13. Commitments and Contingencies

Desegregation Agreements

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.

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Notes To Basic Financial Statements (*Continued*)

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. In 2012, the District became a provisionally accredited school district. In January 2017, the District became fully accredited.

In relation to the financial condition of the District that existed since 2003 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 (1999 desegregation settlement fund). 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 fund financial statements at June 30, 2011 showed a \$54.7 million deficit in the General Operating Fund due to accumulated deficits from previous years. However, the District reached an additional agreement with the Plaintiffs in the desegregation lawsuit to dedicate approximately \$95 million from the 1999 desegregation settlement fund that restored the deficit fund balance, including the forgiveness of the \$36.5 million in borrowings, the transfer of \$18.2 million to eliminate the remainder of the accumulated deficit, and to fund certain academic programs through FY 2014.

The agreement allowed 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 and Initiative 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 could be allocated for fiscal years 2012, 2013 and 2014, respectively.

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Notes To Basic Financial Statements (*Continued*)

In September 21, 2015, a consent judgment was granted to appropriate \$29,636,443 from the Settlement fund for additional programs over a four year period beginning in 2015. These programs include Early Childhood Classrooms, Early Childhood Before and After Care, the Parent Infant and Initiative Program, Principal Leadership Initiatives, Technology Support, the St. Louis Plan, the Deseg Task Force, the Extended Teacher Workday, additional support services, additional reading and math facilitators, and additional community specialists.

The remaining unspent funds at June 30, 2017 total \$8,269,745. The District will transfer any unspent funds from the general fund to the Settlement fund during fiscal year 2018.

Construction In Progress

The District has entered into five binding contract obligations totaling approximately \$682,000 for ongoing construction projects that are currently in progress.

Operating Lease

On July 1, 2013 the District entered into a noncancellable Document Services Agreement to lease equipment. The original lease was for a 12 month period with 4 annual renewal terms. 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. The lease was renewed effective July 1, 2017 with an end date no later than June 30, 2018. The agreed upon renewal amount is \$1,000,000.

Letter Of Credit

During the District's normal course of operations, letters of credit are issued. At June 30, 2017, a letter of credit for \$2,225,000 was outstanding. The 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.

14. Tax Abatements

During 2017, the District implemented the disclosure requirements of GASB Statement No. 77, *Tax Abatement Disclosures*.

Tax Abatements Entered Into By Other Governments

As of June 30, 2017, the District's property tax revenues were reduced by four programs that are utilized by the City of St. Louis (the "City"), as follows:

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Notes To Basic Financial Statements (*Continued*)

- The Urban Redevelopment Corporations Law provides real property tax abatement to encourage the redevelopment of blighted areas throughout the State under Chapter 353 of the Revised Statutes of Missouri, as amended.
- Under Section 99.700 to 99.715 of the Revised Statutes of Missouri, as amended, the Land Clearance for Redevelopment Authority (the “Authority”) was created to assist with the redevelopment of blighted or insanitary areas for residential, recreational, commercial, industrial, or public uses. Real property taxes are abated by setting the assessed value when the agreement is entered into, and requiring the payment of tax based on the agreed upon assessed value.
- Under Section 135.950 to 135.973 of the Revised Statutes of Missouri, as amended, the Enhanced Enterprise Zone Incentive Program provides real property tax abatements to new or expanding businesses in certain specified geographic areas designated by local governments and certified by the Missouri Department of Economic Development.
- The City is authorized to issue Industrial Development Bonds (also referred to as “Chapter 100 Bonds”) under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended. The bonds finance industrial development projects for private corporations, partnerships and individuals (“the recipient”). The types of projects that can be financed include the costs of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, industrial plants, and facilities for other commercial purposes, including land, buildings, fixtures and machinery. The recipient conveys to the City fee simple title to the site, improvements, and/or equipment related to the industrial development project. At the same time, the City will lease the site, improvements, and/or equipment back to the recipient pursuant to a lease agreement. The lease agreement requires the recipient to use the proceeds of the bonds to purchase and construct the project or equipment. The recipient is obligated to make lease payments in amounts that are sufficient to pay the principal and interest on the bonds as they become due. Thus, the City acts as a conduit for the financing. Because the City has ownership of the project, no real and/or personal property taxes are owed.

The amount of City property taxes effecting the District abated by these arrangements during the year ended June 30, 2017 was approximately \$10,405,000.

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Notes To Basic Financial Statements (*Continued*)

15. St. Louis Public Schools Foundation

Organization

St. Louis Public Schools Foundation (the “Foundation”) is a nonprofit organization founded in 1998 to fund projects and activities that will have a measurable impact on academic achievement, high school graduation rates, and successful transition to post-secondary goals, such as college or entry into the work force, for students in the St. Louis Public Schools. The Foundation is a discretely presented component unit of the District.

Basis Of Presentation

The accompanying financial statements have been prepared in accordance with the provisions of Financial Accounting Standards Board (“FASB”), Accounting Standards Codification (the “FASB ASC”) , which is the source of authoritative , non-governmental accounting principles generally accepted in the United States of America (“GAAP”). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified into three categories of net assets, as applicable, and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent unrestricted net assets that have been set aside for future expenses.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations required to be maintained permanently by the Foundation. The income earned on any related investments would also be subject to donor-imposed stipulations. At June 30, 2017, there were no permanently restricted net assets.

Fair Value Measurements

The Foundation follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

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

Cash And Cash Equivalents

The Foundation considers all short-term, unrestricted, investments with an original maturity of three months or less at the time of purchase to be cash equivalents. Obligations to hold certain contributions in separate accounts, as required by the funder, have been complied with by the Foundation.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and investments in debt securities at their fair values in the statements of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on the trade-date basis. Unrealized gains and losses are included in the change in net assets in the statement of activities.

Unconditional Promises To Give

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value using risk-free interest rates applicable to the years in which the promises are to be received.

Fair Value Measurements

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2 and 3. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.

- Level 2 Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The instruments' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

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Notes To Basic Financial Statements (*Continued*)

Carrying amounts of certain financial instruments such as cash and cash equivalents, unconditional promises to give, accounts payable, and accrued expenses approximate fair value due to their short maturities or because the terms are similar to market terms. There have been no changes in the methodologies used at June 30, 2017.

Following is a description of the valuation methodologies used for instruments measured at fair value:

Level 2 Instruments consist of certificates of deposit. These securities are valued based on yields currently available on comparable securities of issuers with similar credit rating.

All investments at fair value as of June 30, 2017 are classified using Level 2 techniques.

Investments

A summary of the cost and fair value of the Foundation's investments as of June 30, 2017 is as follows:

	<u>Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Certificates of deposit	\$ 5,192,000	\$ 5,700	\$ (4,180)	\$ 5,193,520

Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at June 30, 2017 as follows:

Purpose Restrictions	
College and career readiness	\$ 1,016,678
Early childhood education	3,230,321
School leadership	133,754
Health and wellness	31,012
School funds	<u>572,752</u>
Total Purpose Restrictions	<u>\$ 4,984,517</u>
Time Restrictions	
Year ended June 30, 2018	\$ 10,000
Year ended June 30, 2019	10,000
Year ended June 30, 2020	<u>10,000</u>
Total Time Restrictions	<u>\$ 30,000</u>

Net assets were released from donor-imposed restrictions as follows:

Satisfaction of purpose restrictions	<u>\$ 1,442,332</u>
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Required Supplementary Information

**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 - GENERAL FUND
For The Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local:				
Current taxes	\$ 187,176,305	\$ 214,212,508	\$ 216,555,104	\$ 2,342,596
Delinquent taxes	8,800,933	8,800,933	7,980,900	(820,033)
Investment income	127,091	127,091	290,478	163,387
Other	3,089,739	3,622,239	2,954,623	(667,616)
County	3,930,722	3,930,722	3,342,294	(588,428)
State:				
Categorical aid	11,729,540	12,330,758	11,960,287	(370,471)
Other	—	2,961,648	1,348,163	(1,613,485)
Federal	—	—	88,808	88,808
Total Revenues	214,854,330	245,985,899	244,520,657	(1,465,242)
Expenditures				
Current:				
Instruction	12,115,760	15,379,786	15,172,173	207,613
Building service	38,319,748	38,324,101	36,175,799	2,148,302
School administration	18,037,614	18,397,885	18,251,509	146,376
Instructional support	11,823,670	13,965,532	13,413,807	551,725
Noninstructional support	22,028,676	18,547,833	13,754,928	4,792,905
Transportation	24,425,687	25,096,315	23,315,013	1,781,302
Food and community services	1,953,053	3,714,585	3,613,916	100,669
Capital outlay	394,937	2,023,790	1,972,897	50,893
Total Expenditures	129,099,145	135,449,827	125,670,042	9,779,785
Excess (Deficiency) Of Revenues Over Expenditures	85,755,185	110,536,072	118,850,615	8,314,543
Other Financing Sources (Uses)				
Transfers in	6,508,585	7,508,585	7,489,747	(18,838)
Transfers out	(91,266,531)	(109,686,989)	(96,430,206)	13,256,783
Proceeds from sale of capital assets	—	—	336,088	336,088
Total Other Financing Sources (Uses)	(84,757,946)	(102,178,404)	(88,604,371)	13,574,033
Net Change In Fund Balance	\$ 997,239	\$ 8,357,668	\$ 30,246,244	\$ 21,888,576

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - TEACHERS FUND
For The Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local:				
Current taxes	\$ 24,529,569	\$ 24,529,569	\$ 24,486,943	\$ (42,626)
County	106,143	106,143	216,996	110,853
State:				
Basic formula	38,362,097	35,828,800	35,689,505	(139,295)
Categorical aid	—	—	123,376	123,376
Other	1,337,844	—	—	—
Federal	445,875	445,875	513,287	67,412
Total Revenues	64,781,528	60,910,387	61,030,107	119,720
Expenditures				
Current:				
Instruction	125,213,941	126,713,648	124,999,519	1,714,129
Building service	417,215	417,215	320,577	96,638
School administration	14,904,756	15,140,141	15,057,688	82,453
Instructional support	10,340,790	10,814,776	10,199,366	615,410
Noninstructional support	2,946,239	11,812,865	985,428	10,827,437
Food and community services	2,194,983	4,257,874	4,077,256	180,618
Total Expenditures	156,017,924	169,156,519	155,639,834	13,516,685
Excess (Deficiency) Of Revenues Over Expenditures	(91,236,396)	(108,246,132)	(94,609,727)	13,636,405
Other Financing Sources				
Transfers in	91,236,396	108,246,132	94,609,727	(13,636,405)
Net Change In Fund Balance	\$ —	\$ —	\$ —	\$ —

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL
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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

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 yearend for all other special revenue funds.

A budget was not adopted for the Settlement Fund.

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**REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017**

Schedule of Funding Progress- Other Postemployment Benefits

Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability - Unit Credit (b)	Unfunded Actuarial Accrued Liability (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	Unfunded Actuarial Accrued Liability As A Percentage Of Covered Payroll [(b)-(a)]/(c)
July 1, 2015	\$ —	\$ 35,824,191	\$ 35,824,191	0.00%	\$ 183,224,916	19.55%
July 1, 2013	\$ —	\$ 39,541,689	\$ 39,541,689	0.00%	\$ 156,964,803	25.19%
July 1, 2011	\$ —	\$ 41,794,167	\$ 41,794,197	0.00%	\$ 178,812,501	23.37%

*Actuarial valuation only required every 2 years.

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, 2016-June 30, 2017 fiscal year the District is relying on information obtained from the July 1, 2015 actuarial valuation.

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

**Schedule Of Selected Pension Information
Public School Retirement System Of The City Of St. Louis**

Schedule of District's Proportionate Share of Net Pension Liability

	Measurement Date As Of December 31:		
	2016	2015	2014
Actuarial valuation date			
District's proportion of the net pension liability	76.47%	78.05%	79.13%
District's proportionate share of the net pension liability	\$ 317,871,856	\$ 251,514,787	\$ 209,748,023
District's covered-employee payroll	173,412,355	175,851,589	173,926,365
District's proportionate share of net pension liability as a percentage of its covered-employee payroll	183.30%	143.03%	120.60%
Plan fiduciary net position as a percentage of the total pension liability	67.16%	72.94%	77.95%

Schedule of District's Contributions

Fiscal year ending June 30:

	2017	2016	2015
Fiscal year			
Required contribution	\$ 30,220,928	\$ 31,722,987	\$ 31,072,850
Contributions in relation to the required contribution	30,220,928	31,722,987	31,072,850
Districts' covered-employee payroll	183,444,217	180,325,734	183,083,926
Contributions as a percentage of covered-employee payroll	16.47%	17.59%	16.97%

Notes: Above schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of Benefit Terms Or Assumptions

There were no changes to benefit terms in the plan for the year ended December 31, 2016. Changes to assumptions in valuation reports for the year ended December 31, 2016 include the following: 1) revised investment return assumption of 7.50% based on analysis of asset allocation; 2) updated withdrawal assumption based on Plan experience for the 5 years ending December 31, 2015; 3) updated retirement assumption based on Plan experience for the 5 years ending December 31, 2015; 4) revised salary increase assumption; and 5) updated mortality assumption, reflecting most recent mortality improvements.

Supplementary Information

**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, 2017**

	Special Revenue	Permanent	Governmental Funds
Assets			
Cash and short-term investments	\$ 7,260,545	\$ 2,553,502	\$ 9,814,047
Other investments	—	4,905,095	4,905,095
Total Cash and Investments	7,260,545	7,458,597	14,719,142
Receivables:			
Grants	20,476,341	—	20,476,341
Other	830,046	121,617	951,663
Total Receivables	21,306,387	121,617	21,428,004
Due from other funds	—	323,963	323,963
Total Assets	\$ 28,566,932	\$ 7,904,177	\$ 36,471,109
Liabilities And Fund Balances			
Liabilities:			
Accounts payable	\$ 1,872,655	\$ 63,260	\$ 1,935,915
Due to other funds	18,868,049	323,963	19,192,012
Deposits and escrow funds	3,331,779	—	3,331,779
Unearned revenue	1,855,228	2,572,008	4,427,236
Total Liabilities	25,927,711	2,959,231	28,886,942
Fund balances:			
Nonspendable:			
Permanent fund principal	—	352,344	352,344
Restricted for:			
Capital projects	—	4,592,602	4,592,602
Assigned	2,639,221	—	2,639,221
Total Fund Balances	2,639,221	4,944,946	7,584,167
Total Liabilities And Fund Balances	\$ 28,566,932	\$ 7,904,177	\$ 36,471,109

**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 - BY FUND TYPE
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended June 30, 2017**

	Special Revenue	Permanent	Governmental Funds
Revenues			
Local:			
Investment income (loss)	\$ 1,935	\$ (583,915)	\$ (581,980)
Other	4,038,546	100,667	4,139,213
State:			
Categorical aid	6,175,505	—	6,175,505
Other	1,068,476	—	1,068,476
Federal	58,341,714	—	58,341,714
Total Revenues	69,626,176	(483,248)	69,142,928
Expenditures			
Current:			
Instruction	27,361,273	29,250	27,390,523
Building service	353	—	353
School administration	321,339	—	321,339
Instructional support	9,116,406	—	9,116,406
Noninstructional support	1,256,949	9,750	1,266,699
Transportation	1,899,961	—	1,899,961
Food and community services	26,783,935	—	26,783,935
Capital outlay	2,750,156	150,592	2,900,748
Total Expenditures	69,490,372	189,592	69,679,964
Excess (Deficiency) Of Revenues Over Expenditures	135,804	(672,840)	(537,036)
Other Financing Sources (Uses)			
Transfers in	1,333,301	—	1,333,301
Transfers out	(981,161)	—	(981,161)
Total Other Financing Sources (Uses)	352,140	—	352,140
Net Change In Fund Balances	487,944	(672,840)	(184,896)
Fund Balance - Beginning Of Year	2,151,277	5,617,786	7,769,063
Fund Balance - End Of Year	\$ 2,639,221	\$ 4,944,946	\$ 7,584,167

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

**NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended June 30, 2017**

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, 2017**

	Operating	Federal	Total
Assets			
Cash and short-term investments	\$ 6,408,610	\$ 851,935	\$ 7,260,545
Receivables:			
Grants	2,051,192	18,425,149	20,476,341
Other	736,245	93,801	830,046
Total Receivables	2,787,437	18,518,950	21,306,387
Total Assets	\$ 9,196,047	\$ 19,370,885	\$ 28,566,932
Liabilities And Fund Balances			
Liabilities:			
Accounts payable	\$ 952,872	\$ 919,783	\$ 1,872,655
Due to other funds	1,354,104	17,513,945	18,868,049
Deposits and escrow funds	3,331,779	—	3,331,779
Unearned revenue	1,740,226	115,002	1,855,228
Total Liabilities	7,378,981	18,548,730	25,927,711
Fund balances:			
Assigned	1,817,066	822,155	2,639,221
Total Liabilities And Fund Balances	\$ 9,196,047	\$ 19,370,885	\$ 28,566,932

**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, 2017**

	Operating	Federal	Total
Revenues			
Local:			
Investment income	\$ —	\$ 1,935	\$ 1,935
Other	3,590,083	448,463	4,038,546
State:			
Categorical aid	120,945	6,054,560	6,175,505
Other	686,576	381,900	1,068,476
Federal	19,074,851	39,266,863	58,341,714
Total Revenues	23,472,455	46,153,721	69,626,176
Expenditures			
Current:			
Instruction	3,058,911	24,302,362	27,361,273
Building Service	—	353	353
School administration	320,555	784	321,339
Instructional support	2,084,365	7,032,041	9,116,406
Noninstructional support	512,906	744,043	1,256,949
Transportation	1,051	1,898,910	1,899,961
Food and community services	16,070,305	10,713,630	26,783,935
Capital outlay	1,013,057	1,737,099	2,750,156
Total Expenditures	23,061,150	46,429,222	69,490,372
Excess (Deficiency) Of Revenues Over Expenditures	411,305	(275,501)	135,804
Other Financing Sources (Uses)			
Transfers in	1,003,044	330,257	1,333,301
Transfers out	(981,161)	—	(981,161)
Total Other Financing Sources (Uses)	21,883	330,257	352,140
Net Change In Fund Balances	433,188	54,756	487,944
Fund Balances - Beginning Of Year	1,383,878	767,399	2,151,277
Fund Balance - End Of Year	\$ 1,817,066	\$ 822,155	\$ 2,639,221

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

**NONMAJOR SPECIAL REVENUE FUNDS - OPERATING FUNDS
For The Year Ended June 30, 2017**

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, 2017**

	School Lunchroom	Student Health	Foundation 73	Foundation 16	Total
Assets					
Cash and short-term investments	\$ 2,128,668	\$ 4,000	\$ 944,344	\$ 3,331,598	\$ 6,408,610
Receivables:					
Grants	404,371	1,350,104	296,717	—	2,051,192
Other	753	—	735,311	181	736,245
Total Assets	\$ 2,533,792	\$ 1,354,104	\$ 1,976,372	\$ 3,331,779	\$ 9,196,047
Liabilities And Fund Balances					
Liabilities:					
Accounts payable	\$ 716,726	\$ —	\$ 236,146	\$ —	\$ 952,872
Due to other funds	—	1,354,104	—	—	1,354,104
Deposits and escrow funds	—	—	—	3,331,779	3,331,779
Unearned revenue	—	—	1,740,226	—	1,740,226
Total Liabilities	716,726	1,354,104	1,976,372	3,331,779	7,378,981
Fund balances:					
Assigned	1,817,066	—	—	—	1,817,066
Total Liabilities And Fund Balances	\$ 2,533,792	\$ 1,354,104	\$ 1,976,372	\$ 3,331,779	\$ 9,196,047

**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, 2017**

	School Lunchroom	Student Health	Foundation 73	Foundation 16	Total
Revenues					
Local:					
Other	\$ 432,534	\$ —	\$ 3,157,549	\$ —	\$ 3,590,083
State:					
Categorical aid	120,945	—	—	—	120,945
Other	7,270	—	679,306	—	686,576
Federal	16,100,545	2,931,988	42,318	—	19,074,851
Total Revenues	16,661,294	2,931,988	3,879,173	—	23,472,455
Expenditures					
Current:					
Instruction	151,302	1,800,000	1,107,609	—	3,058,911
School administration	1,215	—	319,340	—	320,555
Instructional support	—	1,162,649	921,716	—	2,084,365
Noninstructional support	—	104	512,802	—	512,906
Transportation	—	—	1,051	—	1,051
Food and community services	16,019,259	—	51,046	—	16,070,305
Capital outlay	56,330	—	956,727	—	1,013,057
Total Expenditures	16,228,106	2,962,753	3,870,291	—	23,061,150
Excess (Deficiency) Of Revenues Over Expenditures	433,188	(30,765)	8,882	—	411,305
Other Financing Sources (Uses)					
Transfers in	—	1,003,044	—	—	1,003,044
Transfers out	—	(972,279)	(8,882)	—	(981,161)
Total Other Financing Sources (Uses)	—	30,765	(8,882)	—	21,883
Net Change In Fund Balances	433,188	—	—	—	433,188
Fund Balances - Beginning Of Year	1,383,878	—	—	—	1,383,878
Fund Balances - End Of Year	\$ 1,817,066	\$ —	\$ —	\$ —	\$ 1,817,066

**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, 2017**

	School Lunchroom			Student Health			Foundation 73		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues									
Local:									
Other	\$ 432,534	\$ 432,534	\$ —	\$ —	\$ —	\$ —	\$ 3,873,346	\$ 3,157,549	\$ (715,797)
State:									
Categorical aid	120,945	120,945	—	—	—	—	—	—	—
Other	7,269	7,270	1	—	—	—	787,050	679,306	(107,744)
Federal	16,648,936	16,100,545	(548,391)	4,019,452	2,931,988	(1,087,464)	42,318	42,318	—
Total Revenues	17,209,684	16,661,294	(548,390)	4,019,452	2,931,988	(1,087,464)	4,702,714	3,879,173	(823,541)
Expenditures									
Current:									
Instruction	151,302	151,302	—	1,800,346	1,800,000	346	1,138,741	1,107,609	31,132
School administration	—	1,215	(1,215)	—	—	—	256,880	319,340	(62,460)
Instructional support	—	—	—	1,172,362	1,162,649	9,713	1,430,379	921,716	508,663
Noninstructional support	—	—	—	—	104	(104)	776,326	512,802	263,524
Transportation	—	—	—	—	—	—	13,407	1,051	12,356
Food and community services	16,998,946	16,019,259	979,687	—	—	—	96,295	51,046	45,249
Capital outlay	59,436	56,330	3,106	—	—	—	990,686	956,727	33,959
Total Expenditures	17,209,684	16,228,106	981,578	2,972,708	2,962,753	9,955	4,702,714	3,870,291	832,423
Excess (Deficiency) Of Revenues									
Over Expenditures	—	433,188	433,188	1,046,744	(30,765)	(1,077,509)	—	8,882	8,882
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	1,003,044	1,003,044	—	—	—
Transfers out	—	—	—	(1,046,744)	(972,279)	74,465	—	(8,882)	(8,882)
Total Other Financing Sources (Uses)	—	—	—	(1,046,744)	30,765	1,077,509	—	(8,882)	(8,882)
Net Change In Fund Balance	\$ —	\$ 433,188	\$ 433,188	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

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

**NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL FUNDS
For The Year Ended June 30, 2017**

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, 2017**

	ECIA Title I	NCLB	Early Childhood	Adult Education And Literacy	Special Education	Community Development Agency	Adult Education	Other	Total
Assets									
Cash and short-term investments	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 89,389	\$ 762,546	\$ —	\$ 851,935
Receivables:									
Grants	6,478,585	1,031,509	6,879,035	258,098	1,741,871	30,346	—	2,005,705	18,425,149
Other	—	—	—	—	—	—	93,801	—	93,801
Total Receivables	6,478,585	1,031,509	6,879,035	258,098	1,741,871	30,346	93,801	2,005,705	18,518,950
Total Assets	\$ 6,478,585	\$ 1,031,509	\$ 6,879,035	\$ 258,098	\$ 1,741,871	\$ 119,735	\$ 856,347	\$ 2,005,705	\$ 19,370,885
Liabilities And Fund Balances									
Liabilities:									
Accounts payable	\$ 47,460	\$ 164,734	\$ 83,371	\$ 10,332	\$ 251,061	\$ 1,607	\$ 152,320	\$ 208,898	\$ 919,783
Due to other funds	6,431,125	866,775	6,795,664	247,766	1,490,810	—	—	1,681,805	17,513,945
Unearned revenue	—	—	—	—	—	—	—	115,002	115,002
Total Liabilities	6,478,585	1,031,509	6,879,035	258,098	1,741,871	1,607	152,320	2,005,705	18,548,730
Fund balances:									
Assigned	—	—	—	—	—	118,128	704,027	—	822,155
Total Liabilities And Fund Balances	\$ 6,478,585	\$ 1,031,509	\$ 6,879,035	\$ 258,098	\$ 1,741,871	\$ 119,735	\$ 856,347	\$ 2,005,705	\$ 19,370,885

**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, 2017**

	ECIA Title I	NCLB	Early Childhood	Adult Education And Literacy	Special Education	Community Development Agency	Adult Education	Other	Total
Revenues									
Local:									
Investment income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,935	\$ —	\$ 1,935
Other	—	—	—	—	—	—	448,463	—	448,463
State:									
Categorical aid	—	—	5,933,652	—	—	—	120,908	—	6,054,560
Other	—	—	—	225,525	—	—	—	156,375	381,900
Federal	18,768,969	3,712,769	781,887	2,153,532	7,345,861	76,553	—	6,427,292	39,266,863
Total Revenues	18,768,969	3,712,769	6,715,539	2,379,057	7,345,861	76,553	571,306	6,583,667	46,153,721
Expenditures									
Current:									
Instruction	3,529,127	2,675,867	5,510,232	759,881	7,300,388	76,553	—	4,450,314	24,302,362
Building service	—	353	—	—	—	—	—	—	353
School administration	—	—	—	—	—	—	—	784	784
Instructional support	5,633,971	536,975	—	—	15,796	—	—	845,299	7,032,041
Noninstructional support	—	—	—	—	—	—	—	744,043	744,043
Transportation	419,295	—	1,297,743	1,500	—	—	3,784	176,588	1,898,910
Food and community services	8,173,968	520,788	—	1,298,253	—	—	512,766	207,855	10,713,630
Capital outlay	1,093,862	64,293	71,060	319,423	29,677	—	—	158,784	1,737,099
Total Expenditures	18,850,223	3,798,276	6,879,035	2,379,057	7,345,861	76,553	516,550	6,583,667	46,429,222
Excess (Deficiency) Of Expenditures									
Over Revenues	(81,254)	(85,507)	(163,496)	—	—	—	54,756	—	(275,501)
Other Financing Sources									
Transfers in	81,254	85,507	163,496	—	—	—	—	—	330,257
Total Other Financing Sources	81,254	85,507	163,496	—	—	—	—	—	330,257
Net Change In Fund Balances	—	—	—	—	—	—	54,756	—	54,756
Fund Balances - Beginning Of Year	—	—	—	—	—	118,128	649,271	—	767,399
Fund Balances - End Of Year	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 118,128	\$ 704,027	\$ —	\$ 822,155

**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, 2017**

	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)
Revenues												
State:												
Categorical aid	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,403,346	\$ 5,933,652	\$ (1,469,694)	\$ —	\$ —	\$ —
Other	—	—	—	—	—	—	—	—	—	453,238	225,525	(227,713)
Federal	20,207,222	18,768,969	(1,438,253)	4,470,046	3,712,769	(757,277)	817,856	781,887	(35,969)	2,487,011	2,153,532	(333,479)
Total Revenues	20,207,222	18,768,969	(1,438,253)	4,470,046	3,712,769	(757,277)	8,221,202	6,715,539	(1,505,663)	2,940,249	2,379,057	(561,192)
Expenditures												
Current:												
Instruction	4,194,061	3,529,127	664,934	2,746,580	2,675,867	70,713	6,372,120	5,510,232	861,888	759,881	759,881	—
Building service	—	—	—	500	353	147	—	—	—	—	—	—
Instructional support	5,601,511	5,633,971	(32,460)	1,000,000	536,975	463,025	—	—	—	—	—	—
Noninstructional support	—	—	—	—	—	—	—	—	—	—	—	—
Transportation	709,381	419,295	290,086	—	—	—	1,778,002	1,297,743	480,259	1,500	1,500	—
Food and community services	8,359,468	8,173,968	185,500	658,033	520,788	137,245	—	—	—	1,859,132	1,298,253	560,879
Capital outlay	1,342,801	1,093,862	248,939	64,933	64,293	640	71,080	71,060	20	319,736	319,423	313
Total Expenditures	20,207,222	18,850,223	1,356,999	4,470,046	3,798,276	671,770	8,221,202	6,879,035	1,342,167	2,940,249	2,379,057	561,192
Deficiency Of Expenditures												
Over Revenues	—	(81,254)	(81,254)	—	(85,507)	(85,507)	—	(163,496)	(163,496)	—	—	—
Other Financing Sources												
Transfers in	—	81,254	81,254	—	85,507	85,507	—	163,496	163,496	—	—	—
Total Other Financing Sources	—	81,254	81,254	—	85,507	85,507	—	163,496	163,496	—	—	—
Net Change In Fund Balance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**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, 2017**

	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)
Revenues												
Local:												
Investment income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,935	\$ 1,935	\$ —	\$ —	\$ —
Other	—	—	—	—	—	—	991,978	448,463	(543,515)	—	—	—
State:												
Categorical aid	—	—	—	—	—	—	120,908	120,908	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	234,153	156,375	(77,778)
Federal	8,088,319	7,345,861	(742,458)	77,083	76,553	(530)	—	—	—	7,020,883	6,427,292	(593,591)
Total Revenues	8,088,319	7,345,861	(742,458)	77,083	76,553	(530)	1,112,886	571,306	(541,580)	7,255,036	6,583,667	(671,369)
Expenditures												
Current:												
Instruction	7,558,459	7,300,388	258,071	76,553	76,553	—	—	—	—	4,751,294	4,450,314	300,980
Building service	—	—	—	—	—	—	—	—	—	4,671	—	4,671
School administration	—	—	—	—	—	—	—	—	—	784	784	—
Instructional support	21,631	15,796	5,835	—	—	—	—	—	—	1,039,267	845,299	193,968
Noninstructional support	477,835	—	477,835	—	—	—	—	—	—	766,489	744,043	22,446
Transportation	717	—	717	—	—	—	3,784	3,784	—	262,195	176,588	85,607
Food and community services	—	—	—	530	—	530	918,194	512,766	405,428	248,061	207,855	40,206
Capital outlay	29,677	29,677	—	—	—	—	70,000	—	70,000	182,275	158,784	23,491
Total Expenditures	8,088,319	7,345,861	742,458	77,083	76,553	530	991,978	516,550	475,428	7,255,036	6,583,667	671,369
Net Change In Fund Balance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 120,908	\$ 54,756	\$ (66,152)	\$ —	\$ —	\$ —

**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, 2017**

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Current taxes	\$ 25,810,053	\$ 23,647,965	\$ (2,162,088)
Delinquent taxes	1,571,914	1,321,850	(250,064)
Investment income	307,800	306,948	(852)
Other	50,000	49,838	(162)
County	568,959	461,311	(107,648)
Total Revenues	28,308,726	25,787,912	(2,520,814)
Expenditures			
Current:			
Noninstructional support	8,000	3,508	4,492
Debt service:			
Principal retirement	19,681,892	19,640,000	41,892
Interest charges	9,063,968	8,801,028	262,940
Total Expenditures	28,753,860	28,444,536	309,324
Net Change In Fund Balance	\$ (445,134)	\$ (2,656,624)	\$ (2,211,490)

**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, 2017**

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ —	\$ 5,333	\$ 5,333
Other	—	648,020	648,020
Total Revenues	—	653,353	653,353
Expenditures			
Current:			
Building service	1,827,800	1,458,864	368,936
Noninstructional support	392,040	355,640	36,400
Capital outlay	275,000	169,353	105,647
Total Expenditures	2,494,840	1,983,857	510,983
Excess (Deficiency) Of Revenues Over Expenditures	(2,494,840)	(1,330,504)	1,164,336
Other Financing Sources			
Transfers in	1,487,601	487,177	(1,000,424)
Proceeds from sale of capital assets	500,000	336,088	(163,912)
Total Other Financing Sources	1,987,601	823,265	(1,164,336)
Net Change In Fund Balance	\$ (507,239)	\$ (507,239)	\$ —

**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
VOCATIONAL EDUCATION FUND
For The Year Ended June 30, 2017**

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ 1,742	\$ 1,742	\$ —
Net Change In Fund Balance	\$ 1,742	\$ 1,742	\$ —

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

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUND - AGENCY FUND
For The Year Ended June 30, 2017**

	Balance - July 1, 2016	Additions	Deductions	Balance - June 30, 2017
Assets				
Cash and short-term investments	\$ 22,128,904	\$ 83,886,440	\$ 82,866,092	\$ 23,149,252
Liabilities				
Accounts payable	\$ 536,778	\$ 608,435	\$ 536,778	\$ 608,435
Deposits and escrow funds	20,860,262	74,148,534	73,133,718	21,875,078
Unexpended grant balances	731,864	16,502	82,627	665,739
Total Liabilities	\$ 22,128,904	\$ 74,773,471	\$ 73,753,123	\$ 23,149,252

**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, 2017

	Special Revenue								Total
	General	Teachers	School Lunchroom	Student Health Fund	Federal	Debt Service	Capital Projects	Foundation And Permanent Funds	
Local:									
Current Taxes:									
Real property	\$ 126,633,308	\$ —	\$ —	\$ —	\$ —	\$ 17,454,078	\$ —	\$ —	\$ 144,087,386
Personal property	33,748,895	—	—	—	—	4,658,098	—	—	38,406,993
Surplus commissions	1,924,685	—	—	—	—	265,649	—	—	2,190,334
Merchant and manufacturers	7,230,461	—	—	—	—	997,964	—	—	8,228,425
Financial institution	1,971,974	—	—	—	—	272,176	—	—	2,244,150
Surcharge	17,505,546	—	—	—	—	—	—	—	17,505,546
Sales tax	27,540,235	—	—	—	—	—	—	—	27,540,235
Sales tax-Prop C	—	24,486,943	—	—	—	—	—	—	24,486,943
Delinquent taxes	7,980,900	—	—	—	—	1,321,850	—	—	9,302,750
Investment income (loss)	279,156	—	—	—	1,935	305,385	7,075	(583,915)	9,636
Other:									
Interest and protested taxes	11,322	—	—	—	—	1,563	—	—	12,885
Tuition	—	—	—	—	448,463	—	—	—	448,463
School Lunch Program	—	—	211,285	—	—	—	—	—	211,285
School Lunch Nonprogram	25,570	—	177,722	—	—	—	—	—	203,292
Indirect costs recovered	671,329	—	—	—	—	—	—	—	671,329
Sundry	2,257,724	—	43,527	—	—	49,838	648,020	3,258,216	6,257,325
Total local	227,781,105	24,486,943	432,534	—	450,398	25,326,601	655,095	2,674,301	281,806,977
County:									
Fines and forfeitures	—	216,996	—	—	—	—	—	—	216,996
Utility and railroad taxes	3,342,294	—	—	—	—	461,311	—	—	3,803,605
Total county	3,342,294	216,996	—	—	—	461,311	—	—	4,020,601

**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, 2017

	Special Revenue					Debt Service	Capital Projects	Foundation And Permanent Funds	Total
	General	Teachers	Reimbursable School Lunchroom	Student Health Fund	Federal				
State:									
Basic formula	\$ —	\$ 35,689,505	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 35,689,505
Categorical aid:									
Transportation	3,500,484	—	—	—	—	—	—	—	3,500,484
Exceptional pupil	—	—	—	—	5,933,652	—	—	—	5,933,652
Free and reduced	8,459,803	—	—	—	—	—	—	—	8,459,803
Vocational aid	—	123,376	—	—	120,908	—	—	—	244,284
School lunch program	—	—	120,945	—	—	—	—	—	120,945
Other	1,348,163	—	7,270	—	381,900	—	—	679,306	2,416,639
Total state	13,308,450	35,812,881	128,215	—	6,436,460	—	—	679,306	56,365,312
Federal:									
State administered:									
ECIA - Chapter 1	—	—	—	—	18,768,969	—	—	—	18,768,969
Education of the Handicapped Act (Public Law 94-142)	—	—	—	—	7,345,861	—	—	—	7,345,861
National School Breakfast/ Lunch Program	—	—	16,100,545	—	—	—	—	—	16,100,545
Local and direct grants:									
Other	88,808	513,287	—	2,931,988	13,152,033	—	—	42,318	16,728,434
Total federal	88,808	513,287	16,100,545	2,931,988	39,266,863	—	—	42,318	58,943,809
Total Revenues	\$ 244,520,657	\$ 61,030,107	\$ 16,661,294	\$ 2,931,988	\$ 46,153,721	\$ 25,787,912	\$ 655,095	\$ 3,395,925	\$ 401,136,699

Part III - Statistical Section (Unaudited)

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.

Contents	Page
Financial Trends	105 - 111
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.	
Revenue Capacity	112 - 115
These four (4) schedules contain information to help the reader assess the factors affecting the District's current largest own source revenue.	
Debt Capacity	116 - 118
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.	
Demographic And Economic Information	119 - 120
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.	
Operating Information	121 - 124
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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 263,556,865	\$ 243,534,249	\$ 220,741,507	\$ 198,696,409	\$ 183,591,491	\$ 161,497,960	\$ 147,191,285	\$ 143,933,444	\$ 136,820,380	\$ 127,830,747
Restricted:										
Capital Projects	104,247,119	131,137,630	119,455,742	122,361,425	60,638,297	36,843,180	38,561,927	26,549,995	5,783,606	5,112,508
Debt service	29,126,080	29,395,789	28,138,082	32,191,615	32,435,384	34,808,230	31,194,471	29,473,576	28,193,248	25,494,954
Desegregation settlement programs	—	—	—	—	—	10,961,282	—	1,623,447	16,982,956	11,094,358
Endowments, nonexpendable	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344
Unrestricted	(8,709,789)	(61,481,909)	(66,217,293)	(53,164,655)	14,633,602	20,679,302	21,863,913	(143,300,568)	(150,456,733)	(147,073,568) (1)
Total primary government net position	\$ 388,572,619	\$ 342,938,103	\$ 302,470,382	\$ 300,437,138	\$ 291,651,118	\$ 265,142,298	\$ 239,163,940	\$ 58,632,238	\$ 37,675,801	\$ 22,811,343

(1) GASB 68, Pension Liability was implemented in 2015.

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities										
Instruction	\$ 227,778,768	\$ 229,680,393	\$ 224,146,573	\$ 212,515,070	\$ 207,895,286	\$ 213,811,656	\$ 204,035,308	\$ 199,844,051	\$ 201,529,250	\$ 220,835,851
Building Service	50,587,419	48,234,478	61,923,729	45,437,217	35,400,040	49,988,321	42,441,240	39,799,722	44,823,673	42,131,729
Administration	47,188,728	47,952,938	41,716,823	29,993,491	32,715,917	34,305,350	40,387,519	33,504,175	39,618,463	34,081,716
Instructional support	48,569,976	38,310,839	34,492,445	36,067,256	35,509,506	36,045,545	42,964,336	34,152,869	32,044,884	29,243,134
Noninstructional support	19,255,920	19,028,351	26,292,783	13,009,401	15,407,490	29,100,933	22,177,539	19,351,585	16,794,147	16,391,456
Transportation	32,026,184	29,334,971	29,496,425	22,822,432	22,203,156	22,719,483	22,857,795	24,981,686	24,409,439	25,264,106
Food and community service	21,339,991	20,005,532	20,208,582	19,324,339	19,750,891	21,599,028	22,842,317	36,185,288	37,320,604	34,524,224
Interest charges	11,416,294	11,475,002	11,583,276	11,060,829	12,683,830	11,448,067	10,700,832	10,177,771	9,191,546	9,126,528
Total primary government expenses	458,163,280	444,022,504	449,860,636	390,230,035	381,566,116	419,018,383	408,406,886	397,997,147	405,732,006	411,598,744
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	392,824	295,200	—	—	—	24,098	—	—	390,527	1,986
Food and community service	2,185,103	2,168,631	1,872,758	1,459,337	1,460,577	929,995	714,313	577,878	242,462	667,014
Total charges for services	2,577,927	2,463,831	1,872,758	1,459,337	1,460,577	954,093	714,313	577,878	633,778	669,000
Operating grants and contributions:										
Instruction	52,387,142	48,838,515	59,988,926	58,794,013	51,766,739	51,589,365	47,619,764	44,625,982	38,349,087	39,093,105
Building services	132,481	259,749	16,180	189,615	1,160,971	219,281	213,410	541,656	515,247	305,847
Administration	6,093,616	8,124,836	5,742,176	5,345,111	4,519,472	2,916,395	4,567,848	565,258	3,538,266	398,456
Instructional support	16,228,413	11,175,763	16,333,786	16,919,388	16,514,157	13,995,306	15,746,577	11,497,210	10,148,405	8,787,182
Noninstructional support	2,731,852	870,476	1,246,508	3,951,776	1,037,419	419,381	579,894	1,420,093	3,727,693	2,301,576
Transportation	13,227,467	12,118,877	7,362,660	5,785,437	5,014,063	5,168,502	5,287,367	8,024,136	7,266,111	6,401,350
Food and community service	16,138,309	15,673,847	17,101,032	16,154,035	17,182,516	18,737,822	22,056,457	28,590,992	28,480,856	26,797,423
Total operating grants and contributions	106,939,280	97,062,063	107,791,268	107,139,375	97,195,337	93,046,052	96,071,317	95,265,328	92,025,665	84,084,939
Capital grants and contributions										
Instruction	11,808,786	10,939,745	9,273,710	921,159	641,933	926,359	402,309	3,732,745	4,844,474	1,836,885
Total primary government program revenue	121,325,993	110,465,639	118,937,736	109,519,871	99,297,847	94,926,504	97,187,939	99,575,951	97,503,917	86,590,824
Total primary government net expense	\$ (336,837,287)	\$ (333,556,865)	\$ (330,922,900)	\$ (280,710,164)	\$ (282,268,269)	\$ (324,091,879)	\$ (311,218,947)	\$ (298,421,196)	\$ (308,228,089)	\$ (325,007,920)

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 POSITION
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Total primary government net expense	\$ (336,837,287)	\$ (333,556,865)	\$ (330,922,900)	\$ (280,710,164)	\$ (282,268,269)	\$ (324,091,879)	\$ (311,218,947)	\$ (298,421,196)	\$ (308,228,089)	\$ (325,007,920)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes levied for:										
General purposes	150,134,808	154,627,840	154,526,449	158,349,365	160,442,394	173,134,850	164,645,342	166,184,530	166,764,750	197,535,701
Debt service	26,660,677	26,915,994	26,375,224	26,418,051	24,681,140	25,891,679	24,857,383	24,885,346	24,953,995	24,969,815
Sales taxes	54,779,955	47,686,826	44,330,464	45,676,880	44,853,111	44,471,936	50,635,946	52,211,429	53,169,188	52,027,178
Unrestricted federal and state aid	91,901,405	71,833,520	61,255,667	39,900,358	38,109,006	47,513,223	40,662,390	42,788,585	39,645,537	35,332,610
Investment earnings	7,175,352	1,329,434	831,077	2,118,690	855,231	717,535	981,363	(722,376)	1,089,267	22,520
Other revenues	9,351,258	4,656,391	6,146,928	5,869,172	4,541,367	5,853,836	5,674,276	7,087,868	3,896,134	5,195,158
Total primary government	340,003,455	307,050,005	293,465,809	278,332,516	273,482,249	297,583,059	287,456,700	292,435,382	289,518,871	315,082,982
Change in Net Position	3,166,168	(26,506,860)	(37,457,091)	(2,377,648)	(8,786,020)	(26,508,820)	(23,762,247)	(5,985,814)	(18,709,218)	(9,924,938)
Prior Period Adjustment	—	(22,022,596)	(1,677,588)	1,906,302	—	—	—	—	(2,247,216)	(4,939,523)
Change in Accounting Principle	—	—	—	—	—	—	—	—	—	—
Change In Net Position - Primary Government	\$ 3,166,168	\$ (48,529,456)	\$ (39,134,679)	\$ (471,346)	\$ (8,786,020)	\$ (26,508,820)	\$ (23,762,247)	\$ (5,985,814)	\$ (20,956,434)	\$ (14,864,461)

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 637,350	\$ 637,350	\$ 131,985	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved	(12,569,876)	(45,387,598)	(65,697,010)	—	—	—	—	—	—	—
Nonspendable	—	—	—	139,025	312,484	365,599	407,948	852,735	438,461	—
Restricted	—	—	—	—	8,589,574	10,961,282	—	1,623,447	3,679,872	4,299,859
Unassigned	—	—	—	(54,661,562)	3,278,736	17,905,297	25,063,678	18,418,132	19,170,299	49,235,017
Total general fund	\$ (11,932,526)	\$ (44,750,248)	\$ (65,565,025)	\$ (54,522,537)	\$ 12,180,794	\$ 29,232,178	\$ 25,471,626	\$ 20,894,314	\$ 23,288,632	\$ 53,534,876
All Other Governmental Funds										
Reserved	\$ 70,528,906	\$ 69,730,172	\$ 67,565,297	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unreserved, reported in:										
Capital projects funds	82,103,294	91,345,911	94,025,010	—	—	—	—	—	—	—
Debt service	—	—	—	—	—	—	—	—	—	—
Special revenue funds	4,278,034	4,066,649	1,113,996	—	—	—	—	—	—	—
Nonspendable	—	—	—	36,858,401	352,344	352,344	352,344	352,344	352,344	352,344
Restricted	—	—	—	190,490,702	202,463,450	125,755,029	86,226,151	59,225,438	47,391,540	37,555,233
Assigned	—	—	—	926,175	814,209	1,966,068	3,766,708	5,367,214	2,658,516	2,639,221
Total all other governmental funds	\$ 156,910,234	\$ 165,142,732	\$ 162,704,303	\$ 228,275,278	\$ 203,630,003	\$ 128,073,441	\$ 90,345,203	\$ 64,944,996	\$ 50,402,400	\$ 40,546,798

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Federal sources:										
Federal grants	\$ 66,354,616	\$ 60,345,261	\$ 98,466,970	\$ 91,011,064	\$ 72,495,756	\$ 69,914,888	\$ 66,754,939	\$ 68,382,240	\$ 64,955,725	\$ 58,943,809
State sources:										
Minimum guarantee	92,829,702	72,559,111	44,468,613	33,331,874	38,493,945	47,993,155	41,073,121	43,220,793	40,045,997	35,689,505
Categorical aid	30,438,550	25,400,729	21,066,501	18,820,621	20,019,444	18,735,282	21,634,247	20,816,533	19,172,451	18,259,168
Other	13,714,334	15,302,753	10,817,354	1,085,653	590,119	1,770,065	3,361,239	3,693,977	4,025,501	2,416,639
Total state sources	136,982,586	113,262,593	76,352,468	53,238,148	59,103,508	68,498,502	66,068,607	67,731,303	63,243,949	56,365,312
Local sources:										
Current taxes	223,483,208	219,993,681	215,246,084	222,118,852	218,417,488	232,685,796	230,247,415	233,221,227	236,080,339	264,690,012
Delinquent taxes	8,946,733	7,980,308	11,106,895	10,745,965	7,584,647	12,291,375	10,593,578	10,597,830	9,449,872	9,302,750
Interest	7,175,351	1,291,877	623,239	2,110,230	855,231	717,324	981,363	(722,376)	1,089,266	22,521
Other	12,242,826	9,981,067	8,509,612	7,674,155	7,569,998	7,398,999	6,882,512	9,443,264	8,607,935	7,791,694
Total local sources	251,848,118	239,246,933	235,485,830	242,649,202	234,427,364	253,093,494	248,704,868	252,539,945	255,227,412	281,806,977
County sources	3,170,640	3,366,619	3,301,623	3,501,022	3,761,731	3,816,264	3,818,547	3,934,366	4,187,338	4,020,601
Total revenues	\$ 458,355,960	\$ 416,221,406	\$ 413,606,891	\$ 390,399,436	369,788,359	\$ 395,323,148	\$ 385,346,961	\$ 392,587,854	\$ 387,614,424	\$ 401,136,699

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction	\$ 206,120,807	\$ 209,185,315	\$ 208,547,473	\$ 198,025,082	\$ 190,869,698	\$ 196,091,503	\$ 184,367,041	\$ 184,337,765	\$ 171,860,832	\$ 167,562,215
Building service	42,215,152	42,175,149	45,469,575	43,924,937	52,054,542	54,738,848	35,711,266	35,120,425	37,290,219	37,955,593
Administration	46,599,038	47,415,902	40,272,984	30,648,641	32,915,195	34,510,541	33,875,490	39,097,293	39,596,739	33,630,536
Instructional support	45,692,225	42,512,402	36,452,206	35,843,736	34,202,964	35,476,531	38,097,954	33,756,468	32,299,389	32,729,579
Noninstructional support	19,121,357	21,177,316	19,248,981	17,196,329	19,975,616	20,921,691	24,771,470	21,959,258	19,401,899	16,366,203
Transportation	31,949,846	29,115,240	29,119,856	22,730,117	22,132,643	22,644,514	22,856,679	24,981,196	24,409,099	25,214,974
Food and community service	21,307,018	19,974,360	20,162,449	19,295,949	19,732,371	21,580,355	22,824,630	36,167,484	37,302,947	34,475,107
Capital outlay	13,742,072	42,521,234	6,576,531	5,487,694	5,567,318	41,449,414	37,596,787	19,891,584	10,850,229	5,042,998
Debt service:										
Principal retirement	13,907,325	14,342,645	14,541,805	13,752,000	14,245,000	15,925,000	16,735,000	17,685,000	18,640,000	19,640,000
Interest charges	9,868,372	8,950,787	9,912,027	9,843,329	11,118,858	9,631,735	9,999,434	9,568,896	8,584,241	8,801,028
Bond issuance costs	—	390,986	—	588,461	646,566	661,336	—	—	261,861	—
Payments to escrow agent	—	4,927,979	4,878,622	—	—	—	—	—	—	—
Total expenditures	\$ 450,523,212	\$ 482,689,315	\$ 435,182,509	\$ 397,336,275	\$ 403,460,771	\$ 453,631,468	\$ 426,835,751	\$ 422,565,369	\$ 400,497,455	\$ 381,418,233

Debt service as a percentage of noncapital expenditures	5.4%	5.3%	5.7%	6.0%	6.8%	6.6%	7.4%	7.3%	7.5%	8.2%
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Note: Capital outlay is stated on a fund basis and is not included in the percentage above.

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Excess of revenues over/(under) expenditures	\$ 7,832,748	\$ (66,467,909)	\$ (21,575,618)	\$ (6,936,839)	\$ (33,672,412)	\$ (58,308,320)	\$ (41,488,790)	\$ (29,977,515)	\$ (12,883,031)	\$ 19,718,466
Other Financing Sources (Uses)										
Operating transfers in	87,280,789	77,214,803	79,109,989	85,958,357	155,948,464	112,739,619	125,283,079	116,802,067	95,560,645	103,919,952
Operating transfers out	(87,280,789)	(77,214,803)	(79,109,989)	(85,958,357)	(155,948,464)	(112,739,619)	(125,283,079)	(116,802,067)	(95,560,645)	(103,919,952)
Proceeds from G.O. bonds	—	39,295,000	—	81,644,000	79,455,000	—	—	—	—	—
Payment to refunding escrow agent	(5,680,000)	—	—	—	(6,263,382)	(77,296,756)	—	—	(26,603,386)	—
Premium on issuance of bonds	—	1,837,685	—	—	2,538,850	8,520,206	—	—	3,335,053	—
Proceeds from sale of capital assets	893,877	—	—	—	—	—	—	—	2,715,302	672,176
Proceeds from refunding bonds	—	—	—	—	—	68,579,695	—	—	23,535,000	—
Total other financing sources (uses)	(4,786,123)	41,132,685	—	81,644,000	75,730,468	(196,855)	—	—	2,981,969	672,176
Net change in fund balance	3,046,625	(25,335,224)	(21,575,618)	74,707,161	42,058,056	(58,505,175)	(41,488,790)	(29,977,515)	(9,901,062)	20,390,642
Prior period adjustment	—	750,000	—	1,906,302	—	—	—	—	(2,247,216)	—
Adjusted net change in fund balance	\$ 3,046,625	\$ (24,585,224)	\$ (21,575,618)	\$ 76,613,463	\$ 42,058,056	\$ (58,505,175)	\$ (41,488,790)	\$ (29,977,515)	\$ (12,148,278)	\$ 20,390,642

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		Total Assessed Value	Actual Value			Total Taxable Value	Total Direct Rate (1)
			Residential Property	Personal Property	Commercial Property		
2008	\$	4,289,134,632	\$ 10,268,651,237	\$ 3,913,332,358	\$ 3,230,553,819	\$ 17,412,537,414	3.7533
2009		4,250,211,130	10,111,094,805	3,785,402,397	3,335,714,056	17,232,211,258	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	17,677,525,976	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
2013		4,160,066,572	9,594,228,426	2,987,625,470	4,191,836,256	16,773,690,152	4.4071
2014		3,937,987,680	8,548,034,232	2,975,400,375	4,131,750,722	15,655,185,328	4.3711
2015		4,210,986,731	9,154,646,016	3,141,170,078	4,452,037,503	16,747,853,597	4.3711
2016		4,273,669,654	9,410,085,374	3,177,934,782	4,457,961,781	17,045,981,937	4.3711
2017		4,224,304,398	9,591,993,926	2,881,956,373	4,503,967,166	16,977,917,465	5.1211

(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			Overlapping Rates										
	General Purposes	Capital Purposes	Debt Purposes	Total	State Blind Person	St. Louis Community College	MSD	Sheltered Workshop Dist.	St. Louis Public Library	Comm. Mental Health	Comm. Child Serv Fund	Senior Services	Zoo and Museum District	City of St. Louis
2008	3.1322	0.000	0.6211	\$3.7533	0.030	0.200	0.067	0.128	0.477	0.077	0.175	0.000	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	0.000	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	0.000	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	0.000	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	0.000	0.267	1.469
2013	3.7860	0.000	0.6211	\$4.4071	0.030	0.220	0.082	0.146	0.581	0.088	0.190	0.000	0.268	1.485
2014	3.7500	0.000	0.6211	\$4.3711	0.030	0.220	0.087	0.150	0.560	0.090	0.190	0.000	0.280	1.609
2015	3.7500	0.000	0.6211	\$4.3711	0.030	0.220	0.088	0.150	0.560	0.090	0.190	0.000	0.280	1.606
2016	3.7500	0.000	0.6211	\$4.3711	0.030	0.218	0.088	0.150	0.560	0.090	0.190	0.000	0.278	1.616
2017	4.5000	0.000	0.6211	\$5.1211	0.030	0.219	0.120	0.150	0.560	0.090	0.190	0.280	0.280	1.623

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 2016			Calendar Year 2007		
	Taxable Assessed Value	Rank	Percentage Of Assessed Value	Taxable Assessed Value		Percentage Of Assessed Value
Utilities	\$ 96,658,000	1	2.24%	\$ 82,609,000	2	1.94%
Gaming	73,981,000	2	1.71%	—		
Financial Services	65,481,000	3	1.52%	28,276,000	7	0.66%
Manufacturing	64,575,000	4	1.49%	92,645,000	1	2.17%
Telecommunications	55,657,000	5	1.29%	62,924,000	3	1.48%
Utilities	50,672,000	6	1.17%	28,777,000	6	0.67%
Property Management	34,614,000	7	0.80%	—		
Property Management	30,629,000	8	0.71%	25,652,000	10	0.60%
Retail	26,876,000	9	0.62%	—		
Manufacturing	22,961,000	10	0.53%	26,701,000	9	0.63%
Financial Services				39,119,000	4	0.92%
Property Management				29,856,000	5	0.70%
Financial Services				27,427,000	8	0.64%
Total	\$ 522,104,000		12.08%	\$ 443,986,000		10.41%

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.

**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**

Fiscal Year	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year Of The Levy		Collection In Subsequent Years	Total Collections to Date	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
2008	\$ 160,984,090	\$ 145,188,991	90.19%	\$ 9,557,084	\$ 154,746,075	96.13%
2009	161,627,029	148,434,501	91.84%	13,192,528	161,627,029	100.00%
2010	168,287,844	160,525,095	95.39%	7,762,749	168,287,844	100.00%
2011	175,297,191	162,648,139	92.78%	10,524,095	173,172,234	98.79%
2012	173,023,805	162,483,083	93.91%	10,540,722	173,023,805	100.00%
2013	183,338,294	174,974,825	95.44%	8,363,469	183,338,294	100.00%
2014	172,133,379	166,047,312	96.46%	6,086,067	172,133,379	100.00%
2015	184,066,441	168,779,538	91.69%	8,046,153	176,825,691	96.07%
2016	186,806,374	170,337,074	91.18%	4,979,584	175,316,659	93.85%
2017	216,330,853	199,230,819	92.10%	—	199,230,819	92.10%

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)
2008	\$ 206,263,624	\$ —	\$ 1,076,087	\$ —	\$ 207,339,711	1.98	\$ 644	0.0120
2009	227,414,211	—	588,442	—	228,002,653	2.09	715	0.0131
2010	210,450,885	—	281,637	—	210,732,522	1.84	662	0.0119
2011	273,832,723	—	—	—	273,832,723	2.51	859	0.0164
2012	333,567,457	—	—	—	333,567,457	2.93	1,046	0.0199
2013	316,519,616	—	—	—	316,519,616	2.67	995	0.0202
2014	309,082,988	—	—	—	309,082,988	2.54	971	0.0185
2015	293,162,485	—	—	—	293,162,485	2.35	924	0.0172
2016	277,525,956	—	—	—	277,525,956	2.11	879	0.0163
2017	259,982,936	—	—	—	259,982,936	2.03	835	0.0153

Notes:

- (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, 2017**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Board of Education City of St. Louis (1); General Obligation Debt	\$ 285,477,890	100%	\$ 285,477,890
Metropolitan St. Louis Sewer District (2)	1,400,884,000	9.32% *	130,551,000
St. Louis Public Library (3)	50,000,000	100.00%	50,000,000
Junior College District of St. Louis (4)	<u>17,665,000</u>	18.63% *	<u>3,291,000</u>
Subtotal Overlapping Debt	<u>1,754,026,890</u>		<u>469,319,890</u>
City of St. Louis Direct Debt (5)	<u>952,777,000</u>	100%	<u>952,777,000</u>
Subtotal Direct Debt	<u>952,777,000</u>		<u>952,777,000</u>
Total Direct and Overlapping Debt	<u><u>\$ 2,706,803,890</u></u>		<u><u>\$ 1,422,096,890</u></u>

Sources: (1) Board of Education City of St. Louis
(2) Metropolitan St. Louis Sewer District
(3) St. Louis Public Library
(4) Junior College District of St. Louis
(5) Notes to Basic Financial Statements

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 2017

Assessed Value	\$ 4,224,304,398
Debt Limit (15% of assessed valuation)	633,645,660
Net debt applicable to limit	<u>259,982,936</u>
Legal debt margin	<u><u>\$ 373,662,724</u></u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 643,370,195	\$ 637,531,670	\$ 648,208,318	\$ 659,590,585	\$ 621,746,658	\$ 624,009,986	\$ 590,698,152	\$ 631,648,010	\$ 641,050,448	\$ 633,645,660
Total net debt applicable to limit	206,263,624	227,414,211	210,450,885	273,832,723	333,567,457	316,519,616	309,082,988	293,162,485	277,525,956	259,982,936
Legal debt margin	<u>\$ 437,106,571</u>	<u>\$ 410,117,459</u>	<u>\$ 437,757,433</u>	<u>\$ 385,757,862</u>	<u>\$ 288,179,201</u>	<u>\$ 307,490,370</u>	<u>\$ 281,615,164</u>	<u>\$ 338,485,525</u>	<u>\$ 363,524,492</u>	<u>\$ 373,662,724</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>32.06%</u>	<u>35.67%</u>	<u>32.47%</u>	<u>41.52%</u>	<u>53.65%</u>	<u>50.72%</u>	<u>52.34%</u>	<u>46.41%</u>	<u>43.29%</u>	<u>41.03%</u>

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	Population	(1) Personal Income (thousands of dollars)	(1) Per Capita Personal Income	(2) Unemployment Rate
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	10,928,301	34,275	8.7%
2011	319,008	11,369,625	35,641	7.8%
2012	318,069	11,842,448	37,232	7.4%
2013	318,416	12,151,780	38,163	7.2%
2014	317,419	12,484,968	39,333	5.7%
2015	315,685	13,142,730	41,632	5.0%
2016	311,404	12,786,566	41,061	4.0%

Notes:

(1) Source: U.S. Bureau of Economic Analysis

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

**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 2016</u>			<u>Calendar Year 2007</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>
BJC Healthcare	18,354	1	3.98%	16,477	1	3.78%
Washington University	16,174	2	3.50%	13,381	2	3.07%
St. Louis University	10,078	3	2.18%	9,399	3	2.16%
City of St. Louis	8,765	4	1.90%	8,682	4	1.99%
Defense Finance & Acct Services	6,508	5	1.41%			
A G Edwards/Wells Fargo	5,418	6	1.17%	4,811	10	1.10%
St. Louis Board of Education	4,940	7	1.07%	5,811	6	1.33%
U.S. Postal Service	4,577	8	0.99%	5,109	8	1.17%
State of Missouri	4,070	9	0.88%	5,052	9	1.16%
SSM Health SLUH	4,070	10	0.88%			
AT&T Services				5,917	5	1.36%
Anheuser Busch				5,164	7	1.19%
Total	82,954		17.96%	79,803		18.31%

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**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Supervisory										
Administrators and Managers	78	169	111	146	164	142	143	145	138	147
Principals	84	78	74	72	72	71	73	72	68	74
Asst. Principals-Nonteaching	64	54	48	23	23	32	34	35	35	31
Total Supervisory	226	301	233	241	259	245	250	252	241	252
Instruction										
Elem. Classroom Teachers	1,331	1,418	1,343	1,050	982	899	1,321	1,280	1,102	1,096
Sec. Classroom Teachers	515	609	593	653	717	733	514	477	418	425
Other Classroom Teachers	412	544	37	36	32	27	80	59	53	60
Total instruction	2,258	2,571	1,973	1,739	1,731	1,659	1,915	1,816	1,573	1,581
Student Services										
Guidance counselors	113	96	87	83	82	76	82	91	85	89
Psychological	32	35	68	22	21	19	22	17	16	15
Librarians, Audio-Visual	70	56	51	33	19	15	14	13	11	11
Consultants/Inst. Supervisors	114	87	—	—	—	—	—	—	—	—
Other Professionals	402	119	114	29	44	54	69	67	77	79
Teacher Aides	574	338	172	361	461	143	575	358	356	381
NLR Teachers	—	—	212	262	238	325	209	326	312	249
Technicians	28	—	—	—	—	—	—	—	—	—
Total Student Services	1,333	731	704	790	865	632	971	872	857	824
Support and Administration										
Clerical/Technical	240	213	194	150	158	161	151	145	139	147
Service Workers	157	326	147	135	338	352	366	366	348	321
Skilled Crafts	8	—	—	—	—	—	—	—	—	—
Unskilled Laborers	1	—	—	—	—	—	—	—	—	—
Total support and Administration	406	539	341	285	496	513	517	511	487	468
Total	4,223	4,142	3,251	3,055	3,351	3,049	3,653	3,451	3,158	3,125

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)**

**LEVEL OF SERVICE
LAST TEN FISCAL YEARS**

Function/activity	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction:										
Student enrollment K-12	27,574	26,108	25,046	23,576	22,516	25,200	24,869	24,154	22,506	21,754
Building services:										
Number of schools	85	88	76	76	76	76	78	76	72	72
Transportation:										
Number of students Transported	22,876	26,784	27,671	26,902	27,506	31,307	30,303	29,838	27,163	25,952

Source: District Records

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

SCHOOL BUILDING INFORMATION

SCHOOL BUILDING INFORMATION					
<i>SCHOOL CODE</i>	<i>Program Capacity</i>	<i>Year</i>	<i>Square Feet</i>	<i>FY 17 Enrollment</i>	
<i>Elementary Schools</i>					
4990	Academy of ES and Math (Carver)-499	277	1956	51,790	238
4000	Adams-400	321	1878	72,800	250
4250	Ames-VPA-425	425	1956	93,712	338
4060	Ashland-406	388	1909	74,146	267
4180	Bryan Hill-418	256	1912	63,991	180
4200	Buder-420	397	1920	64,973	320
4360	Clay CEC-436	222	1905	57,297	140
4400	Cole-440	361	1931	55,233	357
4420	Columbia CEC-442	251	1930	59,663	157
4440	Cote Brilliante-444	286	1904	64,640	138
4470	Dewey International Studies-447	420	1918	59,392	369
4480	Dunbar-448	275	1912	72,784	148
4580	Farragut Accelerated-458	279	1906	65,479	150
4630	Ford CEC-463	352	1964	81,700	229
4660	Froebel-466	350	1895	82,828	258
4730	Gateway Math & Science Elem.-473	542	1995	96,206	482
5520	Gateway-Michael SpEd-552	86	1995	14,640	47
4780	Hamilton CEC-478	364	1918	65,110	288
4880	Henry-488	335	1906	71,645	228
4900	Herzog CEC-490	407	1937	48,231	272
4890	Hickey-489	237	1966	62,222	174
4920	Hodgen-492	398	1884	51,000	203
4960	Humboldt School of Higher Learning-496	314	N/A	74,628	215
5020	Jefferson-502	251	1960	89,976	186
5030	Kennard CJA-503	325	1930	53,151	305
5060	Laclede-506	307	1915	69,020	175
5100	Lexington-510	397	1996	58,554	337
5180	Lyon ABI-518	441	1910	88,397	330
5240	Mallinckrodt ABI-524	297	1940	43,044	255
5260	Mann-526	354	1902	61,983	254
5340	Mason-534	494	1921	67,000	354
5500	Meramec-550	215	1909	45,278	208
5560	Monroe-556	359	1899	48,498	263
5590	Mullanphy-559	448	1915	103,904	363
5610	Nance-561	373	2002	61,000	274
4970	Nahed Chapman New American Academy	560		69,657	308
5600	Oak Hill-560	338	1908	54,531	234
5620	Peabody -562	340	1957	86,866	166
5780	Shaw VPA-CEC-578	439	1908	69,961	382
5800	Shenandoah-580	211	1926	40,344	172
5860	Sigel CEC-586	310	1906	67,605	239
5930	Stix ECC 1-593	475	1921	79,000	300
5960	Walbridge ECC-ACC-596	367	1924	79,077	192
6010	Washington Montessori-601	360	1956	73,849	273
6030	Wilkinson ECC 1-603	302	1920	52,683	145
5970	Woerner-597	410	1932	62,623	409
6120	Woodward-612	406	1922	61,510	306

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

SCHOOL BUILDING INFORMATION (*Continued*)

	<i>Program Capacity</i>	<i>Year</i>	<i>Square Feet</i>	<i>Enrollment</i>	
<i>Middle Schools</i>					
3250	Academy Env't Sci/Math Middle-325	N/A	N/A	180	
3050	Busch-305	379	1953	52,112	357
3070	Carr Lane VPA-307	695	1959	114,191	545
3390	Compton Drew ILC-339	662	1996	92,000	476
3140	Fanning-314	401	1907	81,367	283
3240	Langston-324	317	1964	72,831	182
3260	Long-326	364	1923	71,467	193
1570	McKinley-157	546	1903	115,108	314
2080	Yeatman-Liddell-352	513	1967	77,030	308
<i>Junior Prep Academies</i>					
3230	Gateway Math & Science Preparatory-323	649	1995	133,154	513
<i>Small High Schools</i>					
1500	Carnahan High School of the Future-193	398	2003	73,500	357
1540	Trans & Law Academy @ Northwest-194	709	1964	170,460	314
<i>High Schools</i>					
1680	Roosevelt-168	1,272	1925	294,464	462
1800	Sumner-180	829	1910	170,468	320
1830	Vashon-183	930	2002	240,000	510
1440	Cleveland NJROTC-144	524	1955	104,048	306
1550	College Preparatory - 150	—	N/A	79,950	—
1510	Collegiate School of Medicine/Bioscience-151	130	N/A	16,743	224
1222	Nottingham CAJT-114	140	1953	41,823	138
1860	Central VPA-186 @Southwest Complex	731	1937	143,653	411
1100	Clyde Miller Career Academy-117	1,003	2004	141,000	593
1220	Gateway Stem High-111	1,850	1956	470,891	1,104
1560	Metro A&C-156	381	1997	56,726	340
1730	Soldan International Studies-173	1,056	1909	293,097	574
1570	McKinley Leadership Academy-157	245	1903	51,715	275
<i>Other Schools</i>					
	Blewett	216		90,471	
	Stevens Middle	536		74,846	
1250	Beaumont CTE High School-125	1,243	1926	274,599	575
1015	Griscom-668	N/A	N/A	N/A	22
	Fresh Start @ Sumner	140		80,144	
Total St. Louis Public Schools				21,754	

N/A = NOT AVAILABLE

Source: DESE Website