



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

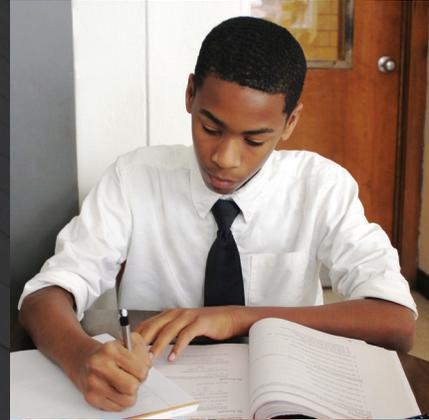
SPECIAL ADMINISTRATIVE BOARD MEMBERS

Rick Sullivan
President/CEO

Melanie Adams
Vice President

Richard K. Gaines
Comprehensive Long Range Planning Chair

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



Share of market activity

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013



***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, 2013



St. Louis, Missouri

Report Submitted by

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

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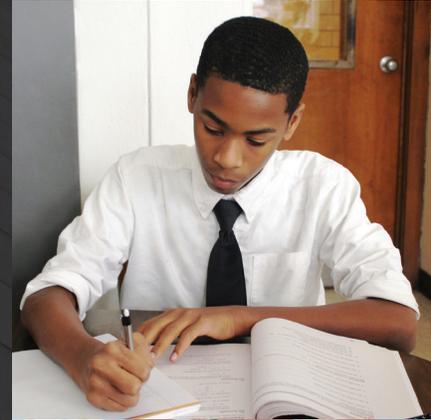
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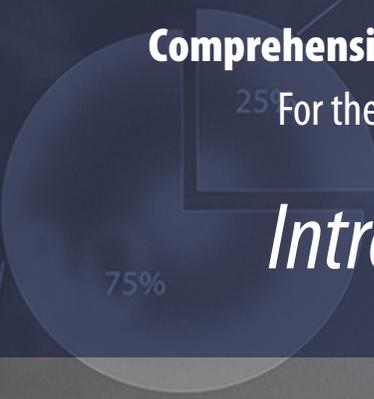
Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013

Introductory Section



Share of market activity



Passive market share





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

December 23, 2013

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, 2013. 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 2012 ASBO Certificate of Excellence and the 2012 GFOA Certificate of Achievement.
2. Financial section: Government-wide financial statements; fund financial statements, supplemental information for combined and individual fund financial statements and schedules; the independent auditors' report on the financial statements; and Management's Discussion and Analysis. It is designed to be an objective and easily readable analysis of the District's financial activities.
3. Statistical section: Unaudited tables of both financial and demographic data. This information is for the purpose of presenting social and economic information, financial trends and fiscal capacity of the District presented on a multi-year basis.

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

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

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

Summary of Accomplishments and Significant Events in Fiscal Year 2012-2013

The following academic initiatives implemented in FY2009-10 continued in FY2012-13 as the backbone to improve time and effort on individual instruction, provide proper and sufficient resources to schools, maintain and improve school buildings for a safe, secure, and modern education: 1) After school programs at every elementary school that provide educational enhancements and health and social services to students, 2) Six independent, themed pilot schools designed to employ innovative school management and instruction techniques to increase student achievement, 3) School Turnaround Intervention Programs for all middle schools and select elementary schools that provide a clear and consistent focus on student achievement, 4) Ten Community Education Full Service Schools that foster collaborative partnerships between the district and community service providers to offer medical, dental, mental health services, and assistance with employment and housing, 5) An Innovative Concept Alternative School to ensure that students who would otherwise be out of school due to suspensions are given the support necessary to achieve academically, 6) A mentoring program for first and second year teachers to improve classroom management and instruction, 7) An International Welcome Center (New American Preparatory Academy) to provide transition services for new international/ESOL students to adapt to public schooling, 8) A partnership with the Zoo Museum District to provide targeted schools with direct access to their educational programs, 9) Facility improvements, funded through a \$155 million bond issue known as Proposition S, approved in August of 2010, will provide facility renovation and upgrades specifically designed to provide a safe and secure school environment, improve academic achievement, and promote a healthy lifestyle for students.

Current Initiatives and Accomplishments

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

For the 2012-13 school year, the District placed a renewed emphasis on a series of initiatives and policies that continue to create higher quality school options and increase academic achievement.

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

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

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

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

School Choice:

- Eighth graders who are not assigned to a magnet or choice high school will have the opportunity to select which of the four comprehensive high schools he/she would like to attend as a freshman in Fall 2013

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

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

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

Year End Audit and Financial Results

The final independent audit for the 2013 fiscal year was completed by RubinBrown LLP in December 2013 and is the basis of the audited financials included in the Financial Section of this CAFR.

The District began the year with a \$12.2 million General Operating fund surplus and ended the year with a \$29.2 million surplus.

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

Profile of Government

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

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

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

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

The District has a total of approximately 4,371 full-time and part-time employees, including approximately 2,008 certified employees, including teachers and principals and approximately 852 classified employees.

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

School Year	Average Daily Attendance
2013	23,372
2012	20,608
2011	20,880
2010	22,754
2009	23,484
2008	24,813

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

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

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

The grade configuration of the District was reorganized in 1980. Prior to that year, the elementary schools served grades K-8 and the secondary schools served grades 9-12. Under the reorganization, middle schools were established for grades 6-8 and elementary schools serve 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 statement. The fiscal condition of the St. Louis Public Schools, which serve the residents of the City of St. Louis, is closely linked to the economic health and population trends of the City of St. Louis and the State of Missouri budgetary constraints. The City's share of regional employment and population has declined since 1985. While the 2010 Census showed that the City had dropped 8.3% in population to 319,294, significant reinvestment in the downtown area of the City over the decade has established a base for the City's future health and growth. In addition, the significant drops previously experienced by the District in student enrollment have slowed recently. In addition, the City's college-educated population is growing. The City ranked #1 in the nation with an 87% increase of those aged 25-34 who have a four-year degree or higher and live within three miles of downtown (USA Today). The St. Louis metro area's unemployment rate at August 2012 was 7.4% compared to 7.8% during 2011. However, downtown St. Louis has weathered the economic change well with over \$4.5 billion of investments since 1999. Downtown St. Louis continues as a major employment center of the region with approximately 90,000 jobs, it has also evolved into a residential center with over 12,000 residents. The District's revenue relies upon successful revitalization of the City, which in turn requires attracting new residents and growing the economic base. Currently underway or just recently completed are such notable projects as: the Peabody Opera House (\$75 million), the Laurel (\$142 million), the Central Library redevelopment (\$79 million), 600 Washington (\$60 million) and the Park Pacific Redevelopment (\$109 million). It should be noted that the average age of the District's facilities are about 75 years. Capital renovation needs are further discussed below.

Desegregation

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

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

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

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

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

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

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

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

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

In addition, one of the provisions called for in Senate Bill 781 was for the voters in the City of St. Louis to approve a city sales tax. On February 2, 1999 the city voters approved a 2/3rd 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 2014 (see additional comments in Note 12).

Capital Renovation Status

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

All of the originally scheduled renovations have been completed.

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

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

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

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

Long-Range Planning

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

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

Internal and Budgetary Controls

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

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

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

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

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

Single Audit

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

As a part of the District's single audit, described above, tests are made to determine the adequacy of internal control, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations. The result of the District's single audit for the fiscal year ended June 30, 2013 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, 2012. This was the 29th consecutive year for the ASBO and 25th 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 2012-2013 fiscal year.

Respectfully Submitted,



Dr. Kelvin Adams
Superintendent of Schools



Leon Fisher
Chief Financial Officer/Treasurer

PRINCIPAL OFFICIALS

Special Administrative Board

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

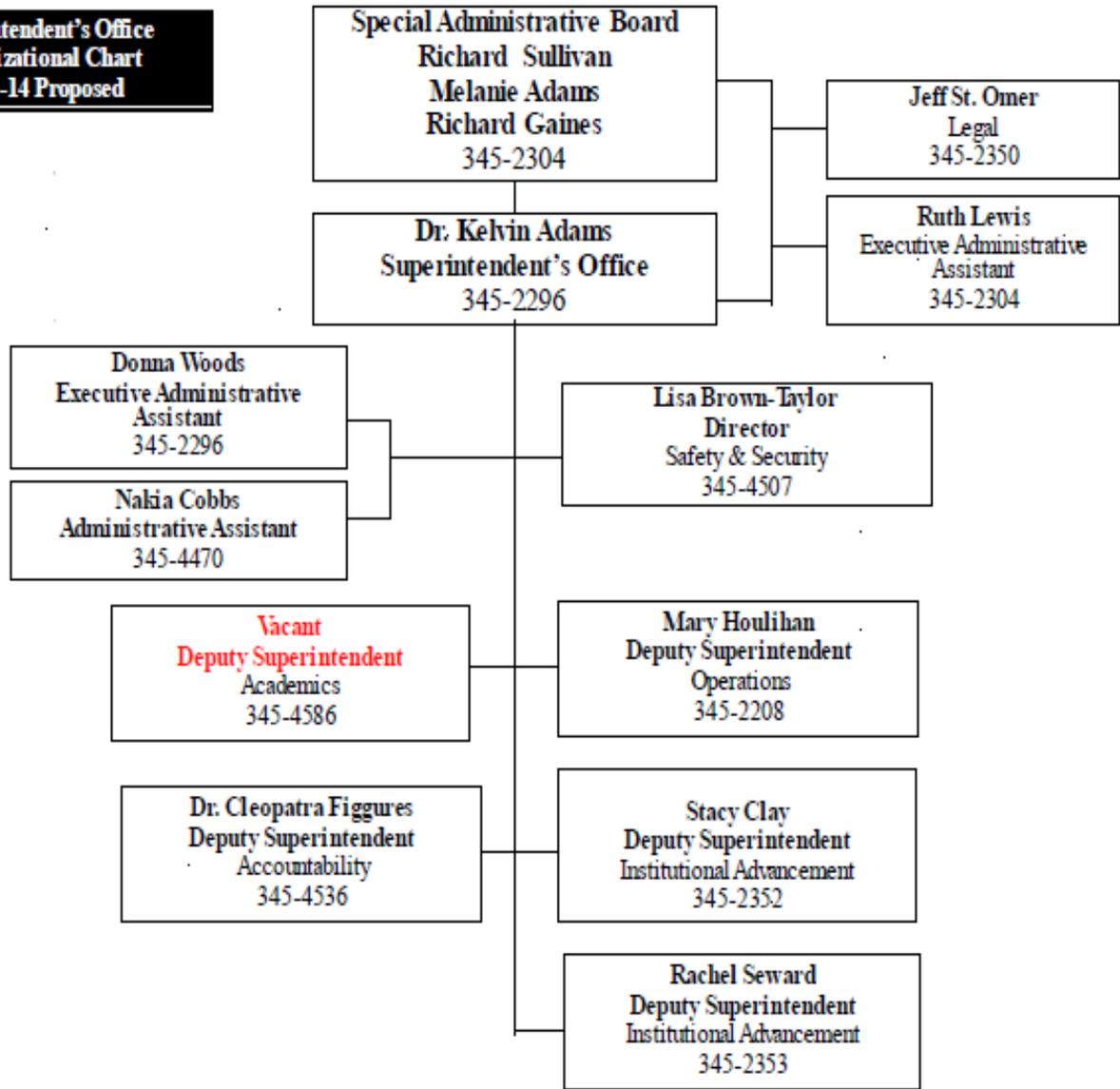
Senior Administration

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

Elected Board

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

**Superintendent's Office
Organizational Chart
2013-14 Proposed**





Government Finance Officers Association

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**Special Administration 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, 2012

Executive Director/CEO

Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
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*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

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



A handwritten signature in cursive script, reading 'Ron McCulley', written over a horizontal line.

Ron McCulley, CPPB, RSBO
President

A handwritten signature in cursive script, reading 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA
Executive Director



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

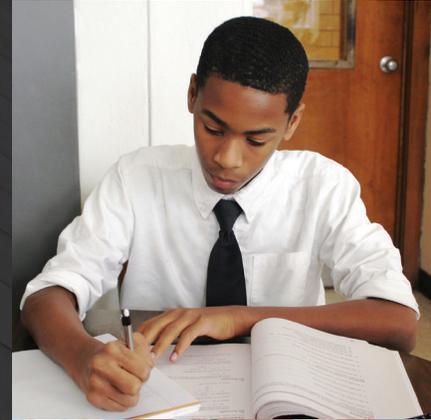
SPECIAL ADMINISTRATIVE BOARD MEMBERS

Rick Sullivan
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Melanie Adams
Vice President

Richard K. Gaines
Comprehensive Long Range Planning Chair

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



10%

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013

Financial Section



Share of market activity



Passive market share



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, 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2013, 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.

Other Matters

Required Supplementary Information

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

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 nonmajor fund financial statements and schedules, and statistical tables 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.

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

The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013 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 23, 2013

**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, 2013**

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, 2013. 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 Desegregation Agreement which provided funding to restore the unrestricted 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, St. Louis Public Schools (SLPS) generated its first unrestricted surplus in nine years, in the amount of \$3.3 million. As of June 30, 2013, unrestricted fund surplus in the Incidental Fund was approximately \$17.9 million, an increase of \$14.6 million over fiscal year 2012.
- In fiscal year 2013, SLPS 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.
- Pooled cash reserves were sufficient enough to provide adequate funds for day-to-day operations. As a result, the District did not use Tax and Revenue Anticipation Notes (TRANS) for the 2012-13 fiscal year.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

The assets for the District exceeded liabilities by \$265.1 million on the government-wide financial statements. Of this amount, there is a positive \$20.7 million in unrestricted net position, compared to \$14.6 million in unrestricted net position in FY 2012. The District's total net position, when compared to fiscal year 2012, decreased by \$26.5 million.

- On the fund financial statements, the net change in fund balances was a negative \$58.5 million as compared to a positive \$42.1 million from fiscal year 2012. This can be attributed to the expenditure of Prop S proceeds in FY 2013, as the financing sources associated with these projects had been recognized in previous years on the fund statements.
- The total fund balance reported for the District's total governmental funds was \$157.3 million, again a decrease of \$58.5 million from the prior year.
- The largest portion of the District's net position reflects an investment of \$161.5 million or 61 percent in capital assets (i.e. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to pay for these liabilities.
- As in prior years, the District continues to monitor the potential for lost revenues as a result of enrollment shifts associated with a transient student population and increasing charter school enrollments.
- The voters of the City of St. Louis at the June 1993 election approved an indefinite waiver of a tax rollback. Assessed valuation of \$4.16 billion represents an increase from the preceding year. The increase was due mainly to increases 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>2012</u>	<u>2013</u>	<u>Change</u>
General fund	\$ 3.5532	\$ 3.7860	\$.2328
Debt service fund	<u>.6211</u>	<u>.6211</u>	<u>.0000</u>
	<u>\$ 4.1743</u>	<u>\$ 4.4071</u>	<u>\$.2328</u>

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

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.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

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.

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.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

Fiduciary Funds

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

Notes to Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

GOVERNMENT-WIDE ANALYSIS

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

Net Position (In Millions)

	Governmental Activities		
	June 30,		
	2012	2013	Change
Assets			
Current and other assets	\$ 283.0	\$ 225.4	\$ (57.6)
Capital assets, net	429.8	456.6	26.8
Total Assets	712.8	682.0	(30.8)
Liabilities			
Current liabilities	41.1	43.0	1.9
Long-term liabilities	380.0	373.9	(6.1)
Total Liabilities	421.1	416.9	(4.2)
Net Position			
Net investment in capital assets	183.6	161.5	(22.1)
Restricted for capital projects	52.1	36.8	(15.3)
Restricted for debt service	32.4	34.8	2.4
Restricted for desegregation settlement program	8.6	11.0	2.4
Restricted for endowments, nonexpendable	0.4	0.3	(0.1)
Unrestricted	14.6	20.7	6.1
Total Net Position	\$ 291.7	\$ 265.1	\$ (26.6)

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,		
	2012	2013	Change
Revenues			
Program Revenues:			
Charges for services	\$ 1.5	\$ 1.0	\$ (0.5)
Operating grants and contributions	97.2	93.0	(4.2)
Capital grants and contributions	0.6	0.9	0.3
Total Program Revenues	99.3	94.9	(4.4)
General Revenues:			
Taxes	230.0	243.5	13.5
Federal and state aid not restricted to specific purposes	38.1	47.5	9.4
Earnings on investments	0.9	0.7	(0.2)
Miscellaneous	4.5	5.9	1.4
Total General Revenues	273.5	297.6	24.1
Total Revenues	372.8	392.5	19.7
Expenses			
Instruction	207.9	213.8	5.9
Building services	35.4	50.0	14.6
School administration	32.7	34.3	1.6
Instructional support	35.5	36.1	0.6
Non-instructional support	15.4	29.1	13.7
Transportation	22.2	22.7	0.5
Food and community services	19.7	21.6	1.9
Interest expense	12.7	11.5	(1.2)
Total Expenses	381.5	419.1	37.6
Change In Net Position	(8.7)	(26.6)	(17.9)
Net Position - Beginning Of Year	300.4	291.7	(8.7)
Net Position - End Of Year	\$ 291.7	\$ 265.1	\$ (26.6)

Total net position for the District decreased \$26.6 million from the prior year due primarily to building repairs, early retirement incentives, impairment losses and other program related expenses. Current and other assets decreased by \$57.6 million. Capital assets increased by \$26.8 million due to the many projects completed through the Prop S Bond Program. Current liabilities increased by \$1.9 million as a result of increases in accounts payable. Total long-term liabilities decreased \$6.1 million, primarily due to refunding of outstanding bonds.

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*, (2) *restricted net position*, and (3) *unrestricted net position*, the third category of net position.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

Under general revenues, federal and state aid not restricted to specific purposes increased by \$9.4 million due to additional student enrollment. Expenses increased by \$37.6 million, of which approximately \$18 million is attributed to depreciation expense.

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, 2013. It also depicts the amount and percentage increases and decreases in relation to prior year revenues and other financial sources from fiscal year 2012.

Revenue Source (In Millions)	2012	2013	Increase	Percentage
	Amount	Amount	(Decrease) Over 2012	(Decrease) Over 2012
Local	\$ 234.4	\$ 253.1	\$ 18.7	8.0
County	3.8	3.8	0.0	0.0
State	59.1	68.5	9.4	15.9
Federal	72.5	69.9	(2.6)	(3.6)
Total	\$ 369.8	\$ 395.3	\$ 25.5	(6.9)

Local and county revenues increased by \$18.7 million primarily due to an allowable one-year increase in the tax levy to recoup lost revenues from protested taxes in previous years. State revenues increased by \$9.4 million or 16% primarily due to the absorption of approximately 2,800 additional students, who formerly attended the Imagine Academy Charter School.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

The following schedule represents a summary of the expenditures for the governmental funds by function for the period ended June 30, 2013. It also depicts the amount and percentage increases and decreases in relation to prior year amounts.

	Expenditures (In Millions)					
	2012	Percent	2013	Percent	Increase	Percentage
	Amount	Of	Amount	Of	(Decrease)	(Decrease)
		Total		Total	From 2012	From 2012
Instruction	\$ 190.9	47.3	\$ 196.1	43.2	\$ 5.2	2.7
Building service	52.1	12.9	54.7	12.1	2.6	5.0
School administration	32.9	8.2	34.5	7.6	1.6	4.9
Instructional support	34.2	8.5	35.5	7.8	1.3	3.8
Non-instructional support	20.0	5.0	21.0	4.6	1.0	5.0
Transportation	22.1	5.5	22.6	5.0	0.5	2.3
Food and community	19.7	4.9	21.6	4.8	1.9	9.6
Capital outlay	5.6	1.4	41.4	9.1	35.8	639.3
Debt service	26.0	6.4	26.2	5.8	0.2	8.0
Total	\$ 403.5	100.0	\$ 453.6	100.0	\$ 50.1	12.4

The District experienced an overall expenditure increase of \$50.1 million from the prior year. This was primarily the result of the capital outlay associated with the Prop S Bond Program. Individual fund information is as follows:

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$17.9 million.

Other Major Funds

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

- The Debt Service Fund revenues exceeded expenditures by \$253,056 in 2013 while revenues exceeded expenditures by only \$39,643 in 2012.
- 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 2013 with a \$31.3 million fund balance.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

- The 2009 air conditioning capital projects fund is used to account for proceeds of general obligation debt primarily for the purpose of providing air conditioning improvement in the schools. Approximately \$2.8 million in capital expenditures were incurred in 2013 which is a decrease in spending of \$0.9 million compared to 2012. The remaining fund balance to be spent is \$2.3 million at June 30, 2013.
- The Proposition "S" Renovation Bond Funds I through IV are used for school renovations. Approximately \$61.4 million in expenditures were incurred in 2013 while \$25.4 million was exhausted for Proposition "S" Renovation Bond projects in 2012. Approximately \$53.9 million in fund balances remain at June 30, 2013. Additional information related to the Proposition "S" bonds can be found in Note 5.
- The Teachers' Fund is supplemented by the General Fund and therefore maintains a zero fund balance.

CAPITAL ASSETS

At June 30, 2013, the District had \$456.6 million invested in a broad range of capital assets, including land, building and improvements, and equipment.

	Primary Government (In Thousands)			
	June 30, 2012 Balance	Additions And Transfers In	Deletions And Transfers Out	June 30, 2013 Balance
Land	\$ 24,550	\$ 119	\$ (52)	\$ 24,617
Construction in progress	16,827	36,595	(13,283)	40,139
Idle and held for sale assets	3,419	1,833	(300)	4,952
Impaired assets	33,621	583	(13,035)	21,169
Building and non-movable equipment	667,840	34,464	(1,833)	700,471
Movable equipment	36,678	186	(87)	36,777
Total Capital Assets	782,935	73,780	(28,590)	828,125
Less: Accumulated depreciation	353,197	18,663	(312)	371,548
Totals	\$ 429,738	\$ 55,117	\$ 28,278	\$ 456,577

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

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

LONG-TERM DEBT

As of June 30, 2013, the District had \$373.9 million in debt compared to \$380.0 million last year. This represents a \$6.1 million decrease in long-term obligations was mainly attributable to the refunding of bonds.

	For The Years Ended June 30,		
	2012	2013	Change
Changes In Long-Term Debt (In Thousands)			
Compensated absences	\$ 1,942	\$ 1,248	\$ (694)
Other postemployment benefits	2,639	2,849	210
Termination benefits	—	7,966	7,966
Claims payable	5,890	6,659	769
Remediation liability	3,499	3,826	327
General obligation school building and refunding bonds	365,459	351,179	(14,280)
Less: Capital appreciation to maturity on bonds	7,403	7,824	421
Deferred amount on refunding	1,232	5,508	4,276
Plus: Unamortized premium on bonds	9,179	13,481	4,302
Totals	\$ 379,973	\$ 373,876	\$ (6,097)

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

BUDGET REQUIREMENTS AND VARIANCES

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

Overall, the final expenditure budget for the general operating budget funds reflect a \$16.7 million increase when compared to the original budget. This increase was primarily due to increases in budgeted costs associated with student instruction and school administration. Actual expenditures were below final budgeted amounts by \$10.3 million.

ST. LOUIS PUBLIC SCHOOLS

Management's Discussion And Analysis (*Continued*)

ECONOMIC OUTLOOK

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

The decline of the District's enrollment has slowed to a level that has produced relatively flat enrollment numbers. In fact, in fiscal year 2013, the enrollment actually increased as a result of the inclusion of students who formerly attended Imagine Academy Charter School. Generally, the positive impact related to State funding currently tracks one to two years behind the current year's enrollment, however, because of the enrollment increase the District was able to seek to move to "current year funding" and thereby was able to realize the revenues associated with the additional students in the fiscal year 2013.

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

REQUEST FOR INFORMATION

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

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

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

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, 2013**

	<u>Governmental Activities</u>
Assets	
Cash and short-term investments	\$ 170,002,580
Investments	14,828,393
Receivables (net):	
Grants	16,707,492
Taxes	18,889,246
Other	2,378,797
Inventories	393,650
Deferred charges	2,216,111
Capital assets:	
Land	24,618,022
Construction in progress	40,138,988
Impaired assets	21,168,679
Depreciable buildings, movable and nonmovable equipment, net	370,651,419
Total Assets	<u>681,993,377</u>
Liabilities	
Accounts payable	32,367,482
Accrued interest	2,431,145
Retainage payable	2,426,810
Unearned revenue	5,749,085
Long-term liabilities:	
Long-term obligations due within one year	26,604,749
Long-term obligations due in more than one year	347,271,808
Total Liabilities	<u>416,851,079</u>
Net Position	
Net investment in capital assets	
Restricted:	161,497,960
Expendable:	
Capital projects	36,843,180
Debt service	34,808,230
Desegregation settlement programs	10,961,282
Endowments, nonexpendable	352,344
Unrestricted	20,679,302
Total Net Position	<u>\$ 265,142,298</u>

**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, 2013**

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	\$ 213,811,656	\$ 24,098	\$ 51,589,365	\$ 926,359	\$ (161,271,834)
Building services	49,988,321	—	219,281	—	(49,769,040)
School administration	34,305,350	—	2,916,395	—	(31,388,955)
Instructional support	36,045,545	—	13,995,306	—	(22,050,239)
Noninstructional support	29,100,933	—	419,381	—	(28,681,552)
Transportation	22,719,483	—	5,168,502	—	(17,550,981)
Food and community services	21,599,028	929,995	18,737,822	—	(1,931,211)
Interest expense	11,448,067	—	—	—	(11,448,067)
Total Governmental Activities	\$ 419,018,383	\$ 954,093	\$ 93,046,052	\$ 926,359	(324,091,879)
General Revenues					
Property taxes levied for:					
General purposes					
					173,134,850
Debt service					
					25,891,679
Sales taxes					
					44,471,936
Federal and state aid not restricted to specific purposes					
					47,513,223
Earnings on investments					
					717,535
Other revenues					
					5,853,836
Total General Revenues					
					297,583,059
Change In Net Position					
					(26,508,820)
Net Position - Beginning Of Year					
					291,651,118
Net Position - End Of Year					
					\$ 265,142,298

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

BALANCE SHEET - GOVERNMENTAL FUNDS

Page 1 Of 2
June 30, 2013

	General	Teachers	Debt Service	Capital Projects								Nonmajor Governmental Funds	Total Governmental Funds
				Building	Vocational Education	Settlement	Conditioning 2009	Air					
								Prop S School Renovation					
								Bond Fund I	Bond Fund II	Bond Fund III	Bond Fund IV		
Assets													
Cash And Investments:													
Cash and short-term investments	\$ 23,461,552	\$ —	\$ 22,754,623	\$ 1,384,773	\$ 516,217	\$ 31,273,881	\$ 2,654,213	\$ 4,372,088	\$ 3,652,172	\$ 20,321,617	\$ 36,508,865	\$ 9,588,917	\$ 156,488,918
Other investments	—	—	—	—	—	—	—	—	—	—	—	5,351,979	5,351,979
Investments held for bonded indebtedness by trustee	—	—	9,476,414	—	—	—	—	—	—	—	—	—	9,476,414
Total Cash And Investments	23,461,552	—	32,231,037	1,384,773	516,217	31,273,881	2,654,213	4,372,088	3,652,172	20,321,617	36,508,865	14,940,896	171,317,311
Receivables:													
Grants	—	9,876	—	—	—	—	—	—	—	—	—	16,512,578	16,522,454
Taxes	22,160,863	—	3,032,421	—	—	—	—	—	—	—	—	—	25,193,284
Other	1,677,185	—	5,867	—	—	—	—	—	—	8,793	9,174	372,425	2,073,444
Total Receivables	23,838,048	9,876	3,038,288	—	—	—	—	—	—	8,793	9,174	16,885,003	43,789,182
Due from other funds	13,860,290	10,410,432	—	—	—	—	—	—	—	—	—	—	24,270,722
Prepaid items	—	—	—	—	—	—	—	—	—	—	—	28,051	28,051
Inventories	365,599	—	—	—	—	—	—	—	—	—	—	—	365,599
Total Assets	\$ 61,525,489	\$ 10,420,308	\$ 35,269,325	\$ 1,384,773	\$ 516,217	\$ 31,273,881	\$ 2,654,213	\$ 4,372,088	\$ 3,652,172	\$ 20,330,410	\$ 36,518,039	\$ 31,853,950	\$ 239,770,865

**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
June 30, 2013

	Capital Projects											Nonmajor Governmental Funds	Total Governmental Funds
	General	Teachers	Debt Service	Building	Vocational Education	Settlement	Conditioning Air 2009	Prop S School Renovation					
								Bond Fund I	Bond Fund II	Bond Fund III	Bond Fund IV		
Liabilities And Fund Balances													
Liabilities:													
Accounts payable	\$ 6,262,497	\$ 10,420,308	\$ —	\$ —	\$ —	\$ —	\$ 294,345	\$ 458,441	\$ 696,684	\$ 4,615,411	\$ 2,768,566	\$ 6,275,821	\$ 31,792,073
Retainage payable	—	—	—	—	—	—	26,193	170,298	209,824	1,365,956	654,539	—	2,426,810
Due to other funds	10,410,432	—	—	—	—	—	—	—	—	—	—	13,860,290	24,270,722
Unearned revenue	—	—	—	—	—	—	—	—	—	—	—	5,749,085	5,749,085
Deferred tax revenues	15,620,382	—	2,606,174	—	—	—	—	—	—	—	—	—	18,226,556
Total Liabilities	32,293,311	10,420,308	2,606,174	—	—	—	320,538	628,739	906,508	5,981,367	3,423,105	25,885,196	82,465,246
Fund Balances:													
Nonspendable													
Inventory	365,599	—	—	—	—	—	—	—	—	—	—	—	365,599
Permanent fund principal	—	—	—	—	—	—	—	—	—	—	—	352,344	352,344
Total Nonspendable	365,599	—	—	—	—	—	—	—	—	—	—	352,344	717,943
Restricted for:													
Bonded indebtedness	—	—	32,663,151	—	—	—	—	—	—	—	—	—	32,663,151
Capital projects	—	—	—	—	516,217	31,273,881	2,333,675	3,743,349	2,745,664	14,349,043	33,094,934	5,035,115	93,091,878
Desegregation settlement programs	10,961,282	—	—	—	—	—	—	—	—	—	—	—	10,961,282
Total Restricted	10,961,282	—	32,663,151	—	516,217	31,273,881	2,333,675	3,743,349	2,745,664	14,349,043	33,094,934	5,035,115	136,716,311
Assigned to:													
School lunchroom	—	—	—	—	—	—	—	—	—	—	—	37,305	37,305
Community development agency	—	—	—	—	—	—	—	—	—	—	—	43,651	43,651
Adult education	—	—	—	—	—	—	—	—	—	—	—	500,339	500,339
Other capital projects	—	—	—	1,384,773	—	—	—	—	—	—	—	—	1,384,773
Total Assigned	—	—	—	1,384,773	—	—	—	—	—	—	—	581,295	1,966,068
Unassigned													
	17,905,297	—	—	—	—	—	—	—	—	—	—	—	17,905,297
Total Fund Balances	29,232,178	—	32,663,151	1,384,773	516,217	31,273,881	2,333,675	3,743,349	2,745,664	14,349,043	33,094,934	5,968,754	157,305,619
Total Liabilities And Fund Balances	\$ 61,525,489	\$ 10,420,308	\$ 35,269,325	\$ 1,384,773	\$ 516,217	\$ 31,273,881	\$ 2,654,213	\$ 4,372,088	\$ 3,652,172	\$ 20,330,410	\$ 36,518,039	\$ 31,853,950	\$ 239,770,865

**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, 2013

Total Fund Balance - Governmental Funds \$ 157,305,619

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 \$828,125,479 and the accumulated depreciation is \$371,548,371. 456,577,108

Some of the District's property taxes and special assessments will be collected after the 60-day availability period and are deferred in the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements, net of allowance for uncollectible amounts. 11,922,517

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. 6,769,665

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. Discounts, premiums and bond issuance costs are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of June 30, 2013 are:

Accrued interest on outstanding debts	(2,431,145)
Bonds and notes payable	(343,354,889)
Unamortized deferred amount on refunding	5,508,050
Unamortized bond issue costs	2,216,111
Unamortized bond premium	(13,481,007)
Accrued compensated absences	(1,248,361)
Other post-employment benefits	(2,848,947)
Remediation liability	(3,826,403)
Early retirement liability	(7,966,020)
	<u>(7,966,020)</u>

Total Net Position - Governmental Activities \$ 265,142,298

**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, 2013**

	Capital Projects											Nonmajor Governmental Funds	Total Governmental Funds	
	General	Teachers	Debt Service	Building	Vocational Education	Settlement	Air	Prop S School Renovation						
							Conditioning 2009	Bond Fund I	Bond Fund II	Bond Fund III	Bond Fund IV			
Revenues														
Local:														
Current taxes	\$ 185,415,940	\$ 23,114,171	\$ 24,155,685	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 232,685,796
Delinquent taxes	10,555,381	—	1,735,994	—	—	—	—	—	—	—	—	—	—	12,291,375
Investment income	111,740	—	162,208	1,420	393	—	1,712	7,936	(10,516)	34,813	68,639	338,979	717,324	
Other	4,116,322	—	10,274	1,383,353	—	—	—	33	—	—	—	1,889,017	7,398,999	
County	3,179,121	230,177	406,966	—	—	—	—	—	—	—	—	—	3,816,264	
State:														
Basic formula	—	47,993,155	—	—	—	—	—	—	—	—	—	—	—	47,993,155
Categorical aid	12,665,704	123,375	—	—	—	—	—	—	—	—	—	5,946,203	18,735,282	
Other	1,141,607	—	—	—	—	—	—	—	—	—	—	628,458	1,770,065	
Federal	2,869,773	542,287	—	—	—	—	—	—	—	—	—	66,502,828	69,914,888	
Total Revenues	220,055,588	72,003,165	26,471,127	1,384,773	393	—	1,712	7,969	(10,516)	34,813	68,639	75,305,485	395,323,148	
Expenditures														
Current:														
Instruction	12,440,546	145,580,421	—	—	—	—	—	—	—	—	—	38,070,536	196,091,503	
Building service	30,250,790	—	—	—	—	—	93,403	24,385,095	9,560	—	—	—	54,738,848	
School administration	19,395,792	13,567,203	—	—	—	—	—	—	—	—	—	1,547,546	34,510,541	
Instructional support	9,889,127	11,284,649	—	—	—	—	—	—	—	—	—	14,302,755	35,476,531	
Noninstructional support	20,032,969	682,845	—	—	—	—	—	—	—	—	—	205,877	20,921,691	
Transportation	22,644,514	—	—	—	—	—	—	—	—	—	—	—	22,644,514	
Food and community services	1,213,705	—	—	—	—	—	—	—	—	—	—	20,366,650	21,580,355	
Capital outlay	546,673	—	—	—	266,591	—	2,703,150	—	9,211,647	20,437,511	7,354,757	929,085	41,449,414	
Debt service:														
Principal retirement	—	—	15,925,000	—	—	—	—	—	—	—	—	—	—	15,925,000
Interest charges	—	—	9,631,735	—	—	—	—	—	—	—	—	—	—	9,631,735
Bond issuance costs	—	—	661,336	—	—	—	—	—	—	—	—	—	—	661,336
Total Expenditures	116,414,116	171,115,118	26,218,071	—	266,591	—	2,796,553	24,385,095	9,221,207	20,437,511	7,354,757	75,422,449	453,631,468	
Excess (Deficiency) Of Revenues Over Expenditures	103,641,472	(99,111,953)	253,056	1,384,773	(266,198)	—	(2,794,841)	(24,377,126)	(9,231,723)	(20,402,698)	(7,286,118)	(116,964)	(58,308,320)	
Other Financing Sources (Uses)														
Transfers in	12,869,673	99,111,953	—	—	—	—	—	—	—	—	—	757,993	112,739,619	
Transfers out	(99,459,761)	—	—	—	—	(12,777,400)	—	—	—	—	—	(502,458)	(112,739,619)	
Issuance of refunding bonds	—	—	68,579,695	—	—	—	—	—	—	—	—	—	68,579,695	
Payment to refunding escrow agent	—	—	(77,296,756)	—	—	—	—	—	—	—	—	—	(77,296,756)	
Premium on issuance of bonds	—	—	8,520,206	—	—	—	—	—	—	—	—	—	8,520,206	
Total Other Financing Sources (Uses)	(86,590,088)	99,111,953	(196,855)	—	—	(12,777,400)	—	—	—	—	—	255,535	(196,855)	
Net Change In Fund Balances	17,051,384	—	56,201	1,384,773	(266,198)	(12,777,400)	(2,794,841)	(24,377,126)	(9,231,723)	(20,402,698)	(7,286,118)	138,571	(58,505,175)	
Fund Balances - Beginning Of Year	12,180,794	—	32,606,950	—	782,415	44,051,281	5,128,516	28,120,475	11,977,387	34,751,741	40,381,052	5,830,183	215,810,794	
Fund Balances - End Of Year	\$ 29,232,178	\$ —	\$ 32,663,151	\$ 1,384,773	\$ 516,217	\$ 31,273,881	\$ 2,333,675	\$ 3,743,349	\$ 2,745,664	\$ 14,349,043	\$ 33,094,934	\$ 5,968,754	\$ 157,305,619	

**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, 2013**

Net change in fund balances - total governmental funds		\$ (58,505,175)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	\$ 55,651,144	
Depreciation expense	<u>(18,663,329)</u>	
		36,987,815
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.		
		(10,148,805)
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		693,523
Early retirement benefits		(7,966,020)
Other post-employment benefits		(209,595)
Remediation liability		(327,133)
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 assets. Also, governmental funds report the effect of issuance costs, premiums, 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 difference in the treatment of long-term debt and related items.		
Proceeds from refunding bonds	(68,579,695)	
Proceeds from premium on bonds	(8,520,206)	
Repayment of bond principal	15,925,000	
Repayment of refunded bonds	77,296,756	
Accrued interest - general obligation bonds	284,873	
Amortization of premium, issuance costs, deferred amount on refunding and capital appreciation bonds	(2,101,205)	
Bond issuance costs	<u>661,336</u>	
		14,966,859
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.		
		(1,478,707)
Internal service funds are used by the District to charge the costs of insurance to individual funds. The net loss of the internal service funds is reported with governmental activities.		
		<u>(521,582)</u>
Change in net position of governmental activities		<u><u>\$ (26,508,820)</u></u>

**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, 2013**

	<u>Governmental Activity</u>
	<u>Internal Service</u>
Assets	
Current Assets:	
Cash	\$ 13,513,662
Receivables-other	490,391
	<hr/>
Total Assets	14,004,053
	<hr/>
Liabilities	
Current Liabilities:	
Accounts payable	575,408
Claims payable	2,535,406
	<hr/>
Noncurrent Liabilities:	
Claims payable	4,123,574
	<hr/>
Total Liabilities	7,234,388
	<hr/>
Net Position	
Unrestricted	\$ 6,769,665
	<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, 2013**

	Governmental Activity
	Internal Service
Operating Revenues	
Interfund services provided or used	\$ 47,722,423
Operating Expenses	
Claims	4,185,933
Insurance premiums	44,061,901
Total Operating Expenses	48,247,834
Operating Loss	(525,411)
Nonoperating Revenue	
Interest	3,829
Change In Net Position	(521,582)
Net Position - Beginning Of Year	7,291,247
Net Position - End Of Year	\$ 6,769,665

**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, 2013**

	Governmental Activity
	Internal Service
Cash Flows From Operating Activities	
Cash receipts from interfund services provided or used	\$ 47,535,002
Cash payments to suppliers for goods and services	(47,408,971)
Net Cash Provided By Operating Activities	126,031
Cash Flows Provided By Investing Activities	
Cash from interest received	3,829
Net Increase In Cash	129,860
Cash - Beginning Of Year	13,383,802
Cash - End Of Year	\$ 13,513,662
Reconciliation Of Operating Loss To Net Cash Provided By Operating Activities	
Operating loss	\$ (525,411)
Change in assets and liabilities:	
Increase in accounts receivable	(187,421)
Increase in accounts payable	373,333
Increase in claims payable	768,500
Decrease in deposits and escrow funds	(302,970)
Net Cash Provided By Operating Activities	\$ 126,031

**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, 2013**

Assets

Cash and short-term investments	<u>\$ 23,641,783</u>
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Liabilities

Deposits and escrow funds	<u>\$ 23,641,783</u>
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**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, 2013

1. Summary Of Significant Accounting Policies

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

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

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

Reporting Entity: The District defines its financial reporting entity in accordance with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, 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 financial statements do not include the operations of the Public School Retirement System of the City of St. Louis (the System). The System is a separate governmental entity established by Missouri state statutes, with a separately elected governing board. Although the District makes a significant contribution to the System each year, it does not have the ability to influence the amount of payment required, nor can it refuse to make the payment when due.

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

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

Notes To Basic Financial Statements (*Continued*)

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

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

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

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

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

Notes To Basic Financial Statements (*Continued*)

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

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

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Notes To Basic Financial Statements (*Continued*)

Additionally, the District reports the following fund types:

Proprietary Fund Types:

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

Fiduciary Fund Type:

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

Measurement Focus, Basis Of Accounting And Financial Statement Presentation:

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

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

Like the government-wide financial statements, the proprietary fund is accounted for using the flow of economic resources measurement focus. Agency funds have no measurement focus. The proprietary fund uses the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included in the statement of net 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.

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

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

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

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

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Notes To Basic Financial Statements (*Continued*)

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

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

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

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

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

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 (Note 5).

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

Capital Assets: Capital assets, which include land, buildings, building improvements and equipment, are reported in the governmental activities column of the government-wide statement of net 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 are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized and the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

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

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 up to \$100 per day for unused sick time or 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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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, as well as issuance costs and deferred amounts on refunding bonds, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of capital appreciation to maturity, applicable bond premiums and discounts, and deferred amounts related to refunding bonds. Bond issuance costs are reported as deferred charges.

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

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

Fund Balances And Net 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).
- *Restricted Fund Balance* - Includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds) and amounts imposed by law through constitutional provisions or enabling legislation (must be legally enforceable).
- *Committed Fund Balance* - Includes amounts constrained for a specific purpose by a government using its highest level of decision making authority. Fund Balance of the District may be committed for a specific source by resolution of the Special Administrative Board. Amendments or modifications of the committed fund balance must also be approved by formal action of the Special Administrative Board.
- *Assigned Fund Balance* - Includes general fund amounts constrained for a specific purpose by a governing board or by a committee or official that has been delegated authority from the governing body to assign amounts. Assignments are made by the Special Administrative Board. For all funds other than the general fund, the residual balance is assigned.
- *Unassigned Fund Balance* - The residual fund balance for the general fund. The unassigned fund may include a negative unassigned fund balance in other governmental funds if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

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Notes To Basic Financial Statements (*Continued*)

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.

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.

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Notes To Basic Financial Statements (*Continued*)

Management's Use Of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. Deposits And Investments

A summary of cash and investments as of June 30, 2013 is as follows:

	Cost	Fair Value	Carrying Value
Primary Government:			
Cash	\$ 58,454,859	\$ 58,454,859	\$ 58,454,859
Money market	114,541,833	114,541,833	114,541,833
Commercial paper	5,000,000	5,000,000	5,000,000
Bankers' acceptance	5,992,772	6,000,000	5,992,772
Federal Home Loan Mortgage Corp.	4,023,569	4,008,612	4,023,569
Federal Farm Credit Bank	10,000,000	10,000,320	10,000,320
Equity securities (endowment)	1,743,929	5,351,979	5,351,979
Guaranteed investment contracts	2,645,424	2,645,424	2,645,424
Certificates of deposit	2,462,000	2,462,000	2,462,000
	\$ 204,864,386	\$ 208,465,027	\$ 208,472,756

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 owns Federal Home Loan Mortgage Corporation securities that mature in less than a year. The District also owns Federal Farm Credit Bank securities that mature in 1.7 years. The carrying value of these securities is \$14,023,569. The District's investments in guaranteed investment contracts (related to bond indentures) have weighted average maturities of 8.83 years.

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

Because of the inherent difficulties in accurately forecasting cash flow requirements, the District allocates a significant portion of the portfolio in readily available funds such as bank deposits, money market funds or 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, 2013.

	<u>S&P</u>	<u>Moody's</u>	<u>Fair Value</u>
Federal Home Loan Mortgage Corp. (long term)	AA+	Aaa	\$ 4,008,612
Federal Farm Credit Bank (long term)	AA+	Aaa	10,000,320
Guaranteed investment contracts	AAA	AAA	2,645,424
Bankers' acceptances	Unrated	Unrated	6,000,000
Commercial paper	A-1	P-1	5,000,000
Missouri Securities Investment Program - Money Market Series	AAAm	Unrated	57,611,967
Government Money Market Fund - Institutional	AAA	Aaa	6,920,851
Insured cash sweeps	Unrated	Unrated	50,009,015

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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:

	Percent Of Total Investments
Missouri Securities Investment Program - Money Market Series	39.04%
Federal Farm Credit Bank	6.78%

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 to it. Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution.

3. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The Collector of Revenue for the City of St. Louis collects the property tax and remits it to the District. As of June 30, 2013, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2012 or earlier. Delinquent property tax receivables less an allowance for uncollectable taxes are recognized as revenue in the government-wide financial statements. Only the portion of property taxes receivable that meets the modified-accrual revenue recognition criteria is reported as revenue in the fund financial statements.

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

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Notes To Basic Financial Statements (*Continued*)

The assessed valuation of the tangible taxable property for purposes of local taxation was \$4,160,066,572.

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

	<u>2012</u>	<u>2011</u>
General fund	\$ 3.7860	\$ 3.5532
Debt service	0.6211	0.6211
	<u>\$ 4.4071</u>	<u>\$ 4.1743</u>

The receipts of local current property taxes during the fiscal year ended June 30, 2013 aggregated 95.44% 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, 2013 is as follows:

	<u>Balance - June 30, 2012</u>	<u>Additions And Transfers In</u>	<u>Deletions And Transfers Out</u>	<u>Balance - June 30, 2013</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 24,550,544	\$ 119,381	\$ (51,903)	\$ 24,618,022
Construction in progress	16,826,746	36,595,252	(13,283,010)	40,138,988
Impaired assets	33,621,127	582,603	(13,035,051)	21,168,679
Total capital assets not being depreciated	74,998,417	37,297,236	(26,369,964)	85,925,689
Capital assets being depreciated:				
Idle buildings and improvements	3,418,742	1,833,387	(299,859)	4,952,270
Buildings and improvements	667,840,039	34,463,659	(1,833,387)	700,470,311
Movable equipment	36,677,567	186,347	(86,705)	36,777,209
Total capital assets being depreciated	707,936,348	36,483,393	(2,219,951)	742,199,790
Less accumulated depreciation for:				
Idle buildings and improvements	2,639,055	1,110,835	(253,685)	3,496,205
Buildings and improvements	315,862,225	17,199,361	—	333,061,586
Movable equipment	34,695,390	353,133	(57,943)	34,990,580
Total accumulated depreciation	353,196,670	18,663,329	(311,628)	371,548,371
Total capital assets being depreciated, net	354,739,678	17,820,064	(1,908,323)	370,651,419
Governmental activities capital assets, net	\$ 429,738,095	\$ 55,117,300	\$ (28,278,287)	\$ 456,577,108

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During 2013, 21 school buildings were deemed to be impaired and written down to their fair value. Ten of the school buildings are currently closed and eleven school buildings are currently being held for sale under a listing agreement. For the ten idle buildings, fair value was determined by calculating the standard market rate per building condition multiplied by the square footage of the idle building, which was less than the carrying value. For the eleven available-for-sale buildings, fair value was determined by reference to the offering prices per the listing agreement, which was less than carrying value. Total impairment losses amounting to \$9,265,392 (included in Building Services in the Statement of Activities) has been charged to operations in 2013.

Depreciation expense was charged to functions as follows:

Governmental activities:	
Instruction	\$ 17,510,556
Building services	310,146
School administration	488,332
Instructional support	47,432
Noninstructional support	213,222
Transportation	74,969
Food and community services	<u>18,672</u>
Total governmental activities depreciation expense	<u><u>\$ 18,663,329</u></u>

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

5. 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.

During the fiscal year ended June 30, 2013, the following changes occurred in long-term obligations:

	Balance - June 30, 2012	Additions	Reductions	Balance - June 30, 2013	Due Within One Year
Governmental Activities					
Compensated absences	\$ 1,941,884	\$ 1,195,480	\$ 1,889,003	\$ 1,248,361	\$ 852,600
Other postemployment benefits	2,639,352	3,336,560	3,126,965	2,848,947	—
Termination benefits	—	7,966,020	—	7,966,020	2,655,340
Claims payable	5,890,480	3,850,398	3,081,898	6,658,980	2,535,406
Remediation liability	3,499,270	3,826,403	3,499,270	3,826,403	3,826,403
General obligation school building and refunding bonds, Series 2001, 2002A, 2003A, 2004 2006A, 2007A, 2009, 2010A, 2010B, 2011A 2011B, 2011C, 2012, 2013A and 2013B	365,459,000	70,820,000	85,100,000	351,179,000	16,735,000
	<u>\$ 379,429,986</u>	<u>\$ 90,994,861</u>	<u>\$ 96,697,136</u>		<u>\$ 26,604,749</u>
Less: Capital appreciation to maturity on bonds				7,824,111	
Deferred amount on refunding				5,508,050	
Add: Unamortized premium on bonds				13,481,007	
				<u>351,327,846</u>	
Total Long-Term Obligations				<u>\$ 373,876,557</u>	

General Obligation School Building And Refunding Bonds

Obligation Bonds	Balance - June 30, 2012	Additions	Reductions	Balance - June 30, 2013	Due Within One Year
2001 Series	\$ 6,805,000	\$ —	\$ 1,435,000	\$ 5,370,000	\$ 1,610,000
2002A Series	33,795,000	—	—	33,795,000	6,455,000
2003A Series	16,335,000	—	16,335,000	—	—
2004 Series	41,795,000	—	27,315,000	14,480,000	905,000
2006A Series	38,040,000	—	34,345,000	3,695,000	580,000
2007A Series	28,340,000	—	—	28,340,000	—
2009 Series	39,295,000	—	2,280,000	37,015,000	2,580,000
2010A Series	56,644,000	—	—	56,644,000	—
2010B Series	25,000,000	—	—	25,000,000	—
2011A Series	35,000,000	—	—	35,000,000	—
2011B Series	38,355,000	—	—	38,355,000	—
2011C Series	6,055,000	—	2,985,000	3,070,000	3,070,000
2012 Series	—	35,990,000	405,000	35,585,000	180,000
2013A Series	—	14,620,000	—	14,620,000	1,290,000
2013B Series	—	20,210,000	—	20,210,000	65,000
Total General Obligation School Building And Refunding Bonds	<u>\$ 365,459,000</u>	<u>\$ 70,820,000</u>	<u>\$ 85,100,000</u>	<u>\$ 351,179,000</u>	<u>\$ 16,735,000</u>

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On November 8, 2012, 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.

On February 12, 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.

On February 12, 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.

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

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

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Notes To Basic Financial Statements (*Continued*)

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

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

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

During the fiscal year ended June 30, 2006, the District issued General Obligation Bonds in the amount of \$55,000,000 (Series 2006A) with interest rates ranging from 3.5% to 5%. The bond proceeds are being used to finance the cost of air conditioning for school buildings and related facilities. A portion of these bonds were advanced refunded in 2013 with the Series 2012 issuance. The remaining bonds are scheduled to mature at various dates through April 2018.

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 2020.

On May 13, 2003, the District issued \$25,705,000 general obligation refunding bonds (Series 2003A) with interest rates ranging from 2% to 5% to advance refund \$29,500,000 of outstanding Leasehold Revenue Bonds. These bonds were advanced refunded in 2013 with the Series 2013A issuance. There are no remaining principal payments due at June 30, 2013.

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

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Notes To Basic Financial Statements (*Continued*)

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

During 2013 and 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, 2013, the amount of prior years' defeased debt outstanding, but removed from the financial statements amounted to \$138,235,000.

Unspent bond proceeds were \$67,508,955 at June 30, 2013.

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 to 7.2%. This rate reduction became effective on October 1, 2013. Annual principal and interest requirements to maturity (including capital appreciation to maturity of \$7,824,111 on the general obligation school building and refunding bonds as of June 30, 2013 are as follows:

Year Ending June 30,	General Obligation School Building And Refunding Bonds			
	Principal	Interest	U.S. Treasury Interest Subsidy	Total
2014	\$ 16,735,000	\$ 14,961,905	\$ (5,841,973)	\$ 25,854,932
2015	17,685,000	14,565,038	(5,841,973)	26,408,065
2016	18,640,000	14,185,175	(5,841,973)	26,983,202
2017	19,630,000	13,789,363	(5,841,973)	27,577,390
2018	20,670,000	13,324,450	(5,841,973)	28,152,477
2019-2023	112,185,000	53,803,769	(24,876,567)	141,112,202
2024-2028	108,034,000	28,595,950	(17,896,719)	118,733,231
2029-2030	37,600,000	3,233,500	(1,391,378)	39,442,122
	\$ 351,179,000	\$ 156,459,150	\$ (73,374,529)	\$ 434,263,621

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Notes To Basic Financial Statements (*Continued*)

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, 2013, the District had entered into pollution remediation contracts or planned to, approximating \$3,826,403, which was accrued. The majority of those projects will be completed in fiscal year 2014.

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.

6. Retirement Plan

Plan Description:

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

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Notes To Basic Financial Statements (*Continued*)

Annual Pension Costs And Funding Policy:

Employee participation (5% of salaries, effective July 1, 1999) is mandatory. Employer contribution is also mandatory at an actuarially determined rate. Per an actuarial report dated January 1, 2012, the rate is 15.07% of annual covered payroll. In 2001, the District agreed to institute a one year lag for future years. Therefore the January 1, 2012 actuarial valuation is used to determine the actual contribution for 2013. The District's 2013, 2012, and 2011 fiscal year contributions for the plan years ended December 31, 2012, 2011 and 2010 were \$23,944,581, \$24,140,549 and \$22,183,043, respectively. These contributions including amounts to be paid prior to December 31, 2013 were at least 100% of the required contributions for those years. For plan years 2012, 2011, and 2010, the required contributions were \$27,962,472, \$20,788,075 and \$16,790,176, respectively, plus \$3,158,506, \$4,206,788 and \$5,392,867, respectively, contributed for the District's supplemental pension benefits under the sick leave conversion program.

7. Other Postemployment Benefits

Plan Description:

The Public School Retirement System of the City of St. Louis (the System) provides other postemployment benefits other than pensions (OPEB) to retirees of the District who meet certain criteria. The District, through the System, provides medical, dental and vision benefits to eligible retirees and their dependents through an agent multiple-employer plan. The Statutes assign the authority to establish and amend benefit 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.

Funding Policy:

The District finances its OPEB contributions using a pay-as-you-go method. As of June 30, 2013, the District has not set aside assets in trust to pay future benefits and has not established a plan or equivalent arrangement that contains an irrevocable transfer of assets dedicated to providing benefits to retirees. Since no trust fund has been established for funding of the OPEB obligation related to the implicit rate subsidy, the entire OPEB obligation that is not funded on a pay-as-you-go basis is classified as unfunded. Additional information is presented as required supplementary information, schedule of funding progress.

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Notes To Basic Financial Statements (*Continued*)

Annual Other Postemployment Benefit Cost:

At June 30, 2013, the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation to the plan is as follows:

Annual required contribution	\$ 3,376,296
Interest on OPEB obligation	118,771
Adjustment to annual required contribution	<u>(158,507)</u>
Annual OPEB cost	3,336,560
Contributions made*	<u>3,126,965</u>
Increase/Decrease in OPEB obligation	209,595
Net OPEB obligation-beginning of year	<u>2,639,352</u>
Net OPEB obligation-end of year	<u><u>\$ 2,848,947</u></u>

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

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 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, 2013	\$ 3,336,560	93.7%	\$ 2,848,947
June 30, 2012	3,344,728	92.7%	2,639,352
June 30, 2011	3,872,203	110.8%	2,393,665

Funded Status And Funding Progress:

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

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

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Notes To Basic Financial Statements (*Continued*)

Actuarial Methods And Assumptions:

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

In the July 1, 2011 actuarial valuation, the liabilities were computed using the Unit Credit Cost method. There are no liabilities dependent on salary. The closed, level dollar method was selected for amortizing the unfunded actuarial liability over 30 years. The actuarial assumptions utilized a 4.5% discount rate 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 7.5% 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.

8. Early Retiree Postemployment Benefits

The District funds early retirement benefits for employees who chose to participate in the voluntary employee severance plan adopted on March 19, 2013. There were 206 employees participating in the 2013 plan including former teachers, administrators, and noncertified staff. The amount of benefits paid to employees total \$12,890 per person. These funds will be paid out over a three-year period. There were no payments during the year ended June 30, 2013. There is a balance due to employee participants at June 30, 2013 totaling \$7,966,020.

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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, 2013, the District's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for workers' compensation and unemployment benefits were \$6,230,160 and \$428,820, respectively.

Changes in the self-insured claims liabilities at June 30, 2013 and 2012 were as follows:

	Workers'		Total
	Compensation	Unemployment	Self-Insured
			Liabilities
Balance - June 30, 2011	\$ 5,084,751	\$ 704,665	\$ 5,789,416
Current year claims and changes in estimate	2,701,583	710,711	3,412,294
Claim payments	(2,610,827)	(700,403)	(3,311,230)
Balance - June 30, 2012	5,175,507	714,973	5,890,480
Current year claims and changes in estimate	3,718,100	132,298	3,850,398
Claim payments	(2,663,447)	(418,451)	(3,081,898)
Balance - June 30, 2013	\$ 6,230,160	\$ 428,820	\$ 6,658,980

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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:

Due From/Due To	Interfund Receivables	Interfund Payables
Governmental		
General	\$ 13,860,290	\$ 10,410,432
Teachers	10,410,432	—
Other Governmental		
School Lunchroom	—	626,277
Student Health	—	3,124,456
ECIA Title I	—	1,960,786
Early Childhood	—	6,931,314
Adult Education And Literacy	—	282,155
Special Education	—	466,648
Federal - Other	—	468,654
	\$ 24,270,722	\$ 24,270,722

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:

Transfers In/Transfers Out	Transfers In	Transfers Out
General fund	\$ 12,869,673	\$ 99,459,761
Teachers	99,111,953	—
Settlement	—	12,777,400
Other Governmental:		
Student Health	—	80,044
Foundation 73	410,185	422,414
School Lunchroom	347,808	—
	\$ 112,739,619	\$ 112,739,619

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

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

At year end, all excess funds in the Student Health fund were transferred to the General fund for general operating purposes.

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

11. Pending Litigation

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

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

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

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Notes To Basic Financial Statements (*Continued*)

12. Commitments And Contingencies

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

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

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Notes To Basic Financial Statements (*Continued*)

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

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 agreement with the Plaintiffs in the desegregation lawsuit to dedicate approximately \$95 million that restored the deficit fund balance and will fund certain academic programs through FY 2014.

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

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

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Notes To Basic Financial Statements (*Continued*)

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

In the current year, \$12,777,400 was allocated from the Settlement fund to the General Fund, of which \$10,405,692 was spent by the District for the specified programs discussed above.

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

Construction In Progress

The District has entered in to several binding contract obligations totaling approximately \$39.4 million 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 lease is 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 minimum annual fee totals \$415,932.

The District leases a building under a noncancellable agreement expiring on June 30, 2015. The annual lease expense for the building totals \$1,071,000.

Letter Of Credit

During the District's normal course of operations, letters of credit are issued. At June 30, 2013 a letter of credit for \$2,225,000 was outstanding. This amount remains unchanged from the prior year as there were no current year borrowings or other activity.

Federal And State Grants

Revenues received from federal and state governments in the current and prior years are subject to audits by the granting agencies. The District believes that adjustments which may arise from these audits, if any, will not be significant.

Required Supplementary Information

**SPECIAL ADMINISTRATIVE BOARD OF THE TRANSITIONAL
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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET TO ACTUAL - GENERAL FUND
For The Year Ended June 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Local:				
Current taxes	\$ 183,750,949	\$ 185,829,189	\$ 185,415,940	\$ (413,249)
Delinquent taxes	6,644,542	10,555,381	10,555,381	—
Interest	367,488	111,740	111,740	—
Other	3,659,500	5,767,551	4,116,322	(1,651,229)
County	3,297,546	3,179,121	3,179,121	—
State:				
Categorical aid	8,966,980	12,665,704	12,665,704	—
Other	1,200,000	1,141,607	1,141,607	—
Federal	302,879	1,201,621	2,869,773	1,668,152
Total Revenues	208,189,884	220,451,914	220,055,588	(396,326)
Expenditures				
Current:				
Instruction	16,424,670	14,295,148	12,440,546	1,854,602
Building service	30,042,234	29,436,904	30,250,790	(813,886)
School administration	18,731,283	20,390,934	19,395,792	995,142
Instructional support	9,818,613	10,223,567	9,889,127	334,440
Noninstructional support	19,479,885	20,380,820	20,032,969	347,851
Transportation	21,495,800	22,644,514	22,644,514	—
Food and community services	1,584,050	2,897,224	1,213,705	1,683,519
Capital outlay	3,565,096	1,377,750	546,673	831,077
Debt service:				
Principal retirement	—	800,054	—	800,054
Total Expenditures	121,141,631	122,446,915	116,414,116	6,032,799
Excess Of Revenues Over Expenditures	87,048,253	98,004,999	103,641,472	5,636,473
Other Financing Sources (Uses)				
Transfers in	12,789,629	13,463,816	12,869,673	(594,143)
Transfers out	(70,000,000)	(99,111,953)	(99,459,761)	(347,808)
Total Other Financing Sources (Uses)	(57,210,371)	(85,648,137)	(86,590,088)	(941,951)
Net Change In Fund Balance	\$ 29,837,882	\$ 12,356,862	\$ 17,051,384	\$ 4,694,522

**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 - TEACHERS FUND
For The Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local:				
Current taxes	\$ 14,947,213	\$ 23,114,171	\$ 23,114,171	\$ —
County	351,386	230,177	230,177	—
State:				
Basic formula	32,188,463	47,993,155	47,993,155	—
Categorical aid	129,396	123,375	123,375	—
Federal	1,478,761	592,287	542,287	(50,000)
Total Revenues	49,095,219	72,053,165	72,003,165	(50,000)
Expenditures				
Current:				
Instruction	133,607,948	145,764,033	145,580,421	183,612
School administration	13,448,155	13,564,686	13,567,203	(2,517)
Instructional support	8,582,984	11,292,266	11,284,649	7,617
Noninstructional support	509,979	882,845	682,845	200,000
Total Expenditures	156,149,066	171,503,830	171,115,118	388,712
Excess Of Expenditures Over Revenues	(107,053,847)	(99,450,665)	(99,111,953)	338,712
Other Financing Sources				
Transfers in	107,053,847	99,450,665	99,111,953	(338,712)
Net Change In Fund Balance	\$ —	\$ —	\$ —	\$ —

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

1. Budgetary Data

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

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

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

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

A budget was not adopted for the Settlement Fund.

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

Notes To Required Supplementary Information *(Continued)*

2. Excess Expenditures Over Appropriations

Expenditures exceeded appropriations in the following fund for the year ended June 30, 2013:

<u>Fund</u>	<u>Amount</u>
Prop S School Renovation Bond Fund II	\$ 19,408
Prop S School Renovation Bond Fund III	22,787
Prop S School Renovation Bond Fund IV	138,263

3. Other Postemployment Benefits

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

*Actuarial valuation only required every 2 years.

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

If an actuarial valuation is not performed for a fiscal year, the Annual Required Contribution (ARC) reported is based on the results of the most recent actuarial valuation that is within 24 months of the beginning of the year. For its July 1, 2012-June 30, 2013 fiscal year the District is relying on information obtained from the July 1, 2011 actuarial valuation.

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, 2013**

	Special Revenue	Permanent	Governmental Funds
Assets			
Cash and short-term investments	\$ 7,655,317	\$ 1,933,600	\$ 9,588,917
Other investments	—	5,351,979	5,351,979
Total Cash and Investments	7,655,317	7,285,579	14,940,896
Receivables:			
Grants	16,512,578	—	16,512,578
Other	336,105	36,320	372,425
Total Receivables	16,848,683	36,320	16,885,003
Prepaid items	28,051	—	28,051
Total Assets	\$ 24,532,051	\$ 7,321,899	\$ 31,853,950
Liabilities And Fund Balances			
Liabilities:			
Accounts payable	\$ 6,274,981	\$ 840	\$ 6,275,821
Due to other funds	13,860,290	—	13,860,290
Unearned revenue	3,815,485	1,933,600	5,749,085
Total Liabilities	23,950,756	1,934,440	25,885,196
Fund balances:			
Nonspendable:			
Permanent fund principal	—	352,344	352,344
Restricted for:			
Capital projects	—	5,035,115	5,035,115
Assigned	581,295	—	581,295
Total Fund Balances	581,295	5,387,459	5,968,754
Total Liabilities And Fund Balances	\$ 24,532,051	\$ 7,321,899	\$ 31,853,950

**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, 2013**

	Special Revenue	Permanent	Governmental Funds
Revenues			
Local:			
Investment income	\$ 126	\$ 338,853	\$ 338,979
Other	1,741,925	147,092	1,889,017
State:			
Categorical aid	5,946,203	—	5,946,203
Other	628,458	—	628,458
Federal	66,502,828	—	66,502,828
Total Revenues	74,819,540	485,945	75,305,485
Expenditures			
Current:			
Instruction	37,968,801	101,735	38,070,536
School administration	1,547,546	—	1,547,546
Instructional support	14,302,755	—	14,302,755
Noninstructional support	195,877	10,000	205,877
Food and community services	20,366,650	—	20,366,650
Capital outlay	926,359	2,726	929,085
Total Expenditures	75,307,988	114,461	75,422,449
Excess Of Revenues Over Expenditures	(488,448)	371,484	(116,964)
Other Financing Sources (Uses)			
Transfers in	757,993	—	757,993
Transfers out	(502,458)	—	(502,458)
Total Other Financing Sources (Uses)	255,535	—	255,535
Net Change In Fund Balances	(232,913)	371,484	138,571
Fund Balance - Beginning Of Year	814,208	5,015,975	5,830,183
Fund Balance - End Of Year	\$ 581,295	\$ 5,387,459	\$ 5,968,754

**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, 2013**

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, 2013**

	Operating	Federal	Total
Assets			
Cash and short-term investments	\$ 4,553,665	\$ 3,101,652	\$ 7,655,317
Receivables:			
Grants	5,374,584	11,137,994	16,512,578
Other	336,105	—	336,105
Total Receivables	5,710,689	11,137,994	16,848,683
Prepaid items	—	28,051	28,051
Total Assets	\$ 10,264,354	\$ 14,267,697	\$ 24,532,051
Liabilities And Fund Balances			
Liabilities:			
Accounts payable	\$ 5,163,799	\$ 1,111,182	\$ 6,274,981
Due to other funds	3,750,733	10,109,557	13,860,290
Unearned revenue	1,312,517	2,502,968	3,815,485
Total Liabilities	10,227,049	13,723,707	23,950,756
Fund balances:			
Assigned	37,305	543,990	581,295
Total Liabilities And Fund Balances	\$ 10,264,354	\$ 14,267,697	\$ 24,532,051

**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, 2013**

	Operating	Federal	Total
Revenues			
Local:			
Investment income	\$ —	\$ 126	\$ 126
Other	1,105,251	636,674	1,741,925
State:			
Categorical aid	105,318	5,840,885	5,946,203
Other	6,366	622,092	628,458
Federal	19,105,359	47,397,469	66,502,828
Total Revenues	20,322,294	54,497,246	74,819,540
Expenditures			
Current:			
Instruction	1,138,151	36,830,650	37,968,801
School administration	154,853	1,392,693	1,547,546
Instructional support	2,827,505	11,475,250	14,302,755
Noninstructional support	92,055	103,822	195,877
Food and community services	16,592,279	3,774,371	20,366,650
Capital outlay	—	926,359	926,359
Total Expenditures	20,804,843	54,503,145	75,307,988
Excess (Deficiency) Of Revenues Over Expenditures	(482,549)	(5,899)	(488,448)
Other Financing Sources (Uses)			
Transfers in	757,993	—	757,993
Transfers out	(502,458)	—	(502,458)
Total Other Financing Sources (Uses)	255,535	—	255,535
Net Change In Fund Balances	(227,014)	(5,899)	(232,913)
Fund Balance - Beginning Of Year	264,319	549,889	814,208
Fund Balance - End Of Year	\$ 37,305	\$ 543,990	\$ 581,295

**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, 2013**

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, 2013**

	School Lunchroom	Student Health	Foundation 73	Foundation 16	Total
Assets					
Cash and short-term investments	\$ 347,808	\$ —	\$ 976,544	\$ 3,229,313	\$ 4,553,665
Receivables:					
Grants	1,845,194	3,513,242	16,148	—	5,374,584
Other	—	—	336,105	—	336,105
Total Assets	\$ 2,193,002	\$ 3,513,242	\$ 1,328,797	\$ 3,229,313	\$ 10,264,354
Liabilities And Fund Balances					
Liabilities:					
Accounts payable	\$ 1,529,420	\$ 388,786	\$ 16,280	\$ 3,229,313	\$ 5,163,799
Due to other funds	626,277	3,124,456	—	—	3,750,733
Unearned revenue	—	—	1,312,517	—	1,312,517
Total Liabilities	2,155,697	3,513,242	1,328,797	3,229,313	10,227,049
Fund balances:					
Assigned	37,305	—	—	—	37,305
Total Liabilities And Fund Balances	\$ 2,193,002	\$ 3,513,242	\$ 1,328,797	\$ 3,229,313	\$ 10,264,354

**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, 2013**

	School Lunchroom	Student Health	Foundation 73	Foundation 16	Total
Revenues					
Local:					
Other	\$ 424,741	\$ —	\$ 680,510	\$ —	\$ 1,105,251
State:					
Categorical aid	105,318	—	—	—	105,318
Other	—	—	6,366	—	6,366
Federal	15,153,796	3,949,737	1,826	—	19,105,359
Total Revenues	15,683,855	3,949,737	688,702	—	20,322,294
Expenditures					
Current:					
Instruction	—	1,079,632	58,519	—	1,138,151
School administration	—	—	154,853	—	154,853
Instructional support	—	2,790,061	37,444	—	2,827,505
Noninstructional support	—	—	92,055	—	92,055
Food and community services	16,258,677	—	333,602	—	16,592,279
Total Expenditures	16,258,677	3,869,693	676,473	—	20,804,843
Excess Of Revenues Over Expenditures	(574,822)	80,044	12,229	—	(482,549)
Other Financing Sources (Uses)					
Transfers in	347,808	—	410,185	—	757,993
Transfers out	—	(80,044)	(422,414)	—	(502,458)
Total Other Financing Sources (Uses)	347,808	(80,044)	(12,229)	—	255,535
Net Change In Fund Balances	(227,014)	—	—	—	(227,014)
Fund Balances - Beginning Of Year	264,319	—	—	—	264,319
Fund Balances - End Of Year	\$ 37,305	\$ —	\$ —	\$ —	\$ 37,305

**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, 2013**

	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	\$ 464,748	\$ 424,741	\$ (40,007)	\$ —	\$ —	\$ —	\$ 530,559	\$ 680,510	\$ 149,951
State:									
Categorical aid	105,318	105,318	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	14,038	6,366	(7,672)
Federal	15,694,984	15,153,796	(541,188)	4,593,880	3,949,737	(644,143)	1,826	1,826	—
Total Revenues	16,265,050	15,683,855	(581,195)	4,593,880	3,949,737	(644,143)	546,423	688,702	142,279
Expenditures									
Current:									
Instruction	—	—	—	1,079,632	1,079,632	—	63,790	58,519	5,271
School administration	—	—	—	—	—	—	177,560	154,853	22,707
Instructional support	—	—	—	2,790,061	2,790,061	—	46,461	37,444	9,017
Noninstructional support	—	—	—	—	—	—	95,656	92,055	3,601
Food and community services	16,265,050	16,258,677	6,373	—	—	—	342,593	333,602	8,991
Capital outlay	—	—	—	—	—	—	1,754	—	1,754
Total Expenditures	16,265,050	16,258,677	6,373	3,869,693	3,869,693	—	727,814	676,473	51,341
Excess (Deficiency) Of Revenues									
Over Expenditures	—	(574,822)	(574,822)	724,187	80,044	(644,143)	(181,391)	12,229	193,620
Other Financing Sources (Uses)									
Transfers in	—	347,808	347,808	—	—	—	544,722	410,185	(134,537)
Transfers out	—	—	—	(724,187)	(80,044)	644,143	(363,331)	(422,414)	(59,083)
Total Other Financing Sources (Uses)	—	347,808	347,808	(724,187)	(80,044)	644,143	181,391	(12,229)	(193,620)
Net Change In Fund Balance	\$ —	\$ (227,014)	\$ (227,014)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

**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, 2013**

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, 2013**

	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	\$ 228,347	\$ 1,552,324	\$ —	\$ —	\$ —	\$ 44,059	\$ 509,368	\$ 767,554	\$ 3,101,652
Receivables:									
Grants	1,902,607	96,238	7,133,612	292,889	674,399	—	44,124	994,125	11,137,994
Prepaid items	—	—	—	28,051	—	—	—	—	28,051
Total Assets	\$ 2,130,954	\$ 1,648,562	\$ 7,133,612	\$ 320,940	\$ 674,399	\$ 44,059	\$ 553,492	\$ 1,761,679	\$ 14,267,697
Liabilities And Fund Balances									
Liabilities:									
Accounts payable	\$ 170,168	\$ 75,115	\$ 202,298	\$ 38,785	\$ 207,751	\$ 408	\$ 53,153	\$ 363,504	\$ 1,111,182
Due to other funds	1,960,786	—	6,931,314	282,155	466,648	—	—	468,654	10,109,557
Unearned revenue	—	1,573,447	—	—	—	—	—	929,521	2,502,968
Total Liabilities	2,130,954	1,648,562	7,133,612	320,940	674,399	408	53,153	1,761,679	13,723,707
Fund balances:									
Assigned	—	—	—	—	—	43,651	500,339	—	543,990
Total Liabilities And Fund Balances	\$ 2,130,954	\$ 1,648,562	\$ 7,133,612	\$ 320,940	\$ 674,399	\$ 44,059	\$ 553,492	\$ 1,761,679	\$ 14,267,697

**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, 2013**

	ECIA Title I	NCLB	Early Childhood	Adult Education And Literacy	Special Education	Community Development Agency	Adult Education	Other	Total
Revenues									
Local:									
Investment income	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 126	\$ —	\$ 126
Other	—	—	—	—	123	—	636,551	—	636,674
State:									
Categorical aid	—	—	5,623,305	—	—	—	217,580	—	5,840,885
Other	—	—	—	446,604	—	—	—	175,488	622,092
Federal	21,120,586	3,483,182	1,338,099	2,221,208	7,246,966	221,739	—	11,765,689	47,397,469
Total Revenues	21,120,586	3,483,182	6,961,404	2,667,812	7,247,089	221,739	854,257	11,941,177	54,497,246
Expenditures									
Current:									
Instruction	14,553,602	2,801,568	6,149,048	910,356	5,200,281	—	—	7,215,795	36,830,650
School administration	639,564	—	—	—	158,214	—	—	594,915	1,392,693
Instructional support	5,349,345	240,820	809,356	—	1,888,594	—	—	3,187,135	11,475,250
Noninstructional support	22,819	—	—	—	—	—	—	81,003	103,822
Food and community services	110,010	440,794	—	1,680,195	—	192,133	889,762	461,477	3,774,371
Capital outlay	445,246	—	3,000	77,261	—	—	—	400,852	926,359
Total Expenditures	21,120,586	3,483,182	6,961,404	2,667,812	7,247,089	192,133	889,762	11,941,177	54,503,145
Excess Of Expenditures Over Revenues	—	—	—	—	—	29,606	(35,505)	—	(5,899)
Other Financing Sources (Uses)									
Transfers in	—	—	—	—	—	—	—	—	—
Transfers out	—	—	—	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—	—	—	—	—	—
Net Change In Fund Balances	—	—	—	—	—	29,606	(35,505)	—	(5,899)
Fund Balances - Beginning Of Year	—	—	—	—	—	14,045	535,844	—	549,889
Fund Balances - End Of Year	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 43,651	\$ 500,339	\$ —	\$ 543,990

**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, 2013**

	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												
Local:												
Other	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State:												
Categorical aid	—	—	—	—	—	—	6,400,814	5,623,305	(777,509)	—	—	—
Other	—	—	—	—	—	—	—	—	—	450,000	446,604	(3,396)
Federal	26,902,327	21,120,586	(5,781,741)	4,320,497	3,483,182	(837,315)	1,339,000	1,338,099	(901)	2,363,754	2,221,208	(142,546)
Total Revenues	26,902,327	21,120,586	(5,781,741)	4,320,497	3,483,182	(837,315)	7,739,814	6,961,404	(778,410)	2,813,754	2,667,812	(145,942)
Expenditures												
Current:												
Instruction	16,924,756	14,553,602	2,371,154	3,316,164	2,801,568	514,596	6,832,952	6,149,048	683,904	910,355	910,356	(1)
School administration	654,106	639,564	14,542	—	—	—	—	—	—	—	—	—
Instructional support	8,553,596	5,349,345	3,204,251	270,000	240,820	29,180	903,842	809,356	94,486	—	—	—
Noninstructional support	23,300	22,819	481	—	—	—	—	—	—	—	—	—
Food and community services	247,511	110,010	137,501	734,333	440,794	293,539	—	—	—	1,826,138	1,680,195	145,943
Capital outlay	499,058	445,246	53,812	—	—	—	3,020	3,000	20	77,261	77,261	—
Total Expenditures	26,902,327	21,120,586	5,781,741	4,320,497	3,483,182	837,315	7,739,814	6,961,404	778,410	2,813,754	2,667,812	145,942
Net Change In Fund Balance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

(Continued)

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL FUNDS
Page 2 Of 2
For The Year Ended June 30, 2013**

	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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 126	\$ 126	\$ —	\$ —	\$ —
Other	—	123	123	—	—	—	811,218	636,551	(174,667)	—	—	—
State:												
Categorical aid	—	—	—	—	—	—	233,006	217,580	(15,426)	—	—	—
Other	—	—	—	—	—	—	—	—	—	175,488	175,488	—
Federal	8,858,817	7,246,966	(1,611,851)	221,739	221,739	—	—	—	—	12,322,457	11,765,689	(556,768)
Total Revenues	8,858,817	7,247,089	(1,611,728)	221,739	221,739	—	1,044,224	854,257	(189,967)	12,497,945	11,941,177	(556,768)
Expenditures												
Current:												
Instruction	6,055,440	5,200,281	855,159	—	—	—	—	—	—	7,550,341	7,215,795	334,546
School administration	156,288	158,214	(1,926)	—	—	—	—	—	—	591,850	594,915	(3,065)
Instructional support	2,647,089	1,888,594	758,495	—	—	—	—	—	—	3,398,584	3,187,135	211,449
Noninstructional support	—	—	—	—	—	—	—	—	—	80,919	81,003	(84)
Food and community services	—	—	—	192,133	192,133	—	1,042,124	889,762	152,362	461,477	461,477	—
Capital outlay	—	—	—	—	—	—	2,100	—	2,100	414,774	400,852	13,922
Total Expenditures	8,858,817	7,247,089	1,611,728	192,133	192,133	—	1,044,224	889,762	154,462	12,497,945	11,941,177	556,768
Net Change In Fund Balance	\$ —	\$ —	\$ —	\$ 29,606	\$ 29,606	\$ —	\$ —	\$ (35,505)	\$ (35,505)	\$ —	\$ —	\$ —

**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, 2013**

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Current taxes	\$ 24,296,638	\$ 24,155,685	\$ (140,953)
Delinquent taxes	1,781,696	1,735,994	(45,702)
Investment income	248,350	162,208	(86,142)
Other	24,250	10,274	(13,976)
County	406,966	406,966	—
Total Revenues	26,757,900	26,471,127	(286,773)
Expenditures			
Debt service:			
Principal retirement	15,297,647	15,925,000	(627,353)
Interest charges	14,005,237	9,631,735	4,373,502
Bond issuance costs	661,336	661,336	—
Total Expenditures	29,964,220	26,218,071	3,746,149
Excess (Deficiency) Of Revenues Over Expenditures	(3,206,320)	253,056	3,459,376
Other Financing Sources (Uses)			
Issuance of bonds	68,579,695	68,579,695	—
Payment to refunding escrow agent	(77,296,756)	(77,296,756)	—
Premium on issuance of bonds	8,520,206	8,520,206	—
Total Other Financing Sources (Uses)	(196,855)	(196,855)	—
Net Change In Fund Balance	\$ (3,403,175)	\$ 56,201	\$ 3,459,376

**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, 2013**

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ 1,420	\$ 1,420	\$ —
Other	1,383,353	1,383,353	—
Total Revenues	1,384,773	1,384,773	—
Expenditures	—	—	—
Net Change In Fund Balance	\$ 1,384,773	\$ 1,384,773	\$ —

**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, 2013**

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ 393	\$ 393	\$ —
Expenditures			
Capital outlay	266,591	266,591	—
Net Change In Fund Balance	\$ (266,198)	\$ (266,198)	\$ —

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
AIR CONDITIONING 2009 FUND
For The Year Ended June 30, 2013**

	Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ 1,710	\$ 1,712	\$ 2
Other	2	—	(2)
Total Revenues	1,712	1,712	—
Expenditures			
Current:			
Building service	93,403	93,403	—
Capital outlay	2,706,150	2,703,150	3,000
Total Expenditures	2,799,553	2,796,553	3,000
Net Change In Fund Balance	\$ (2,797,841)	\$ (2,794,841)	\$ 3,000

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
PROP S SCHOOL RENOVATION BOND FUND I
For The Year Ended June 30, 2013**

	Final Budget	Actual Amounts	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ 7,936	\$ 7,936	\$ —
Other	33	33	—
Total Revenues	7,969	7,969	—
Expenditures			
Current:			
Building service	24,386,895	24,385,095	1,800
Net Change In Fund Balance	\$ (24,378,926)	\$ (24,377,126)	\$ 1,800

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
PROP S SCHOOL RENOVATION BOND FUND II
For The Year Ended June 30, 2013**

	Final Budget	Actual Amounts	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ —	\$ (10,516)	\$ (10,516)
<hr/>			
Expenditures			
Current:			
Building service	9,560	9,560	—
Capital outlay	9,192,239	9,211,647	(19,408)
Total Expenditures	9,201,799	9,221,207	(19,408)
<hr/>			
Net Change In Fund Balance	\$ (9,201,799)	\$ (9,231,723)	\$ (29,924)
<hr/>			

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
PROP S SCHOOL RENOVATION BOND FUND III
For The Year Ended June 30, 2013**

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget - Positive (Negative)</u>
Revenues			
Local:			
Investment income	\$ 34,918	\$ 34,813	\$ (105)
Expenditures			
Capital outlay	20,414,724	20,437,511	(22,787)
Net Change In Fund Balance	\$ (20,379,806)	\$ (20,402,698)	\$ (22,892)

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET TO ACTUAL
PROP S SCHOOL RENOVATION BOND FUND IV
For The Year Ended June 30, 2013**

	Final Budget	Actual Amounts	Variance With Final Budget - Positive (Negative)
Revenues			
Local:			
Investment income	\$ 68,747	\$ 68,639	\$ (108)
Expenditures			
Capital outlay	7,216,494	7,354,757	(138,263)
Net Change In Fund Balance	\$ (7,147,747)	\$ (7,286,118)	\$ (138,371)

**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, 2013**

	Balance - July 1, 2012	Additions	Deductions	Balance - June 30, 2013
Assets				
Cash and short-term investments	\$ 18,661,812	\$ 79,385,124	\$ 74,405,153	\$ 23,641,783
Liabilities				
Deposits and escrow funds	\$ 18,661,812	\$ 76,033,603	\$ 71,053,632	\$ 23,641,783

**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, 2013

	Special Revenue								Total
	General	Teachers	School Lunchroom	Student Health Fund	Federal	Debt Service	Capital Projects	Foundation Funds	
Local:									
Current Taxes:									
Real property	\$ 110,197,322	\$ —	\$ —	\$ —	\$ —	\$ 18,078,171	\$ —	\$ —	\$ 128,275,493
Personal property	26,641,780	—	—	—	—	4,370,631	—	—	31,012,411
Surplus commissions	1,426,110	—	—	—	—	233,956	—	—	1,660,066
Merchant and manufacturers	8,610,102	—	—	—	—	1,412,503	—	—	10,022,605
Financial institution	368,325	—	—	—	—	60,424	—	—	428,749
Surcharge	16,814,536	—	—	—	—	—	—	—	16,814,536
Sales tax	21,357,765	—	—	—	—	—	—	—	21,357,765
Sales tax-Prop C	—	23,114,171	—	—	—	—	—	—	23,114,171
Delinquent taxes	10,555,381	—	—	—	—	1,735,994	—	—	12,291,375
Investment income	51,210	—	—	—	126	152,278	104,397	338,853	646,864
Other:									
Interest and protested taxes	60,530	—	—	—	—	9,930	—	—	70,460
Tuition	—	—	—	—	636,674	—	—	—	636,674
School Lunch Program	—	—	293,444	—	—	—	—	—	293,444
School Lunch Nonprogram	—	—	48,203	—	—	—	—	—	48,203
Indirect costs recovered	1,970,244	—	—	—	—	—	—	—	1,970,244
Sundry	2,146,078	—	83,094	—	—	10,274	1,383,386	827,602	4,450,434
Total local	200,199,383	23,114,171	424,741	—	636,800	26,064,161	1,487,783	1,166,455	253,093,494
County:									
Fines and forfeitures	—	230,177	—	—	—	—	—	—	230,177
Utility and railroad taxes	2,481,358	—	—	—	—	406,966	—	—	2,888,324
Other	697,763	—	—	—	—	—	—	—	697,763
Total county	3,179,121	230,177	—	—	—	406,966	—	—	3,816,264

(Continued)

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

SCHEDULE OF REVENUES BY SOURCE - ALL GOVERNMENTAL FUNDS

Page 2 Of 2

For The Year Ended June 30, 2013

	Special Revenue									Total
	General	Teachers	Reimbursable School Lunchroom	Student Health Fund	Federal	Debt Service	Capital Projects	Foundation Funds		
State:										
Basic formula	\$ —	\$ 47,993,155	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 47,993,155
Categorical aid:										
Transportation	4,622,712	—	—	—	—	—	—	—	—	4,622,712
Exceptional pupil	—	—	—	—	5,623,305	—	—	—	—	5,623,305
Free and reduced	7,908,647	—	—	—	—	—	—	—	—	7,908,647
Vocational aid	134,345	123,375	—	—	217,580	—	—	—	—	475,300
School lunch program	—	—	105,318	—	—	—	—	—	—	105,318
Other	1,141,607	—	—	—	622,092	—	—	6,366	—	1,770,065
Total state	13,807,311	48,116,530	105,318	—	6,462,977	—	—	6,366	—	68,498,502
Federal:										
State administered:										
ECIA - Chapter 1	—	—	—	—	21,120,586	—	—	—	—	21,120,586
Education of the Handicapped Act (Public Law 94-142)	—	—	—	—	7,246,966	—	—	—	—	7,246,966
National School Breakfast/ Lunch Program	—	—	15,153,796	—	—	—	—	—	—	15,153,796
Local and direct grants:										
Other	2,869,773	542,287	—	3,949,737	19,029,917	—	—	1,826	—	26,393,540
Total federal	2,869,773	542,287	15,153,796	3,949,737	47,397,469	—	—	1,826	—	69,914,888
Total Revenues	\$ 220,055,588	\$ 72,003,165	\$ 15,683,855	\$ 3,949,737	\$ 54,497,246	\$ 26,471,127	\$ 1,487,783	\$ 1,174,647	\$ —	\$ 395,323,148



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

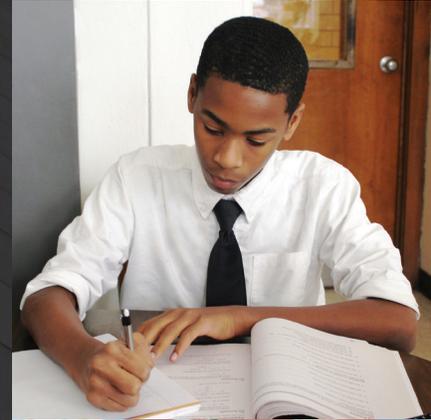
SPECIAL ADMINISTRATIVE BOARD MEMBERS

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Richard K. Gaines
Comprehensive Long Range Planning Chair

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



10%

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2013

Statistical Section



Share of market activity



Passive market share



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

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 285,952,390	\$ 275,639,550	\$ 228,968,116	\$ 270,758,699	\$ 263,556,865	\$ 243,534,249	\$ 220,741,507	\$ 198,696,409	\$ 183,591,491	\$ 161,497,960
Restricted:										
Capital Projects	94,658,738	85,577,421	132,969,120	93,228,875	104,247,119	131,137,630	119,455,742	122,361,425	60,638,297	36,843,180
Debt service	20,780,332	22,928,803	27,370,790	29,425,037	29,126,080	29,395,789	28,138,082	32,191,615	32,435,384	34,808,230
Desegregation settlement programs	—	—	—	—	—	—	—	—	—	10,961,282
Endowments, nonexpendable	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344	352,344
Unrestricted	(31,414,644)	(21,207,908)	(23,717,985)	(8,358,504)	(8,709,789)	(61,481,909)	(66,217,293)	(53,164,655)	14,633,602	20,679,302
Total primary government net position	\$ 370,329,160	\$ 363,290,210	\$ 365,942,385	\$ 385,406,451	\$ 388,572,619	\$ 342,938,103	\$ 302,470,382	\$ 300,437,138	\$ 291,651,118	\$ 265,142,298

Source: St. Louis Public School Financial Statements

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction	\$ 243,938,873	\$ 244,342,222	\$ 256,610,630	\$ 233,492,819	\$ 227,778,768	\$ 229,680,393	\$ 224,146,573	\$ 212,515,070	\$ 207,895,286	\$ 213,811,656
Building Service	44,134,447	46,074,370	50,850,687	45,395,617	50,587,419	48,234,478	61,923,729	45,437,217	35,400,040	49,988,321
Administration	47,734,402	45,143,764	36,103,139	41,589,097	47,188,728	47,952,938	41,716,823	29,993,491	32,715,917	34,305,350
Instructional support	50,515,399	48,141,158	44,143,664	44,085,503	48,569,976	38,310,839	34,492,445	36,067,256	35,509,506	36,045,545
Noninstructional support	17,451,117	18,131,182	12,971,469	14,228,743	19,255,920	19,028,351	26,292,783	13,009,401	15,407,490	29,100,933
Transportation	21,958,237	24,584,111	25,899,751	30,303,063	32,026,184	29,334,971	29,496,425	22,822,432	22,203,156	22,719,483
Food and community service	27,246,705	23,508,406	24,769,458	21,367,333	21,339,991	20,005,532	20,208,582	19,324,339	19,750,891	21,599,028
Interest charges	11,630,565	10,707,463	11,153,937	12,324,811	11,416,294	11,475,002	11,583,276	11,060,829	12,683,830	11,448,067
Total primary government expenses	464,609,745	460,632,676	462,502,735	442,786,986	458,163,280	444,022,504	449,860,636	390,230,035	381,566,116	419,018,383
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	8,607,399	9,400,672	2,359,370	1,578,140	392,824	295,200	—	—	—	24,098
School Administration	43,442	50,210	—	—	—	—	—	—	—	—
Noninstructional support	360,606	173,925	160,505	98,481	—	—	—	—	—	—
Food and community service	217,992	540,282	984,774	2,033,948	2,185,103	2,168,631	1,872,758	1,459,337	1,460,577	929,995
Total charges for services	9,229,439	10,165,089	3,504,649	3,710,569	2,577,927	2,463,831	1,872,758	1,459,337	1,460,577	954,093
Operating grants and contributions:										
Instruction	83,195,708	84,459,260	97,259,562	53,000,011	52,387,142	48,838,515	59,988,926	58,794,013	51,766,739	51,589,365
Building services	384,636	216,972	270,160	476,877	132,481	259,749	16,180	189,615	1,160,971	219,281
Administration	2,604,221	3,902,773	5,144,851	6,804,366	6,093,616	8,124,836	5,742,176	5,345,111	4,519,472	2,916,395
Instructional support	25,778,059	18,822,196	15,707,656	15,868,374	16,228,413	11,175,763	16,333,786	16,919,388	16,514,157	13,995,306
Noninstructional support	462,812	—	1,421,239	1,322,336	2,731,852	870,476	1,246,508	3,951,776	1,037,419	419,381
Transportation	13,945,026	10,563,131	11,899,007	10,665,859	13,227,467	12,118,877	7,362,660	5,785,437	5,014,063	5,168,502
Food and community service	19,866,437	21,917,376	20,978,354	16,406,814	16,138,309	15,673,847	17,101,032	16,154,035	17,182,516	18,737,822
Total operating grants and contributions	146,236,899	139,881,708	152,680,829	104,544,637	106,939,280	97,062,063	107,791,268	107,139,375	97,195,337	93,046,052
Capital grants and contributions										
Instruction	20,848,349	16,001,767	15,779,086	13,157,476	11,808,786	10,939,745	9,273,710	921,159	641,933	926,359
Total primary government program revenue	176,314,687	166,048,564	171,964,564	121,412,682	121,325,993	110,465,639	118,937,736	109,519,871	99,297,847	94,926,504
Total primary government net expense	\$ (288,295,058)	\$ (294,584,112)	\$ (290,538,171)	\$ (321,374,304)	\$ (336,837,287)	\$ (333,556,865)	\$ (330,922,900)	\$ (280,710,164)	\$ (282,268,269)	\$ (324,091,879)

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**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Total primary government net expense	\$ (288,295,058)	\$ (294,584,112)	\$ (290,538,171)	\$ (321,374,304)	\$ (336,837,287)	\$ (333,556,865)	\$ (330,922,900)	\$ (280,710,164)	\$ (282,268,269)	\$ (324,091,879)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes levied for:										
General purposes	134,668,511	129,563,700	139,859,089	136,895,954	150,134,808	154,627,840	154,526,449	158,349,365	160,442,394	173,134,850
Debt service	17,837,525	21,630,889	23,325,391	22,781,661	26,660,677	26,915,994	26,375,224	26,418,051	24,681,140	25,891,679
Capital outlay	1,453,185	7,454,249	1,653,812	—	—	—	—	—	—	—
Sales taxes	53,906,993	54,998,727	56,283,369	61,941,455	54,779,955	47,686,826	44,330,464	45,676,880	44,853,111	44,471,936
Unrestricted federal and state aid	68,307,574	66,741,640	61,526,861	102,543,573	91,901,405	71,833,520	61,255,667	39,900,358	38,109,006	47,513,223
Investment earnings	2,091,986	3,438,161	6,161,502	10,816,787	7,175,352	1,329,434	831,077	2,118,690	855,231	717,535
Other revenues	741,177	1,647,811	4,380,322	5,858,940	9,351,258	4,656,391	6,146,928	5,869,172	4,541,367	5,853,836
Gain on disposal of capital assets	992,095	2,069,985	—	—	—	—	—	—	—	—
Total primary government	279,999,046	287,545,162	293,190,346	340,838,370	340,003,455	307,050,005	293,465,809	278,332,516	273,482,249	297,583,059
Change in Net Position	(8,296,012)	(7,038,950)	2,652,175	19,464,066	3,166,168	(26,506,860)	(37,457,091)	(2,377,648)	(8,786,020)	(26,508,820)
Prior Period Adjustment	—	—	—	—	—	(22,022,596)	(1,677,588)	1,906,302	—	—
Change in Accounting Principle	(10,594,000)	—	—	—	—	—	—	—	—	—
Change In Net Position - Primary Government	\$ (18,890,012)	\$ (7,038,950)	\$ 2,652,175	\$ 19,464,066	\$ 3,166,168	\$ (48,529,456)	\$ (39,134,679)	\$ (471,346)	\$ (8,786,020)	\$ (26,508,820)

Source: St. Louis Public School Financial Statements

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 10,674,725	\$ 5,961,814	\$ 1,063,124	\$ 618,742	\$ 637,350	\$ 637,350	\$ 131,985	\$ —	\$ —	\$ —
Unreserved	(40,763,504)	(29,302,150)	(29,664,258)	(13,732,032)	(12,569,876)	(45,387,598)	(65,697,010)	—	—	—
Nonspendable	—	—	—	—	—	—	—	139,025	312,484	365,599
Restricted	—	—	—	—	—	—	—	—	8,589,574	10,961,282
Unassigned	—	—	—	—	—	—	—	(54,661,562)	3,278,736	17,905,297
Total general fund	\$ (30,088,779)	\$ (23,340,336)	\$ (28,601,134)	\$ (13,113,290)	\$ (11,932,526)	\$ (44,750,248)	\$ (65,565,025)	\$ (54,522,537)	\$ 12,180,794	\$ 29,232,178
All Other Governmental Funds										
Reserved	\$ 70,715,786	\$ 62,703,105	\$ 67,408,658	\$ 70,382,980	\$ 70,528,906	\$ 69,730,172	\$ 67,565,297	\$ —	\$ —	\$ —
Unreserved, reported in:										
Capital projects funds	45,220,879	46,155,463	93,283,596	84,126,609	82,103,294	91,345,911	94,025,010	—	—	—
Debt service	—	—	—	—	—	—	—	—	—	—
Special revenue funds	1,244,281	1,913,542	552,296	534,784	4,278,034	4,066,649	1,113,996	—	—	—
Nonspendable	—	—	—	—	—	—	—	36,858,401	352,344	352,344
Restricted	—	—	—	—	—	—	—	190,490,702	202,463,450	125,755,029
Assigned	—	—	—	—	—	—	—	926,175	814,209	1,966,068
Total all other governmental funds	\$ 117,180,946	\$ 110,772,110	\$ 161,244,550	\$ 155,044,373	\$ 156,910,234	\$ 165,142,732	\$ 162,704,303	\$ 228,275,278	\$ 203,630,003	\$ 128,073,441

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

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

**GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Federal sources:										
Federal grants	\$ 60,860,815	\$ 66,998,931	\$ 74,920,859	\$ 64,281,371	\$ 66,354,616	\$ 60,345,261	\$ 98,466,970	\$ 91,011,064	\$ 72,495,756	\$ 69,914,888
State sources:										
Minimum guarantee	71,129,072	67,415,798	62,137,597	103,569,096	92,829,702	72,559,111	44,468,613	33,331,874	38,493,945	47,993,155
Categorical aid	70,896,336	67,281,693	67,195,096	26,979,933	30,438,550	25,400,729	21,066,501	18,820,621	20,019,444	18,735,282
Other	19,469,652	17,612,395	21,583,474	20,567,951	13,714,334	15,302,753	10,817,354	1,085,653	590,119	1,770,065
Total state sources	161,495,060	152,309,886	150,916,167	151,116,980	136,982,586	113,262,593	76,352,468	53,238,148	59,103,508	68,498,502
Local sources:										
Current taxes	192,698,780	197,703,824	207,821,653	215,923,992	223,483,208	219,993,681	215,246,084	222,118,852	218,417,488	232,685,796
Delinquent taxes	7,973,056	8,198,724	7,170,450	7,452,905	8,946,733	7,980,308	11,106,895	10,745,965	7,584,647	12,291,375
Interest	2,282,362	3,697,482	6,637,522	10,816,787	7,175,351	1,291,877	623,239	2,110,230	855,231	717,324
Other	26,657,773	20,432,878	9,904,588	9,245,533	12,242,826	9,981,067	8,509,612	7,674,155	7,569,998	7,398,999
Total local sources	229,611,971	230,032,908	231,534,213	243,439,217	251,848,118	239,246,933	235,485,830	242,649,202	234,427,364	253,093,494
County sources	3,130,684	3,827,752	2,917,157	3,763,186	3,170,640	3,366,619	3,301,623	3,501,022	3,761,731	3,816,264
Total revenues	\$ 455,098,530	\$ 453,169,477	\$ 460,288,396	\$ 462,600,754	\$ 458,355,960	\$ 416,221,406	\$ 413,606,891	\$ 390,399,436	369,788,359	\$ 395,323,148

Source: St. Louis Public School Financial Statements

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction	\$ 224,047,503	\$ 226,946,514	\$ 233,901,877	\$ 213,795,775	\$ 206,120,807	\$ 209,185,315	\$ 208,547,473	\$ 198,025,082	\$ 190,869,698	\$ 196,091,503
Building service	42,867,693	45,218,574	47,534,695	43,125,281	42,215,152	42,175,149	45,469,575	43,924,937	52,054,542	54,738,848
Administration	45,625,765	42,565,446	36,664,478	40,459,621	46,599,038	47,415,902	40,272,984	30,648,641	32,915,195	34,510,541
Instructional support	47,561,326	45,194,064	43,730,928	45,576,538	45,692,225	42,512,402	36,452,206	35,843,736	34,202,964	35,476,531
Noninstructional support	16,106,849	15,563,794	12,191,327	14,038,567	19,121,357	21,177,316	19,248,981	17,196,329	19,975,616	20,921,691
Transportation	21,730,695	24,558,911	25,669,026	30,284,340	31,949,846	29,115,240	29,119,856	22,730,117	22,132,643	22,644,514
Food and community service	25,775,170	22,121,022	24,526,881	21,326,558	21,307,018	19,974,360	20,162,449	19,295,949	19,732,371	21,580,355
Capital outlay	32,007,653	9,307,110	29,460,550	20,908,707	13,742,072	42,521,234	6,576,531	5,487,694	5,567,318	41,449,414
Debt service:										
Principal retirement	10,811,821	11,949,108	12,347,011	13,168,670	13,907,325	14,342,645	14,541,805	13,752,000	14,245,000	15,925,000
Interest charges	10,244,612	9,405,327	8,918,705	11,333,810	9,868,372	8,950,787	9,912,027	9,843,329	11,118,858	9,631,735
Bond issuance costs	—	496,084	597,432	255,740	—	390,986	—	588,461	646,566	661,336
Payments to escrow agent	—	—	—	—	—	4,927,979	4,878,622	—	—	—
Total expenditures	\$ 476,779,087	\$ 453,325,954	\$ 475,542,910	\$ 454,273,607	\$ 450,523,212	\$ 482,689,315	\$ 435,182,509	\$ 397,336,275	\$ 403,460,771	\$ 453,631,468
 Debt service as a percentage of noncapital expenditures	4.7%	4.8%	4.8%	5.7%	5.4%	5.3%	5.7%	6.0%	6.8%	6.6%

Source: St. Louis Public School Financial Statements

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

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Excess of revenues over/(under) expenditures	\$ (21,680,557)	\$ (156,477)	\$ (15,254,514)	\$ 8,327,147	\$ 7,832,748	\$ (66,467,909)	\$ (21,575,618)	\$ (6,936,839)	\$ (33,672,412)	\$ (58,308,320)
Other Financing Sources (Uses)										
Operating transfers in	116,059,422	125,808,189	91,632,580	82,204,230	87,280,789	77,214,803	79,109,989	85,958,357	155,948,464	112,739,619
Operating transfers out	(116,059,422)	(125,808,189)	(91,632,580)	(82,204,230)	(87,280,789)	(77,214,803)	(79,109,989)	(85,958,357)	(155,948,464)	(112,739,619)
Proceeds from G.O. bonds	—	—	—	—	—	39,295,000	—	81,644,000	79,455,000	—
Payment to refunding escrow agent	—	(47,569,000)	55,000,000	(29,680,211)	(5,680,000)	—	—	—	(6,263,382)	(77,296,756)
Payment to transfer agent	—	—	—	—	—	—	—	—	—	—
Proceeds from refunding debt	—	—	—	—	—	—	—	—	—	—
Proceeds from capital lease obligations	—	—	—	—	—	—	—	—	—	—
Premium on issuance of bonds	—	—	—	—	—	1,837,685	—	—	2,538,850	8,520,206
Proceeds from sale of capital assets	—	—	—	704,777	893,877	—	—	—	—	—
Proceeds from refunding bonds	—	44,115,000	—	28,147,782	—	—	—	—	—	68,579,695
Proceeds from premium on bond refunding	—	3,950,084	3,166,156	1,788,169	—	—	—	—	—	—
Total other financing sources (uses)	—	(47,569,000)	58,166,156	960,517	(4,786,123)	41,132,685	—	81,644,000	75,730,468	(196,855)
Net change in fund balance	(21,680,557)	339,607	42,911,642	9,287,664	3,046,625	(25,335,224)	(21,575,618)	74,707,161	42,058,056	(58,505,175)
Prior period adjustment	—	—	—	—	—	750,000	—	1,906,302	—	—
Change in accounting principle	(10,594,000)	—	—	—	—	—	—	—	—	—
Adjusted net change in fund balance	\$ (32,274,557)	\$ 339,607	\$ 42,911,642	\$ 9,287,664	\$ 3,046,625	\$ (24,585,224)	\$ (21,575,618)	\$ 76,613,463	\$ 42,058,056	\$ (58,505,175)

Source: St. Louis Public School Financial Statements

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

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

Fiscal Year	Assessed Value	Actual Value			Total Taxable Value	Total Direct Rate (1)
		Residential Property	Personal Property	Commercial Property		
2004	\$ 3,328,678,975	\$ 6,120,981,195	\$ 3,379,281,322	\$ 3,247,739,703	\$ 12,748,002,220	4.1900
2005	3,307,808,188	6,191,217,458	3,250,075,970	3,275,403,275	12,716,696,703	4.3040
2006	3,793,118,911	8,276,431,968	3,262,633,771	3,540,822,256	15,079,887,995	3.9720
2007	3,714,548,699	8,110,635,568	3,429,869,522	3,228,231,905	14,768,736,995	4.0193
2008	4,289,134,632	10,268,651,237	4,075,980,234	3,101,334,767	17,445,966,238	3.7533
2009	4,250,211,130	10,111,094,805	3,942,733,184	3,202,288,696	17,256,116,685	3.8028
2010	4,321,388,787	9,900,355,458	3,080,241,782	4,417,739,575	17,398,336,815	3.8943
2011	4,397,270,564	10,030,769,852	3,343,032,517	4,303,723,606	17,677,525,975	3.9865
2012	4,144,977,723	9,529,649,205	2,911,691,311	4,262,117,688	16,703,458,204	4.1743
2013	4,160,066,572	9,594,228,426	4,191,836,256	2,987,625,470	16,773,690,152	4.4071

(1) Per \$100 assessed valuation

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

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

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

Fiscal Year	District Direct Rates			Total	Overlapping Rates								
	General Purposes	Capital Purposes	Debt Purposes		State Blind Person	St. Louis Community College	MSD	Sheltered Workshop Dist.	St. Louis Public Library	Comm. Mental Health	Comm. Child Serv Fund	Zoo and Museum District	City of St. Louis
2004	3.6000	0.040	0.5500	\$4.1900	0.030	0.231	0.065	0.147	0.545	0.088	0.000	0.226	1.562
2005	3.6140	0.040	0.6500	\$4.3040	0.030	0.237	0.069	0.149	0.556	0.089	0.000	0.276	1.591
2006	3.3110	0.040	0.6210	\$3.9720	0.030	0.223	0.069	0.137	0.510	0.082	0.190	0.265	1.440
2007	3.3980	0.000	0.6210	\$4.0190	0.030	0.223	0.069	0.139	0.517	0.083	0.190	0.261	1.459
2008	3.1322	0.000	0.6211	\$3.7533	0.030	0.200	0.067	0.128	0.477	0.077	0.175	0.233	1.345
2009	3.1817	0.000	0.6211	\$3.8028	0.030	0.201	0.000	0.130	0.494	0.078	0.178	0.234	1.323
2010	3.2732	0.000	0.6211	\$3.8943	0.030	0.214	0.000	0.135	0.502	0.080	0.183	0.249	1.360
2011	3.3654	0.000	0.6211	\$3.9865	0.030	0.218	0.079	0.137	0.521	0.082	0.188	0.255	1.422
2012	3.5532	0.000	0.6211	\$4.1743	0.030	0.220	0.082	0.145	0.544	0.087	0.190	0.267	1.469
2013	3.7860	0.000	0.6211	\$4.4071	0.030	0.220	0.082	0.146	0.581	0.088	0.190	0.268	1.485

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 2012		Calendar Year 2003	
	Taxable Assessed Value	Percentage Of Assessed Value	Taxable Assessed Value	Percentage Of Assessed Value
Utilities	\$ 98,872,000	2.38%	\$ 91,413,000	3.41%
Gaming	78,306,000	1.88%		
Telecommunications	67,680,000	1.63%	94,780,000	3.53%
Manufacturing	64,564,000	1.55%	79,643,000	2.97%
Property Management	43,267,000	1.04%		
Healthcare	32,202,000	0.77%	40,041,000	1.49%
Property management	30,400,000	0.73%		
Utilities	28,876,000	0.69%	74,748,000	2.79%
Financial Services	26,513,000	0.64%	36,625,000	1.37%
Manufacturing	25,074,000	0.60%	19,855,000	0.74%
Healthcare			NP	
Educational Institution			NP	
Retail			8,389,000	0.32%
Total	\$ 495,754,000	11.91%	\$ 445,494,000	16.62%

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

Note:

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

(2) NP= Non-Profit

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

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

<u>Fiscal Year</u>	<u>Taxes Levied For The Fiscal Year</u>	<u>Collected Within The Fiscal Year Of The Levy</u>		<u>Collection In Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage Of Levy</u>		<u>Amount</u>	<u>Percentage Of Levy</u>
2004	\$ 139,471,649	\$ 119,151,342	85.43%	\$ 15,434,978	\$ 134,586,320	96.50%
2005	142,368,064	122,412,220	85.98%	19,955,844	142,368,064	100.00%
2006	150,662,683	131,968,954	87.59%	12,158,856	144,127,810	95.66%
2007	153,532,685	131,844,310	85.87%	9,619,479	141,463,789	92.14%
2008	160,984,090	145,188,991	90.19%	9,486,733	154,675,724	96.08%
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%	7,405,732	167,930,827	99.79%
2011	175,297,191	162,648,139	92.78%	8,363,809	171,011,949	97.56%
2012	173,023,805	162,483,083	93.91%	6,798,448	169,281,531	97.84%
2013	183,338,294	174,974,825	95.44%	—	174,974,825	95.44%

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)
2004	\$ 229,606,532	\$ 998,185	\$ 5,797,776	\$ —	\$ 236,402,493	2.59	660	0.0180
2005	217,627,456	698,017	4,535,120	—	222,860,593	2.40	621	0.0171
2006	238,899,210	391,814	3,386,310	—	242,677,334	2.53	722	0.0158
2007	224,912,975	79,456	1,923,956	—	226,916,387	2.30	692	0.0152
2008	206,263,624	—	1,076,087	—	207,339,711	1.98	644	0.0118
2009	227,414,211	—	588,442	—	228,002,653	2.09	715	0.0132
2010	210,450,885	—	281,637	—	210,732,522	1.84	662	0.0121
2011	273,832,723	—	—	—	273,832,723	2.51	859	0.0155
2012	366,002,841	—	—	—	366,002,841	3.22	1,147	0.0219
2013	351,327,846	—	—	—	351,327,846	2.97	1,105	0.0209

Notes: N/A = Not Available

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

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

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

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2013**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
City of St. Louis	\$ 968,365,000	100%	\$ 968,365,000
Metropolitan St. Louis Sewer District	877,067,000	9.61% *	84,295,000
St. Louis Public Library	51,221,000	100.00%	51,221,000
St. Louis Junior College District	<u>28,987,000</u>	19.77% *	<u>5,732,000</u>
Subtotal Overlapping Debt	<u>1,925,640,000</u>		<u>1,109,613,000</u>
Board Direct Debt	<u>351,327,846</u>	100% *	<u>351,327,846</u>
Subtotal Direct Debt	<u>351,327,846</u>		<u>351,327,846</u>
Total Direct and Overlapping Debt	<u><u>\$ 2,276,967,846</u></u>		<u><u>\$ 1,460,940,846</u></u>

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

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 2013

Assessed Value	\$ 4,160,066,572
Debt Limit (15% of assessed valuation)	624,009,986
Debt applicable to limit	<u>315,909,675</u>
Legal debt margin	<u>\$ 308,100,311</u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 499,301,846	\$ 496,171,228	\$ 568,967,729	\$ 557,182,305	\$ 643,370,195	\$ 637,531,670	\$ 648,208,318	\$ 659,590,585	\$ 621,746,658	\$ 624,009,986
Total net debt applicable to limit	233,830,000	199,636,197	238,899,210	224,912,975	206,263,624	227,412,211	210,450,885	273,832,723	329,784,781	315,909,675
Legal debt margin	\$ 265,471,846	\$ 296,535,031	\$ 330,068,519	\$ 332,269,330	\$ 437,106,571	\$ 410,119,459	\$ 437,757,433	\$ 385,757,862	\$ 291,961,877	\$ 308,100,311
Total net debt applicable to the limit as a percentage of debt limit	46.83%	40.24%	41.99%	40.37%	32.06%	35.67%	32.47%	41.52%	53.04%	50.63%

Source: County Clerk's Report
District Records

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

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

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

Notes:

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

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

(3) Source: U.S. Bureau of Economic Analysis - Calendar Year 2012 figures are estimates; actual statistics for this period are released in November 2013. Calendar Years 2005-2011 have been updated to reflect actual statistics released as of April 2013.

**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**

Employer	Calendar Year 2012		Calendar Year 2003	
	Employees	Percentage Of Total City Employment	Employees	Percentage Of Total City Employment
Washington University	14,705	3.44%	11,869	2.49%
BJC Healthcare	13,241	3.09%	14,086	2.96%
St. Louis University	10,096	2.36%	9,205	1.93%
City of St. Louis	8,098	1.89%	9,516	2.00%
Defense Finance & Acct Services	6,379	1.49%		
Wells Fargo	5,653	1.32%		
St. Louis Board of Education	4,992	1.17%	8,433	1.77%
State of Missouri	4,240	0.99%	5,862	1.23%
AT&T Services	4,016	0.94%		
U.S. Postal Service	3,973	0.93%	6,211	1.30%
Anheuser Busch, Inc			5,163	1.08%
SBC			7,092	1.49%
Tenet Health Systems			6,207	1.30%
Total	75,393	17.62%	83,644	17.55%

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

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

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

	Full-Time-Equivalent District Employees by Type as of June 30									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Supervisory										
Administrators and Managers	37	55	75	85	78	169	111	146	164	142
Principals	92	93	91	91	84	78	74	72	72	71
Asst. Principals-Nonteaching	76	80	77	79	64	54	48	23	23	32
Total Supervisory	205	228	243	255	226	301	233	241	259	245
Instruction										
Elem. Classroom Teachers	1,794	1,624	1,521	1,509	1,331	1,418	1,343	1,050	982	899
Sec. Classroom Teachers	557	539	560	537	515	609	593	653	717	733
Other Classroom Teachers	1,325	1,455	861	512	412	544	37	36	32	27
Total instruction	3,676	3,618	2,942	2,558	2,258	2,571	1,973	1,739	1,731	1,659
Student Services										
Guidance counselors	130	88	93	109	113	96	87	83	82	76
Psychological	47	37	37	36	32	35	68	22	21	19
Librarians, Audio-Visual	98	89	86	78	70	56	51	33	19	15
Consultant/Inst. Supervisors	102	93	66	82	114	87	—	—	—	—
Other Professionals	525	483	518	523	402	119	114	29	44	54
Teacher Aides	526	512	538	555	574	338	172	361	461	143
NLR Teachers	—	—	—	—	—	—	212	262	238	325
Technicians	26	34	30	31	28	—	—	—	—	—
Total Student Services	1,454	1,336	1,368	1,414	1,333	731	704	790	865	632
Support and Administration										
Clerical/Technical	495	414	362	371	240	213	194	150	158	161
Service Workers	616	551	206	179	157	326	147	135	338	352
Skilled Crafts	24	26	1	2	8	—	—	—	—	—
Unskilled Laborers	—	—	—	—	1	—	—	—	—	—
Total support and Administration	1,135	991	569	552	406	539	341	285	496	513
Total	6,470	6,173	5,122	4,779	4,223	4,142	3,251	3,055	3,351	3,049

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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Instruction:										
Student enrollment	34,445	32,947	30,739	27,646	27,527	26,043	26,449	25,189	24,775	27,121
Building services:										
Number of schools	90	92	91	89	85	88	76	76	76	76
Transportation:										
Number of students Transported	27,216	26,447	24,707	22,450	22,876	26,784	27,671	26,902	27,506	31,307

Source: District Records

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

SCHOOL BUILDING INFORMATION

	<i>Enrollment</i>	<i>Program Capacity</i>	<i>Year</i>	<i>Square Feet</i>
<i>Elementary Schools</i>				
Adams-400	315	415	1,878	63,201
Ames ES-425	405	564	1,956	72,468
Ashland-406	369	600	1,909	74,146
Baden-408 (CLOSED)	—	360	1,908	53,188
Bryan Hill-418	215	310	1,912	58,991
Buder-420	407	450	1,920	59,973
Carver-428 (CLOSED)	—	N/A	1,989	51,760
Clark eMints-432	—	255	1,907	57,671
Clay CEC-436	178	335	1,905	51,297
Cole-440	376	350	1,931	55,233
Columbia CEC-442	233	400	1,930	59,059
Cote Brilliante-444	225	400	1,904	59,640
Dewey International Studies-447	443	452	1,918	59,392
Dunbar-448	241	505	1,912	67,284
Farragut Accelerated-458	198	410	1,906	60,479
Ford CEC-463	242	525	1,964	81,700
Froebel-466	346	460	1,895	70,481
Gallaudet HI-472	—	70	1,927	29,857
Gateway Math & Science Elem.-473	562	714	1,995	244,000
Gateway-Michael SpEd-552	73	41	1,995	244,000
Hamilton CEC-478	396	510	1,918	60,110
Henry-488	280	440	1,906	66,465
Herzog CEC-490	418	400	1,937	38,532
Hickey-489	251	325	1,966	62,222
Hodgen-492	272	350	1,884	63,211
Humboldt School of Higher Learning-496	274	N/A	N/A	N/A
New American's Prep Academy-497	302	N/A	N/A	N/A
Academy Env'tl Sci/Math-499	733	N/A	N/A	N/A
Jefferson-502	263	395	1,960	89,976
Kennard CJA-503	361	380	1,930	47,151
Laclede-506	266	350	1,915	64,020
Lexington-510	340	405	1,996	58,554
Lyon ABI-518	353	288	1,910	38,983
Mallinckrodt ABI-524	285	308	1,940	38,044
Mann-526	233	295	1,902	55,983
Mark Twain-528 (CLOSED)	—	360	1,912	61,259
Mason-534	445	440	1,921	47,673
Meda P. Washington ECC-540 (CLOSED)	—	350	1,930	45,362
Meramec-550	274	200	1,909	38,963
Monroe-556	384	400	1,899	48,498
Mullanphy-559	482	583	1,915	83,122
Nance-561	384	400	2,002	61,000
Oak Hill-560	355	500	1,908	49,531
Peabody -562	346	515	1,957	86,866
Scruggs-574 (CLOSED)	—	380	1,918	59,566
Shaw VPA-CEC-578	396	380	1,908	53,961
Shenandoah-580	197	225	1,926	34,344
Shepard eMints-582 (CLOSED)	—	420	1,906	55,998
Sherman CEC-584	171	280	1,899	47,638
Sigel CEC-586	284	475	1,906	67,605
Simmons-Marshall MEGA-587 (CLOSED)	—	460	1,899	87,542
Stix ECC 1-593	526	580	1,921	78,961
Walbridge ECC-ACC-596	265	515	1,924	67,827
Washington Montessori-601	407	515	1,956	35,757
Wilkinson ECC 1-603	278	350	1,920	47,683
Woerner-597	395	355	1,932	57,623
Woodward-612	337	400	1,922	56,510
Griscom-668	24	N/A	N/A	N/A
Lyon Elementary (Alternative)-671	—	N/A	1,910	38,983
Big Picture - 697	—	150	1,968	16,743

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

SCHOOL BUILDING INFORMATION (*Continued*)

	<i>Enrollment</i>	<i>Program Capacity</i>	<i>Year</i>	<i>Square Feet</i>
<i>Middle Schools</i>				
Bunche International Studies-311	—	414	1,911	74,807
Busch-305	341	310	1,953	43,110
Carr Lane VPA-307	527	640	1,959	87,620
Compton Drew ILC-339	519	510	1,996	92,000
Fanning-314	316	332	1,907	70,117
Langston-324	302	389	1,964	72,831
Academy Env't Sci/Math Middle-325	384	N/A	N/A	N/A
Long-326	241	529	1,923	71,467
L'Ouverture-328	190	464	1,950	83,803
McKinley CJA-313	280	560	1,903	166,823
Freshstart @ Turner Middle School-698	—	N/A	1,940	49,768
Stevens-340 (Closed 2011-2012)	—	375	1,964	74,846
Madison Multiple Pathways-670	—	N/A	N/A	N/A
Stevens Center for Academic Dev-671	107	N/A	N/A	N/A
Yeatman-Liddell-352	374	512	1,967	77,030
Innovative Concept Academy @ Blewett-679	114	N/A	1,956	90,471
Big Picture Middle/High @ Northwest-694	—	N/A	1,964	170,460
<i>Junior Prep Academies</i>				
Gateway Math & Science Preparatory-323	539	519	1,995	N/A
Stowe Preparatory-375/207 (CLOSED)	—	572	1,967	73,320
<i>Small High Schools</i>				
Carnahan High School of the Future-193	357	500	2,003	73,500
Trans & Law Academy @ Northwest-194	257	791	1,964	170,460
<i>High Schools</i>				
Roosevelt-168	601	1,200	1,925	294,104
Sumner-180	410	1,106	1,910	235,602
Vashon-183	614	1,320	2,002	242,000
Special Ed (Non-Enrolled)-197	—	N/A	N/A	N/A
Cleveland NJROTC-144	411	560	1,955	103,470
Beaumont-125	136	1,263	1,926	274,599
College Preparatory - 150	371	N/A	N/A	N/A
Nottingham CAJT-114	135	180	1,953	41,823
Central VPA-186 @Southwest Complex	378	870	1,937	247,733
Clyde Miller Career Academy-117	786	800	2,004	141,000
Gateway Stem High-111	1,128	1,625	1,956	453,091
Metro A&C-156	309	340	1,997	56,726
Soldan International Studies-173	542	1,030	1,909	251,097
McKinley Leadership Academy-157	126	N/A	1,903	166,823
Fresh Start @ Sumner Multiple Pathways-698	73	N/A	N/A	N/A
FreshStart @Meda P. Multiple Pathways-673	86	100	1,930	45,362
Multiple Pathways High @Beaumont-771	124	N/A	N/A	N/A
Alternative-199	238	N/A	N/A	N/A

N/A = NOT AVAILABLE

Source: District records