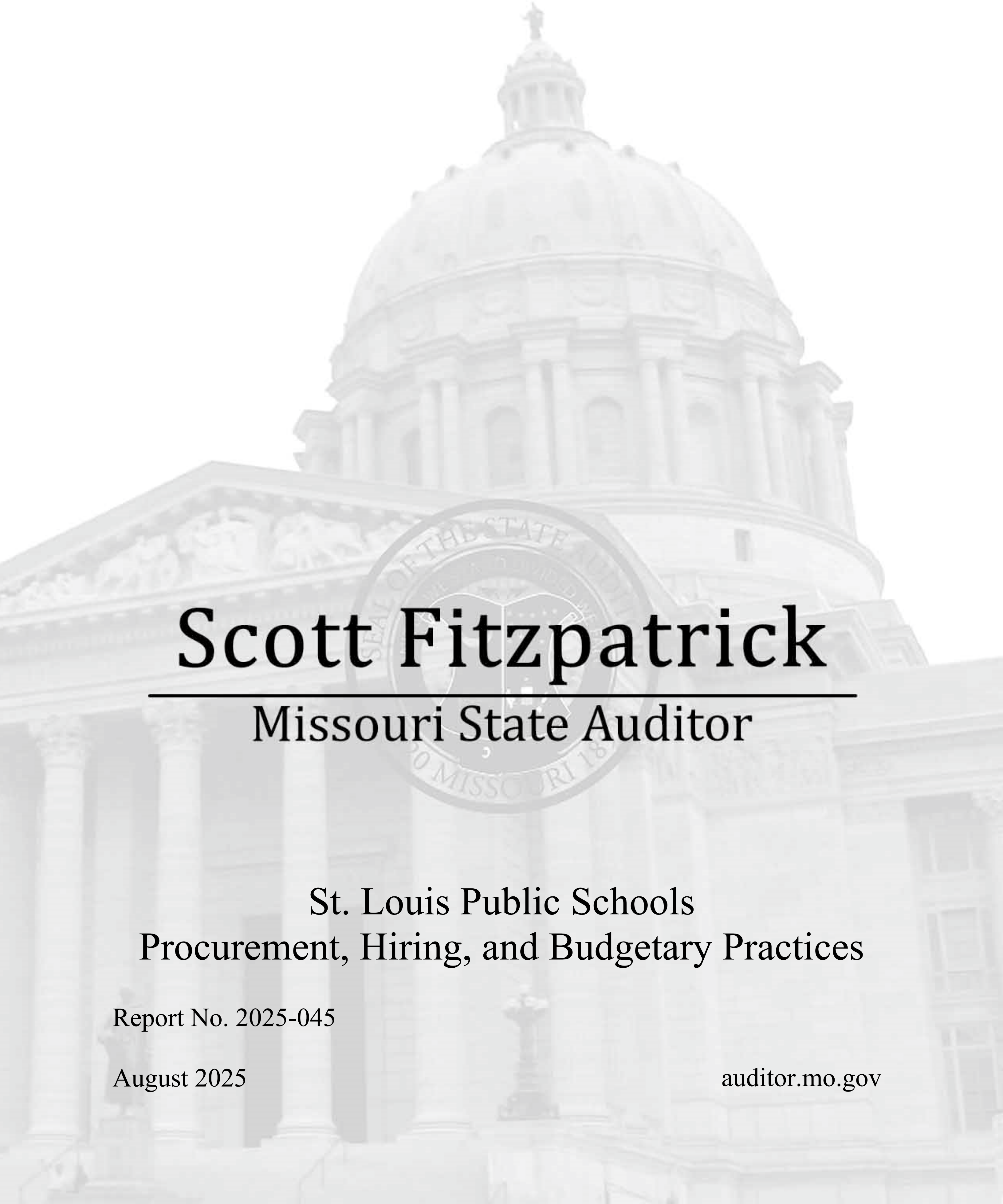

Scott Fitzpatrick

Missouri State Auditor

St. Louis Public Schools
Procurement, Hiring, and Budgetary Practices

Report No. 2025-045

August 2025

auditor.mo.gov

Scott Fitzpatrick
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the St. Louis Public Schools - Procurement, Hiring, and Budgetary Practices

Financial Planning and Budget Process	The district's long term financial plan is out of date and incomplete, and does not show clear evidence of planning for future years. Additionally, continued deficit spending will result in the unassigned general operating fund balances falling below the Board's own benchmark if not addressed. If the district continues deficit spending at the rate currently projected, the unassigned operating fund balances will fall below 30 percent of expenditures in fiscal year 2027 and below 20 percent in fiscal year 2028. In fiscal year 2030, if not addressed, the current rate of deficit spending will result in fund balances at or below 3 percent, which the Department of Elementary and Secondary Education defines as a financially stressed district. The Board does not receive budget information in sufficient time to properly evaluate the information prior to approving the annual proposed budget, does not monitor the budget during the year, and does not always amend the budget as required. As a result, actual expenditures exceeded the budgeted amounts in several prior years. Public district budget documents were inaccurate and some monthly financial statement information was not accessible to the public.
Disbursements	District personnel purchased items that were questionable, unreasonable, and/or did not provide an educational benefit; and district controls were insufficient to prevent such purchases. A review of 27 judgmentally selected transactions, totaling $17,040, from the period June 6, 2023, through August 5, 2024, identified 17 credit card transactions (63 percent), totaling $12,436, that were questionable and/or unreasonable. Questionable purchases included unsupported travel and meals, unnecessary gifts, and other purchases that did not have an apparent educational purpose. Additionally, district personnel did not review credit limits for reasonableness, reimbursed employees for moving expenses that were not adequately supported, and did not always pay the district's credit card bill timely, resulting in late fees of $1,106.
Procurement	District procurement procedures and practices did not comply with Board policy and state law. The district bypassed the required sealed bid process by classifying 3 purchases, totaling $266,780, as emergencies or sole source procurements when they did not qualify as such. The Board approved a $115,000 emergency contract with a transportation consultant that did not meet the requirements for an emergency purchase. The Board authorized an emergency purchase of asphalt repairs and the replacement of a retaining wall at 2 elementary schools that did not meet the requirements for an emergency purchase. The Board extended an agreement with a sports technology company for athletics livestreaming without competitive procurement. The district did not competitively select some vendors as required by district policies and state law. For 14 of the applicable 17 vendors reviewed, the district did not retain adequate supporting documentation or obtain quotes, Board approval, and contracts when required.

Payroll and Personnel Records

The district paid approximately $3.5 million in attendance incentives to employees in violation of the Missouri Constitution during the 2 years ended June 30, 2024. The former Superintendent approved cabinet member salaries in excess of the district salary schedule without Board approval, and gave pay raises to cabinet members with no support to justify the increase, some of which were retroactive. A review of the salaries of 10 cabinet members, identified 6 cabinet members to whom the former Superintendent offered and authorized salaries that exceeded the maximum salary allowed on Board-approved salary schedules. District personnel are not comparing employees' payroll entries with approved salary schedules, and as a result, other salaries also exceeded salary schedule amounts. Twenty-two of the 30 employees' annual salaries reviewed (73 percent) did not agree with the Board-approved salary schedules. Of the 22 employees, 21 exceeded the salary schedule by $1,446 to $45,189. District personnel files did not have records of some employee background checks, and employment records for several employees were otherwise incomplete. In addition, the district did not properly store and maintain personnel records.

Policies

The Board did not have sufficient policies over district travel prior to the 2024-2025 school year, and even after it implemented additional policies and procedures, the Board did not always ensure compliance with the new policies. Prior to July 8, 2024, the district had no guidance or policies for the use of purchasing cards for travel. The district implemented purchasing card guidelines, effective July 8, 2024, that prohibit cardholders from using purchasing cards for travel-related purchases. However, from July 8, 2024, through August 5, 2024, the audit identified 72 purchasing card transactions totaling $24,401 for airfare, rail, rental car, lodging, and travel agent fees. In addition, the audit noted additional travel-related transactions included on purchasing card statements from September 2024 through March 2025. The district's guidelines for meals purchased do not reflect current practices for student meals. Accounts payable department personnel did not maintain a travel log as required by the Travel Policy (effective Spring 2017). According to district personnel, the district has not maintained the travel log since at least 2020. The Board did not ensure district personnel followed established travel policies. District and Board policies and Board regulations are inconsistent, some appear duplicative, and many are outdated.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

Excellent: The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.

Good: The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.

Fair: The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.

Poor: The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

St. Louis Public Schools
Procurement, Hiring, and Budgetary Practices
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SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

Board of Education
St. Louis Public Schools

The State Auditor conducted an audit of the St. Louis Public Schools - Procurement, Hiring, and Budgetary Practices under the authority granted in Section 29.205, RSMo. We have audited certain operations of the district in fulfillment of our duties. The district engaged RubinBrown, Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended June 30, 2024, and the district's legal counsel engaged Armanino CPA LLP to perform an assessment of certain district processes. To minimize duplication of effort, we reviewed the CPA firms' reports. The scope of our audit included, but was not necessarily limited to, the period July 1, 2023, through July 31, 2024. The objectives of our audit were to:

1. Evaluate the district's internal controls over significant management and financial functions, as they relate to procurement and hiring.

2. Evaluate the district's compliance with certain legal provisions, as they relate to procurement, hiring, and budgets.

3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions, as they relate to procurement and hiring.

4. Evaluate and review the district's budget process.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and the Department of Elementary and Secondary Education, and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) the need for improvement in the district's budget process. The accompanying Management Advisory Report presents our findings arising from our audit of the St. Louis Public Schools - Procurement, Hiring, and Budgetary Practices.

An additional audit of the St. Louis Public Schools - General District Operations is in process, and any additional findings and recommendations will be included in the subsequent report.

Scott Fitzpatrick
State Auditor

St. Louis Public Schools
Procurement, Hiring, and Budgetary Practices
Introduction

Background

In August 2024, City of St. Louis Mayor Tishaura Jones sent a letter to the State Auditor's Office (SAO) requesting an audit of the St. Louis Public Schools (SLPS). In addition, the SAO received numerous phone calls, letters, news articles, and other communications outlining concerns about the district and detailing questionable practices by the district under former Superintendent Dr. Keisha Scarlett. The State Auditor determined an audit was warranted and announced an audit under the authority granted in Section 29.205, RSMo.

The following events are significant to our review of the school district's procurement, hiring, and budgetary practices.

- Dr. Scarlett was employed with the district from July 1, 2023, through October 14, 2024, when the School Board terminated her 3-year employment contract. On July 25, 2024, Dr. Millicent Borishade was appointed Interim Superintendent after Dr. Scarlett was placed on a paid temporary leave of absence. On February 18, 2025, Dr. Borishade was appointed Superintendent by the Board. Dr. Borishade has served in several roles within the district including Chief of Schools, Deputy Superintendent, and Superintendent and is referred to as the Superintendent throughout this report. Dr. Scarlett is referred to as the former Superintendent throughout this report.

- In July 2024, external district legal counsel engaged an independent CPA firm to conduct an assessment of the hiring practices of the former Superintendent, district credit card usage, expense reimbursements, and procurement. The management report was released in December 2024.

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, July 1, 2023, through July 31, 2024. The school district's fiscal year is July 1 through June 30.

Our methodology included reviewing Board meeting minutes, written policies and procedures, financial records, and other pertinent documents; gathering information for procurement, hiring, and budgetary practices through discussions with district personnel, as well as certain external parties; and performing sample testing using judgmental and random selection, as appropriate. The results of our sample testing cannot be projected to the entire populations from which the test items were selected. We reviewed the management report prepared by Armanino CPA LLP,[1] but did not rely on the work performed. To minimize duplication of effort, we did not report on areas previously identified unless we noted additional related issues or evidence.

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[1] *Management Report: St. Louis Public Schools Assessment*, Armanino CPA LLP, issued December 9, 2024, <https://www.slps.org/Page/81196>, accessed June 4, 2025.

We obtained an understanding of internal control that is significant to the audit objectives and planned and performed procedures to assess internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To evaluate (1) the district's internal control system, (2) compliance with district and Board procedures and statutory requirements, (3) the economy and efficiency of certain other management practices and procedures, and (4) the budgetary process, we performed the following tests and procedures:

- We reviewed the personnel files of 11 judgmentally selected cabinet members,[2] and 15 randomly selected district employees.

- We reviewed the district's process for adding employees to the payroll system and reviewed haphazardly selected payroll transactions and pay scale placement for 10 judgmentally selected cabinet members and 30 randomly selected district employees.

- We reviewed the district's attendance incentive for compliance with district policies and applicable laws.

- We reviewed the district's procurement process and policies, including competitive selection and the use of sole source and emergency purchases. We reviewed 20 judgmentally selected disbursements for compliance with district policies and applicable laws from a population of disbursements from the period July 1, 2023, through July 31, 2024, totaling approximately $415 million.

- We analyzed district credit card use and limits of district credit cards, and judgmentally selected and reviewed 23 purchasing card and 4 travel card transactions for the period June 6, 2023, through August 5, 2024.[3]

- We reviewed 25 randomly selected disbursements for compliance with district policies and applicable laws from a population of disbursements

[2] The cabinet includes the Superintendent, the Deputy Superintendent, and employees with any job title containing "Chief." There were 13 cabinet positions during our audit period. Some cabinet members were only employed for a very limited time, so were not included in test work.

[3] Dates are based on credit card statement dates that included June 2023 through July 2024 credit card transactions.

from the period July 1, 2023, through September 30, 2024, totaling approximately $490 million.

- To evaluate and review the district's budget process, we interviewed various personnel and reviewed the district's budget, long term financial plan, and public budget reports for the audit period.

1. Financial Planning and Budget Process

The Board of the St. Louis Public Schools (SLPS) is not sufficiently planning for the long-term financial future of the district, is projecting continued deficit spending, and the district budget process needs significant improvement. For fiscal year 2024, the district budgeted $465.8 million in revenues and $483.5 million in expenditures, resulting in projected deficit spending of $17.7 million. Additionally, the district budgeted deficits of $35.4 million and $33.4 million for the fiscal year 2025 and fiscal year 2026 budgets, respectively. As of June 30, 2024, the unassigned fund balance of the General Fund was $202.9 million.

1.1 Long term planning

The district's long term financial plan is out of date and incomplete, and does not show clear evidence of planning for future years. Additionally, continued deficit spending will result in the unassigned general operating fund balances falling below the Board's own benchmark if not addressed.

Planning tool

The 2024-2025[4] Budget Book indicates the district's long-term financial modeling tool is a major component of its annual planning process; however, we found numerous errors and information that was not updated in the tool. For example, the modeling tool included data from fiscal years 2006 to 2028, but the formulas in the future years' columns erroneously relied on factors such as prior year enrollment data. This prevented the tool from properly forecasting future financial information. For the general operating budget, the tool only included fiscal years 2020 through 2025 and did not have projections after fiscal year 2025.

Deficit spending

The district's long-term plans also do not address if/when the district will discontinue its deficit spending and use of budget reserves to meet planned expenditures. Based on the district's budgeted spending for fiscal year 2026, the balance of the General Fund at June 30, 2026, will be $135.9 million.[5] If the district continues deficit spending at the rate currently projected, the unassigned operating fund balances will fall below 30 percent of expenditures in fiscal year 2027 and below 20 percent in fiscal year 2028. In fiscal year 2030, if not addressed, the current rate of deficit spending will result in fund balances at or below 3 percent, which the Department of Elementary and Secondary Education defines as a financially stressed district. By fiscal year 2031, the district would not have sufficient funds to complete the school year.[6]

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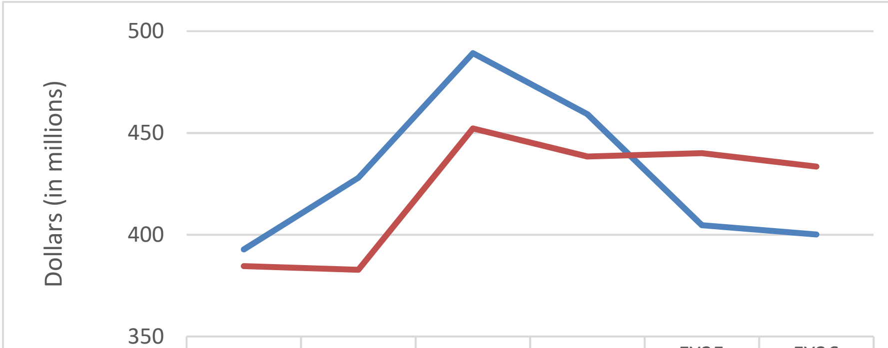
[4] This is the budget for fiscal year 2025, ending on June 30, 2025.

[5] Calculated using the fiscal year 2025 and 2026 budgeted General Fund revenues and expenditures.

[6] Projected using the fiscal year 2026 budgeted General Fund excess expenditures of $32 million.

Figure 1 shows the actual revenues and expenditures for fiscal years 2021 through 2024, as well as the approved and proposed budgets for fiscal years 2025 and 2026. As shown, the budgeted information reflects the district's plan to continue to spend in excess of projected revenues.

Figure 1: Revenues and expenditures by fiscal year (FY)



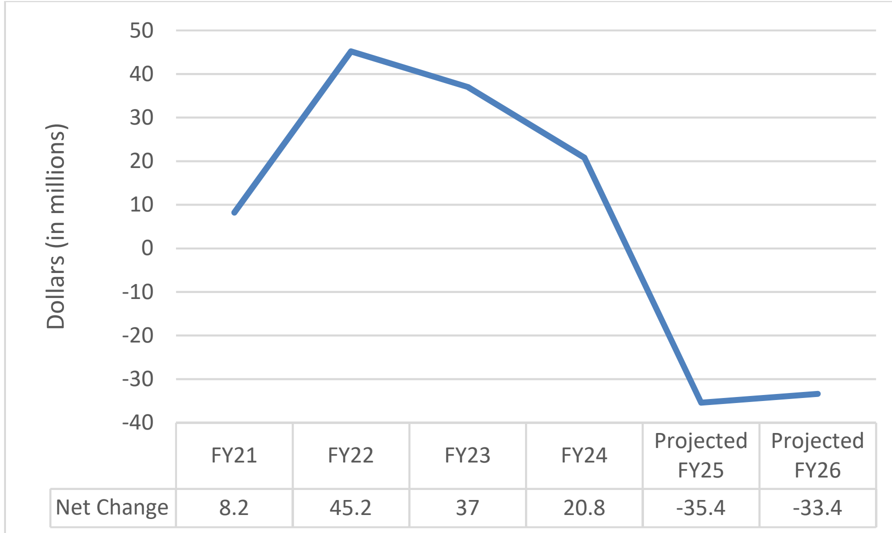
	FY21	FY22	FY23	FY24	FY25 Approved	FY26 Proposed
Revenues	392.8	428.0	489.2	459.2	404.7	400.1
Expenditures	384.6	382.8	452.2	438.4	440.1	433.5

Source: Prepared by the State Auditor's Office (SAO) using fiscal year 2022 to 2025 budgets from <https://www.slps.org/Page/13290>, accessed May 29, 2025, and the fiscal year 2026 proposed budget as of May 29, 2025.

The Board approved deficit spending in fiscal year 2025, and the district is proposing additional deficit spending for fiscal year 2026.[7] Figure 2 shows the net change in the district's fund balance. While the district built up a fund balance in prior years, the continued deficit spending will quickly diminish any reserve the district has.

[7] The Board budgeted deficit spending for fiscal year 2024, but actual revenues exceeded expenditures.

Figure 2: Change in fund balance by fiscal year (FY)



Source: Prepared by the SAO using fiscal year 2022 to 2025 budgets from <https://www.slps.org/Page/13290>, accessed May 29, 2025, and fiscal year 2026 proposed budget as of May 29, 2025.

District policy indicates the Board's goal is to maintain the unassigned General Fund balance at or above 30 percent of General and Teacher's Fund expenditures. Policy also states the Board would consider a fund balance of 20 percent or less of fund expenditures to be a concern and 10 percent or less to require action. While the policy is specific to the General Fund, similar consideration is necessary for all operating funds because the General Fund supplements the Teacher's and Capital Projects Funds.[8] Long-term financial plans that include the district's strategy for reversing its practice of unsustainable deficit spending are necessary to prevent fund balances reaching critically low levels.

Conclusion

The former Chief Financial Officer discussed the district's financial condition during board meetings and noted concerns with the sustainability of current spending, but the discussions did not include detailed plans for future years. Current district personnel also could not provide a detailed plan for how they will sustain the current payroll and benefits expenditures in future years. The only plan district personnel provided was to indicate that the district plans to sustain payroll and benefits expenditure levels through attrition and reductions in non-salary operating costs. However, planning for, or anticipating, attrition is not a reasonable or sustainable plan, given the need to properly staff classrooms and meet the needs of district students. District

[8] Board Policy 3160 indicates the Board's goal is to achieve and maintain an unassigned fund balance in the General Fund equal to 30 percent of the aggregate expenditures in the General and Teacher's Fund.

personnel stated they intend to either update the written plan or create a new 5-year strategic plan starting in June 2025.

The Government Finance Officers Association[9] (GFOA) recommends governments prepare and maintain a long-term financial plan that projects at least five years into the future. In addition, the GFOA[10] states, "beyond the annual budget cycle and multi-year capital plan, governments need to identify long-term financial trends." Long-term planning is especially important given the deficit spending by the district in recent years and the salary increases agreed upon in the collective bargaining agreement for fiscal years 2026 and 2027. The GFOA[11] specifies that plans to use reserves to balance the budget "should be clear about the time period over which returning to structural balance, replenishing reserves, and remediating the negative impacts of balancing actions are to occur."

The Board's failure to properly plan for the district's financial condition in the long term may result in inefficient resource allocation, difficulty adapting to changing needs, potential for reactive decision-making instead of proactive strategies, and ultimately, a negative impact on student learning outcomes due to a lack of focused goals and coordinated efforts across the school district.

1.2 Budget review and monitoring

The Board does not receive annual budget information in sufficient time to properly evaluate it prior to approving the proposed budget, does not monitor the budget during the year, and does not always amend the budget as required. As a result, actual expenditures exceeded the budgeted amounts in several prior years.

The fiscal year 2025 preliminary budget was not presented to the Board until the May 28, 2024, Board meeting and was approved 14 days later on June 11, 2024. District personnel stated the preliminary budget was not ready until May, when it was presented. The 2024-2025 Budget Book includes an explanation of the district budget process and indicates the preliminary budget should be available in March for the Board and other stakeholders' consideration. In February 2025, the Board revised its policy from requiring the budget be presented in March to no later than June 1. By statute the budget must be approved before the beginning of the next fiscal year (July 1). Presenting the budget shortly before it must be passed gives the Board and public little time for review or discussion.

[9] *Long Term Financial Planning*, Government Finance Officers Association, March 2022, <https://www.gfoa.org/materials/long-term-financial-planning>, accessed on April 1, 2025.
[10] Ibid.
[11] *Achieving a Structurally Balanced Budget*, Government Finance Officers Association, February 2012, <https://www.gfoa.org/materials/achieving-a-structurally-balanced-budget>, accessed on April 1, 2025.

In addition, the fiscal year 2020 through 2023 financial statement audit reports[12] indicate actual expenditures exceeded budgeted amounts for at least 1 fund in each year. Expenditures exceeded the budget from $524,018 to $21,312,473 per year.

District personnel stated that monthly reports given to the Board are by location[13] and only include discretionary expenditures, so the Board cannot identify funds that need amended budgets. The Board did not request any other reports to allow it to adequately monitor the district budget.

Section 67.030, RSMo, requires political subdivisions to approve their budget before the beginning of the fiscal year. Section 67.040, RSMo, requires a budget amendment be approved prior to actual expenditures for a given fund exceeding the officially approved budgets for the fund. Individual categories may be in excess of budgeted amounts, but the total expenditures by fund are not to exceed the budgeted expenditure amount for that fund.

A complete and well-planned budget can serve as a useful management tool by establishing specific revenue and cost expectations for each area. Thoughtful consideration of the proposed district budget is necessary to ensure these expectations reflect the Board's plans and adequately address the needs of the students, faculty, and taxpayers. The 2024-2025 Budget Book indicates community engagement and involvement of the internal and external stakeholders is essential during the preparation of the budget. When budget information is presented shortly before approval is required, the Board has little time to properly consider the budget and stakeholder input. It is also imperative for the Board to closely monitor actual revenues and expenditures, because, as noted in section 1.1, the budget already projects some deficit spending. Continuing to spend in excess of budgets will further impact the districts future financial position.

1.3 Public information

Public district budget documents were inaccurate and some monthly financial statement information was not accessible to the public.

The 2023-2024 Budget Book erroneously included salaries of previous years in the fiscal year 2024 proposed salaries by location. The 2024-2025 Budget Book also erroneously included salaries twice in the totals by location. District personnel indicated these inaccuracies were due to clerical errors when preparing the budget books. Also, during our review of the monthly

[12] Available on district website <https://www.slps.org/Page/96>, accessed April 21, 2025.
[13] Includes individual schools and central office departments, such as Academics, Support Services, and Technology.

financial statements,[14] the website links to the November 2024 through January 2025 monthly statements did not work. District personnel indicated they did not know who was in charge of updating the website or which district personnel had the ability to update it. After we brought the errors to their attention, the district updated the budget books and document links on the website.

Budget documents are a necessary tool for the efficient management of district finances. Inaccurate and incomplete budget information limits the usefulness of the document and limits citizens from gaining a full understanding of district financial plans. Section 160.066.2, RSMo, requires each public school district, to the extent practicable, to update the financial data contained on its website no less frequently than every quarter and provide the data in a structured format.

Recommendations

The Board of Education:

1.1 Maintain a long-term financial plan that includes the district's strategy for reversing its practice of unsustainable deficit spending before fund balances reach critically low levels and ensure it is reviewed and updated at least annually.

1.2 Ensure budget information is sufficiently evaluated prior to passing the budget, and develop procedures to ensure budget amounts are not exceeded including obtaining and reviewing detailed reports to adequately monitor actual amounts compared to budgeted amounts. The Board should timely amend the budget, as needed.

1.3 Ensure budget documents are accurate and financial information is accessible to the public.

Auditee's Response

1.1 SLPS is committed to long-term financial planning and has a draft long-term financial plan that will address several challenges, ultimately leading to opportunities that will prevent the fund balances from reaching critically low levels and ensure it is reviewed and updated at least annually.

1.2 SLPS is committed to ensuring the tentative budget proposal for the following year is presented no later than June 1 as outlined in policy DB-5. SLPS presented the tentative budget proposal for the 2025-2026 school year on May 13 and then on May 28 for approval. The budget was approved on May 28, 2025, which is in alignment with

[14] Available on the district website <https://www.slps.org/Page/28371> , Accessed March 27, 2025.

policy DB-5. The approved budget was posted onto the SLPS website on June 1, 2025. SLPS is committed to providing quarterly updates to provide detailed reports to the Board so that the budget is adequately monitored and amendments are made, as needed.

1.3 *SLPS is committed to ensuring budget documents are accurate and financial information is accessible to the public. The approved 2025-2026 Budget Book is on the SLPS website.*

2. Disbursements

District personnel purchased items that were questionable, unreasonable, and/or did not provide an educational benefit; and district controls were insufficient to prevent such purchases. Additionally, district personnel did not review credit limits for reasonableness, reimbursed employees for moving expenses that were not adequately supported, and did not always pay the district's credit card bill timely, resulting in late fees.

2.1 Credit card purchases

District personnel and Board members used district credit cards for questionable and/or unnecessary purchases, failed to adequately retain supporting documentation, and improperly paid state sales tax on some transactions.

District credit cards include purchasing cards and travel cards. From June 6, 2023, through August 5, 2024, the district made approximately $1.4 million in purchases using 24 purchasing cards,[15] and approximately $51,000 in purchases using 6 travel cards. Purchasing cards are issued to specific departments or employees. Travel cards are temporarily assigned to employees traveling on district business. Following the implementation of the Purchasing Card Guidelines and Procedures Manual on July 8, 2024, purchasing cards are only to be used for non-travel related expenses.

On December 16, 2024, the former Chief Financial Officer ordered all district credit cards, with the exception of the Human Resources, Finance Division, and travel cards, be turned into the Finance Division by December 20, 2024. After the cards were turned in, several trainings were given to current and future cardholders on the policies and procedures for district credit cards. As of March 19, 2025, the credit cards have not been returned to the cardholders. We judgmentally selected 27 transactions totaling $17,040 to review from the period June 6, 2023, through August 5, 2024.

Questionable and unsupported purchases

We identified 17 of the 27 credit card transactions reviewed (63 percent), totaling $12,436, that were questionable and/or unreasonable. We considered

[15] The Finance Director position had 3 cards assigned to it due to staff turnover and the replacement of 1 card. Another employee was issued a replacement card during the period. When calculating the total number of purchasing cards, we excluded the duplicate cards.

purchases questionable based on the nature of the purchase and information provided by district personnel. Our assessment was based on the existence of a receipt slip or other supporting documentation, the educational benefit, district personnel's responses, and auditor judgement. We identified the following questionable purchases, including unsupported travel and meals, unnecessary gifts, and other purchases that did not have an apparent educational purpose:

- $3,888 for 2 transactions for a Top Golf venue rental and 2 meals for a Deputy Superintendent retreat attended by 42 employees. District personnel could not locate supporting documentation for 1 of the transactions.

- $1,689 for a 4-night stay at Caesar's Palace for a district employee to attend a conference in Las Vegas, Nevada. The room rate ($422 per night) exceeded the $350 maximum daily room rate. District personnel stated other hotels in the area were fully booked and this was the cheapest appropriate hotel, but they could not provide any documentation to support the decision to stay at Caesar's Palace or that an exception to the policy was granted.

- $1,282 for an Airbnb rental on the former Superintendent's credit card with no supporting documentation for who rented the property or the purposes of the rental. In addition, district personnel could not provide any documentation showing the former Superintendent notified the Board of her travel plans, as required by Board policy. On March 17, 2025, we issued a subpoena to Airbnb for information related to the reservation (see Appendix B). According to the information provided, the reservation was for 8 nights in Atlanta, Georgia and the only guest listed on the reservation was the former Senior Project Manager, despite it being charged to the former Superintendent's card. The district could not provide any additional explanation for the rental after we provided this information, including why this individual would have traveled for the district.

- $1,136 for 2 transactions for airfare for a Board member and the Board member's spouse in August 2023. The Board member reimbursed the district for the spouse's airfare on February 27, 2025, after the SAO requested an explanation of why the purchase was made on a district card on February 2, 2025. In addition, the Board member's airfare was not booked through the district's travel agency and each transaction exceeded the $500 maximum airfare cost by $68.

- $833 for St. Louis Cardinals tickets with no supporting documentation of who attended and the purpose of the tickets. The game attended was the game the former Superintendent threw out the first pitch.

- $550 for airfare for a district employee to attend a conference in Dallas, Texas. The transaction exceeded the $500 maximum airfare cost by $50.

- $518[16] for $10 e-gift cards given to former employees who completed an exit survey.

- $516 for 2 retiree gifts, including $92.50 for rush shipping.

- $501 for a meal at a Farmington, Missouri Applebee's Grill & Bar paid with a travel card. District personnel could not provide any detailed receipt slips for the meal to indicate what was purchased.

- $482 at a local grocery store paid with a travel card. District personnel could not provide any detailed receipt slips to indicate what was purchased, but indicated it was for a food drive. District personnel also could not provide a Missing Receipt Form, as required by policy for travel cards.

- $431 for computer equipment purchased from Amazon. The district's Information Technology (IT) Department has 2 preferred vendors for computer equipment and technology related items. District personnel could not provide a reason as to why the equipment was not purchased through the IT Department or a preferred IT vendor.

- $352 for Edible Arrangements to thank 4 employees after staff meetings.

- $136 for an assortment of greeting cards.

- $98 for DoorDash delivery of 24 Insomnia Cookies to thank Human Resources staff.

- $25 for a Lyft gift card with no supporting documentation or identified purpose. District personnel could not locate documentation or identify the purpose for the gift card because "cards may be issued to an Admin or a Department Head, but used by Board and or other SLPS staff members."

The district did not have any guidance or policies for the acceptable use of purchasing cards until July 2024. Prior to this, the district only had the Travel Card Guidelines and Procedures Manual for travel card purchases. In addition, district personnel stated, "Several credit card users are no longer with SLPS and since those transactions were made in 2023, the 'why' was not obtained or retained." While this explains the reason the district could not provide a justification of the purchases for the audit, it does not explain why

[16] Includes an $18 service charge.

district personnel did not obtain this documentation at the time of the transaction to properly monitor and approve purchasing card use.

The Travel Card Guidelines and Procedures Manual states, "the Travel Card must never be used to purchase items for personal use or for non-District purposes even if the cardholder intends to reimburse the District." The Travel Policy requires personnel to submit original itemized receipt slips for all travel expenses including airline, rail, hotels, parking, ground transportation, vehicle rental, and incidentals. Board Policy P2540.1 requires the Superintendent to inform the Board before out-of-town travel with dates, destination, and purpose of the travel and upon return, with a brief report of activities. The Travel Policy requires the reimbursable room per night rate including taxes and fees to not exceed $350, all air travel to be booked through the district travel agency, and coach airfares to not exceed $500. The Travel Card Guidelines and Procedures Manual requires the Accounts Payable office to maintain all statements, receipt slips, and supporting documentation pertaining to purchases on travel cards for audit purposes. The manual also requires the cardholder to prepare and sign a Missing Receipt Form when a receipt slip is not maintained.

Travel upgrade purchases

District purchasing cards were used for unreasonable travel upgrades including upgraded boarding, early flight check-in, in-flight WiFi, and additional travel insurance. In total, there were 55 upgrade transactions totaling $1,747 from June 5, 2023, to August 5, 2024. We noted $1,460 of the transactions (84 percent) were for Board members, the former Superintendent, cabinet members,[17] and other executive staff.

The Travel Policy indicates airline upgrades, convenience fees including priority check-in or preferred seat assignment, or additional travel insurance will not be reimbursed. It is unclear how travel upgrades, especially those for Board members, the former Superintendent, cabinet members, and other executive staff, are a necessary use of district funds and facilitate the educational goals of the district.

Missouri sales tax

The district approved payment for transactions that included Missouri state sales tax. During our review of credit card transactions, we noted the district paid $77 in state sales tax on 4 transactions. District personnel could not explain why these transactions included state sales tax.

Section 144.030.19, RSMo, allows for exemptions from state and local sales and use taxes for all sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities.

[17] The cabinet includes the Superintendent, the Deputy Superintendent, and employees with any job title containing "Chief." There were 13 cabinet positions during our audit period.

Conclusion

District residents have placed a fiduciary trust in their public officials to spend district funds in a prudent and necessary manner. Established policies on reasonable purchases and district-provided gifts would provide employees necessary guidance and better transparency for citizens about the use of public funds. Without established guidelines or policies, employees lack clear direction on how to use limited district funds appropriately and responsibly. Additionally, by not retaining documentation for purchases, the Board cannot ensure transactions provide an educational benefit to the district or comply with district policies. The district established Purchasing Card Guidelines and Procedures in July 2024, after the district became aware of misuse of purchasing cards, that prohibit the purchase of gifts using district purchasing cards, include guidance on retaining supporting documentation, and prohibit cardholders from allowing other individuals to use their purchasing cards.

2.2 Reimbursements for moving expenses

The district reimbursed the former Superintendent for moving expenses in excess of those allowed by her employment contract, and reimbursed the Interim Deputy Chief of Operations (IDCOO) for moving expenses when the district had no contract with the individual allowing for reimbursement.

The district reimbursed the former Superintendent for moving expenses totaling $20,000 on June 9, 2023, and $16,590 on December 8, 2023. Her employment contract only allowed for a one-time reimbursement of $20,000. The Board approved the additional payment of $16,590 during the November 14, 2023, closed session meeting. In a November 9, 2023, email to the former Chief Financial Officer and Board President, the former Superintendent listed her moving expenses incurred prior to May 17, 2023, and an additional expense for car shipment on June 27, 2023, as follows:

Expense Description	Amount
Moving company	$ 13,923
Apartment security deposit	3,005
Relocation specialist	2,205
Travel	890
Car shipment	1,933
Total	$ 21,956

The scanned email provided by district personnel contained handwritten calculations that divided the total expenses of $21,955[18] by 0.6 resulting in a total of $36,590. The calculations then subtracted $20,000 for the initial reimbursement amount, and the Board subsequently approved the additional payment of $16,590. The district's external legal counsel explained that the former Superintendent was not aware that her reimbursement would be taxed

[18] The email had a calculated total of $21,955.

as income, so she requested the Board provide an additional amount to cover the income tax, which she estimated to be 40 percent of her reimbursement. According to external district legal counsel, the Board ultimately approved her reimbursement based upon a "mutual misunderstanding" of the tax withholding.

However, the calculation of the additional income tax burden to be reimbursed was incorrect. The calculation should only have considered the $20,000 reimbursement allowed by contract. We recalculated the gross pay necessary to equal a $20,000 reimbursement after income tax by applying the 40 percent calculated income tax rate. Based on our calculations, if a $20,000 after-tax reimbursement is what the Board intended, it should only have reimbursed the former Superintendent an additional $13,333.[19] As a result, the district overpaid the former Superintendent $3,258.

In addition, the Board reimbursed the IDCOO $15,000 in moving expenses on April 26, 2024. The IDCOO did not have an employment contract or agreement that allowed for the reimbursement of moving expenses. The former Superintendent and the Chief Operating Officer approved the relocation allowance on April 26, 2024, because the IDCOO was willing to accept immediate employment, rather than a temporary employment contract. Based on this approval, the former Chief Financial Officer requested the Human Resources Department develop relocation guidelines for consistency throughout the district. However, the district did not develop any such guidelines.

Formal written employment contracts and contract amendments that clearly define all contractual terms, are necessary to ensure all parties are aware of their duties and responsibilities, and to prevent misunderstandings. Paying amounts beyond contract terms results in unnecessary costs and potentially inconsistent treatment of various employees.

2.3 Excessive credit limits

The district does not monitor credit limits for district purchasing and monthly-cycle card limits are excessive. The total credit limit for the district's 24 purchasing cards was $892,000 during fiscal year 2024. As of January 31, 2025, the limit for the 6 travel cards totaled $8,177.[20]

We noted 11 of the 24 purchasing cards had excessive credit limits based on their limited credit use during fiscal year 2024 and the period July 1, 2024, through August 6, 2024, as follows:

[19] This amount was determined by applying the estimated tax rate of 40 percent to the taxable moving expense reimbursement and to the tax liability reimbursements.
[20] We did not evaluate the credit limit utilization of the travel cards because the credit limits changed based on the need of temporary cardholders.

- The Finance Director only used 1 to 4 percent of her card's $450,000 credit limit.

- The Transportation Department only used 7 to 38 percent of the card's $50,000 limit and had 1 month with no transactions.

- The Human Resources Department[21] only used 2 to 63 percent of the card's $10,000 limit and had 2 months with no transactions.

- The Safety and Security Department only used 11 percent of the card's $2,000 credit limit. The card was only used for 1 transaction.

- The Treasury Department only used 2 percent of the card's $10,000 credit limit. The card was only used for 2 transactions.

- The Academics Office only used 1 to 64 percent of the card's $50,000 credit limit and had 1 month with no transactions. Additionally, the Academics Office had 5 additional cards, with $5,000 limits. Each of these cards was only used for 1 transaction in 1 month.

Excessive credit card limits and purchasing ability increase the risk of abuse and potential large liabilities for the district. By periodically comparing the actual purchasing card activity to monthly cycle limits and adjusting limits as needed, the district can strengthen controls over the cards and reduce potential risks. Excessive card limits occurred and were not addressed because district personnel did not review the utilization on a regular basis and policy does not require review of credit utilization after the initial credit request.

2.4 Late fees

District personnel did not ensure credit card bills were paid timely, resulting in late fees of $1,106. The district incurred late fees on the December 2024 and March 2025 credit card statements of $886 and $220, respectively. District personnel indicated the December 2024 late fee was likely a result of the credit card statement not being downloaded timely enough for the Director of Cash and Investments to make the payment. For the March 2025 late fee, district personnel indicated the Executive Director of Finance was transitioning out of the district and assisting in onboarding a new Controller and Chief Financial Officer, which resulted in personnel not processing the statement timely. Controls and procedures to ensure timely disbursements are necessary to prevent late fees.

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[21] The card is used for travel, but is considered a purchasing card because it is not temporarily assigned to employees.

Recommendations

The Board of Education:

2.1 Ensure all disbursements are a necessary and prudent use of district funds. In addition, the Board should ensure supporting documentation is retained in compliance with established guidance and policies, and ensure sales tax is not included on district purchases.

2.2 Ensure all expense reimbursements are in accordance with employment contracts and reimbursement amounts are accurately calculated.

2.3 Establish a policy to periodically review and adjust credit card limits to reasonable amounts based on need and periodically evaluate the need for each card issued.

2.4 Implement procedures to ensure bills are paid timely.

Auditee's Response

2.1 SLPS is committed to ensuring that all disbursements are a necessary and prudent use of district funds. SLPS will continue to ensure that all staff receive updated training on financial policies, documentation is retained, and sales tax is not included on district purchases.

2.2 SLPS is committed to ensuring all expenses for reimbursement are in accordance with employment contracts and reimbursements amounts are accurately calculated. The Board of Education will continue to receive training from Missouri School Board Association.

2.3 SLPS is committed to ensuring that there is adherence to the new Finance policies that were adopted by the Board of Education on February 11, 2025.

2.4 SLPS is committed to ensuring bills are paid timely through monthly procedures and reconciliations.

3. Procurement

District procurement procedures and practices did not comply with Board policy and state law. We reviewed 20 vendors judgmentally selected based on vendor type, annual spending, and perceived risk. District disbursements to these vendors totaled approximately $1.8 million during our audit period.

Emergency and sole source purchases

The district bypassed the required sealed bid process by classifying 3 purchases, totaling $266,780, as emergencies or sole source procurements when they did not qualify as such.

District policy allows for emergency and sole source purchases to circumvent the normal district procurement requirements for instances in which immediate action is required or when only 1 vendor can provide a good or service. The district Purchasing Manual requires emergency purchases to meet one of the following requirements: (1) Board property damaged through fire, vandalism, severe weather, or other force majeure; (2) failed or broken-down Board property that has placed the safety of staff and students in immediate jeopardy; or (3) a location, amenity, or piece of equipment that cannot be used for educational purposes but is necessary to carry out the educational program. The manual also requires 3 informal bids for emergency repairs that exceed $50,000, and the Superintendent or designee must approve all emergency purchase requests.

The district Purchasing Manual requires sole source purchases to meet one of the following requirements: (1) licensed or patented, (2) one-of-a-kind, (3) sole distributor for the region or municipality, (4) compatibility with equipment, (5) replacement part for a specific brand or existing equipment, (6) warranty, or (7) unique design. The manual requires a Single/Sole Source Justification form to be completed by the requestor then signed by various individuals and be accompanied by written justification as to why no other source of goods or services can be obtained to meet the district's requirements.

The following purchases reviewed were improperly classified as either sole source or emergency purchases:

Item	Type	Total
Transportation consultant	Emergency	$ 115,000
Asphalt and retaining wall repair	Emergency	76,980
Athletics livestream service	Sole source	74,800
Total		$ 266,780

Transportation consultant

The Board approved a $115,000 emergency contract with a transportation consultant that did not meet the requirements for an emergency purchase. The contract was approved on January 9, 2024, for the period February 1, 2024, through June 30, 2024, after the district received a notice of intent to terminate the contract from its transportation vendor in December 2023, with a contract termination date of June 30, 2024.

The Emergency Purchase Form, prepared by the Chief Operations Officer, identified several reasons for the district's need of the transportation consultant including support to secure a potential new mix of vendors and in-house student transportation systems and services that could be implemented for the 2024-2025 school year. These reasons do not meet the policy definitions for an emergency purchase. Also, although the Board approved the emergency contract on January 9, 2024, the agreement was not signed until March 19, 2024, with a commencement date of February 1, 2024, and scope of services and performance standards within the signed agreement were blank. Without this information, the parties might not be aware of their duties and responsibilities necessary to address the situation the district deemed as an emergency. In addition, the vendor proposal was dated January 10, 2024, the day after the Board approved the agreement with the vendor, indicating the Board approved the contract prior to obtaining the written proposal.

While there may have been a need for a transportation consultant due to the pending transportation contract termination, the transportation consultant did not meet any of the requirements of an emergency purchase, the contract was not adopted in an urgent manner, and there was no justification provided as to why the purchase was an emergency.

Asphalt repair

The Board authorized an emergency purchase of asphalt repairs and the replacement of a retaining wall at 2 elementary schools that did not meet the requirements for an emergency purchase, and district personnel did not document the reasons the purchase was considered an emergency at either location. The Emergency Purchase Form, completed on February 1, 2024, only outlined the scope of work and did not provide justification for the emergency purchase. In an email dated February 5, 2024, the Executive Assistant to the Board indicated the repair services "fell below the superintendent's threshold" and was approved by the Board with work beginning February 14, 2024, and ending June 30, 2024, at a cost not to exceed $32,964. The district could not provide an explanation for why the amount paid to the vendor of $76,980 exceeded the approved amount by $46,016. In addition, the damaged areas did not appear to be "jeopardizing the immediate safety of staff and students" because the Board did not require the vendor to complete the repairs until June 30, 2024, 146 days after it approved the emergency purchase. Additionally, the district did not solicit any additional informal bids for the services as required for emergency repairs.

Athletics livestreaming service

The Board extended an agreement with a sports technology company for athletics livestreaming without competitive procurement. In July 2019, the district entered an agreement with a vendor to provide livestreaming, recording, and video analysis of sporting events, as well as scouting services, athletic highlights, and recruiting reels. The district used a sealed bid process to obtain the service, and the vendor selected was the only response to the sealed bid. As a result, the district considered the vendor a sole source when the agreement was extended in August 2023 at a cost not to exceed $75,000. However, the district did not complete the Single/Sole Source Justification Form or get the appropriate approvals as required by the Purchasing Manual. In addition, the district did not try to determine if other vendors were available 4 years later and the justification given by the district for considering the vendor as single source does not meet the Purchasing Manual requirements.

Sealed bids and proposals

The district did not competitively select some vendors as required by district policies and state law. District personnel may select vendors from prior approved lists with whom the district maintains a contractual arrangement. Procurement requirements vary based on the type of agreement (see Appendix A for details on agreement types). District personnel may also consider vendors with whom the district does not have a contractual arrangement, but the procurement office has otherwise approved. For these vendors, personnel must go through a sealed bid request for proposal (RFP) process if the annual purchased goods exceed $5,000 or services exceed $50,000. We noted the following purchases were not procured as required:

Item	Type	Annual Spend
Building materials	Goods	$ 35,423
Graduation flowers and plants	Goods	9,845
T-shirts	Goods	133,295
Advertising	Services	54,681
Hiring service	Services	90,000
Total		$ 323,244

The vendors for the building materials and advertising were part of a single board resolution for a specific dollar amount for the school year to be used on blanket purchase orders for multiple vendors for materials, repairs, and operations; and advertising. The district could not provide documentation of a sealed bid process, quotes, or justification for the use of the vendors.

District personnel explained the purchases with the t-shirt vendor were multiple purchase orders less than $5,000 each, which they stated was below the sealed bid threshold. However, we noted 2 invoices above the $5,000 threshold and the threshold is based on annual spending, not individual purchases. The district has several preferred vendors that provide t-shirts and apparel, and the district could not explain why personnel used the non-RFP vendor instead of a preferred vendor. District personnel did not provide a reason why they did not use a sealed bid process for the other vendors.

The district Procurement Requirements Crosswalk (see Appendix A) requires a sealed bid process, Board Action Report,[22] board resolution, and superintendent's signature for vendors with an annual spending over $5,000 for goods and $50,000 for services. In addition, Section 177.161, RSMo, requires all contracts for repairs and alterations to school property exceeding the sum of $5,000 be made by the Board, after public letting, to the lowest

[22] A Board Action Report provides supporting documents including background information, performance overviews, financial information, initiatives, and risks of a proposed resolution before a Board vote is made. A Board Action Report can be approved by the Board without a formal resolution.

responsible bidder complying with the terms of the letting. Competitive procurement not only ensures the district is complying with Board policies and state law, but also helps ensure the district has made every effort to receive fair value by contracting with the lowest and/or best bidder and all interested parties are given an equal opportunity to participate in district business.

Approval and quotes

For 14 of the applicable 17[23] vendors reviewed, the district did not retain adequate supporting documentation or obtain quotes, Board approval, and contracts when required. The following is a summary of the issues noted.

- For 7 vendors reviewed, the district did not have quotes for the goods or services purchased, as required by policy based on annual spending

- For 8 vendors reviewed, the district did not have a Board Action Report. For 4 of these vendors, the district also did not have a Board resolution indicating approval.[24]

- For 10 vendors reviewed, the district did not have a signed contract or contract renewal.

District personnel explained 2 of the 7 vendors for which no quotes were obtained did not have any singular purchase orders greater than $5,000, so they did not obtain quotes. However, district policy bases procurement requirements on the annual amount spent with a vendor. The district spent $30,796 and $46,058 with each of the 2 vendors, exceeding the $5,000 threshold. Additionally, in fiscal year 2023, the district spent more than $5,000 annually with each of the vendors.

Conclusion

Documentation of the procurement and selection process is necessary to demonstrate compliance with district and Board policies. Additionally, clear and detailed written contracts are necessary to ensure all parties are aware of their duties and responsibilities and prevent misunderstandings. Section 432.070, RSMo, requires contracts of political subdivisions to be in writing. See Appendix A for images of portions of the district Procurement Requirements crosswalk that outlines the requirements for procurement based on type of vendor and annual vendor spending.

[23] While 20 vendors were reviewed, 2 vendors were classified as emergency purchases and 1 vendor was classified as a sole source purchase, as discussed in the Emergency and sole source purchases section.
[24] A Board resolution formalizes and documents the decisions the Board has voted on and approved.

Recommendation

The Board of Education ensure district personnel procure goods and services in accordance with Board and district policies and state law, and maintain documentation to support procurement decisions to demonstrate compliance with policies and statute.

Auditee's Response

SLPS is committed to ensuring district personnel procure goods and services in accordance with Board Policy DJF-5 and maintain documentation to support procurement decisions to demonstrate compliance with policies and statute.

4. Payroll and Personnel Records

District payroll and personnel record procedures need significant improvement. In total, the district had 3,512 employees on June 30, 2024. During the 2 years ended June 30, 2024, the district paid employees approximately $840.9 million in salaries and benefits, including approximately $26.2 million in employee attendance incentives.

4.1 Employee attendance incentive

The district paid approximately $3.5 million in attendance incentives to employees in violation of the Missouri Constitution during the 2 years ended June 30, 2024.

During fiscal year 2023, the Board began an attendance incentive program for all full-time employees, including executive staff, to encourage staff attendance and retention. The first incentive payments were paid on August 26, 2022, and were given to all full-time employees hired on or after January 4, 2022, regardless of attendance, who completed the Spring 2022 semester and returned for the 2022-2023 school year. The second and third incentives were to be paid in January and May 2023. These were to be based on employee attendance in a given semester and allowed eligible employees to be paid from $950 to $2,500 per semester after the completion of the semester. On April 6, 2023, Dr. Nicole Williams, Interim Superintendent, issued a letter to employees indicating the district was suspending the attendance requirement for the May incentive. See Appendix C.

The district offered the incentive payments to both employees subject to the American Federation of Teachers (AFT) Local 420 union labor agreement and non-union staff. For some union staff, the incentive was included in the July 1, 2022, labor agreement that was signed prior to the incentive program effective date.[25] The AFT Local 420 union and district agreement for skilled trades employees, effective January 1, 2023, included the same attendance incentive. There was no prior agreement with this group.

However, the incentive payments to non-union employees were made without a formal agreement in advance between the district and employee and were

[25] Includes teachers, secretarial/clerical, and paraprofessional employees.

not for additional duties. Therefore they represent pay for past performance in violation of the Missouri Constitution. Also, district payments to skilled trades employees prior to January 1, 2023, when the skilled trades agreement with the incentive added became effective, violated the Missouri Constitution. The district paid $3,543,750 in attendance incentives, to the employees in these 2 groups during the 2 years ended June 30, 2024.

Payments for services previously rendered are in violation of Article III, Section 39(3), Missouri Constitution, and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered." However, payments are allowable if they are included as part of an employment agreement agreed upon prior to the performance resulting in the payment.

4.2 Salaries

The former Superintendent approved cabinet member salaries in excess of the district salary schedule without Board approval, and gave pay raises to cabinet members with no support to justify the increase, some of which were retroactive. A compensation study was conducted by a consulting firm and presented to the Board, but the Board did not approve it for implementation. The unapproved cabinet member salary amounts exceeded both the existing district salary schedule as well as the recommended amounts in the compensation study. Additionally, district personnel did not always update salary schedules and ensure payroll entries agreed with Board-approved salary schedules. We reviewed the payroll transactions for 10 judgmentally selected cabinet members and 30 randomly selected other full-time employees.

Cabinet salaries exceeded salary schedules and offer letters

During our review of the salaries of 10 of the cabinet members, we identified 6 cabinet members to whom the former Superintendent offered and authorized salaries that exceeded the maximum salary allowed on Board-approved salary schedules. The following table details the differences identified:

Position	Salary Schedule Maximum	Salary (1)	Difference
Deputy Superintendent	$ 185,961	$ 230,000	$ 44,039
Chief Information Officer	185,961	200,000	14,039
Chief Financial Officer	185,961	200,000	14,039
Chief Communications Officer	185,961	200,000	14,039
Chief of Schools	185,961	200,000	14,039
Interim Chief Information Officer	155,791	168,269	12,478

(1) Salary offers are for the 2024-2025 school year except for the Interim Chief Information Officer who was offered $168,269 as of March 1, 2024. As of June 30, 2024, this position is listed in the accounting records as the Chief Technology Officer.

In addition, we identified 4 cabinet members (including 1 whose starting salary exceeded the salary schedule) who were promoted or given a pay increase with no signed offer letters or other documentation to support their new salaries. Of the promotions and increases approved by the former Superintendent, 3 exceeded the maximum salary allowed on Board-approved salary schedules and 2 were improperly paid retroactively. The following table details the differences identified:

Position	Salary Schedule Maximum	Modified Salary	Difference
Deputy Chief of Staff (1)	$ 155,791	$ 175,000	$ 19,209
Interim Chief Information Officer	155,791	175,000	19,209
Chief of Staff 2023-2024 school year (2)	185,961	194,175	8,214
Interim Deputy Chief of Operations (3)	185,961	182,070	(3,891)

(1) Her starting position was Senior Project Manager. Her salary was increased to $175,000 on March 1, 2024, prior to the promotion to Deputy Chief of Staff on July 1, 2024.
(2) Salary was increased January 24, 2024, and approved by the former Superintendent for retroactive pay to August 1, 2023, totaling $3,961.
(3) Salary was increased April 30, 2024, and approved by the former Superintendent for retroactive pay to March 1, 2024, totaling $1,162.

Retroactive pay increases for services previously rendered are in violation of Article III, Section 39(3), Missouri Constitution, and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered." District personnel explained that the former Superintendent directed the Chief of Human Resources to make the changes to the cabinet members' salaries, give promotions, and give pay increases without notifying or obtaining approval from the Board.

Other salaries exceed salary schedules

District personnel are not comparing employee payroll entries with approved salary schedules, and as a result, other salaries also exceeded salary schedule amounts. We noted 22 of the 30 employee annual salaries reviewed (73 percent) did not agree with the Board-approved salary schedules. Of the 22 employees, 21 exceeded the salary schedule by $1,446 to $45,189. In addition, the new Chief of Staff, for the 2024-2025 school year was placed on the salary step reserved for only the Superintendent, with a Board-approved range of $265,508 to $268,000. Her actual pay was $194,175, $71,333 below the minimum range. The district has no salary schedule step for Chief of Staff, and her salary does not agree with any Board-approved amount.

When asked about the differences, district personnel indicated salaries were increased for raises and cost of living adjustments. However, district personnel did not update the 10- to 12-month employee salary schedule amounts after July 1, 2022, to include the raises and cost of living adjustments. According to the 10- to 12-month employee salary schedule, "on July 1, 2023 all groups received a 3 percent increase. Due to the unexpected turnover and the limbo of HR [the Human Resources Department], an updated salary schedule was not created." District personnel updated the teacher, academics coach, librarian, nurse, and executive salary schedules, effective July 2023, to include the 3 percent increase.

Conclusion

Without accurately updated salary schedules and comparison of payroll entries with Board-approved salary schedules, there is less assurance payments to employees are accurate and authorized. To ensure employees are compensated appropriately, payroll expenditures must be accurate, properly supported, and in accordance with Board-approved salary pay schedules and/or employment contracts or offer letters. Board Policy P4500 requires the Board to annually review the compensation plan recommended by the Superintendent. In addition, Board Regulation R4511.1 requires the rates of pay for all employees to be approved by the Board, and the Division of Human Resources is the responsible department to implement and assure consistent application of any rates approved by the Board.

4.3 Personnel records

District personnel files did not have records of some employee background checks, and employment records for several employees were otherwise incomplete. In addition, the district did not properly store and maintain personnel records. We reviewed the employment records, including but not limited to personnel, payroll, and I-9 (United States Citizenship and Immigration Services (USCIS) Employment Eligibility Verification) form files for 26 employees.

Incomplete records

We reviewed the personnel files of 11 judgmentally selected cabinet members and 15 randomly selected employees. We identified the following issues:

- The file for 1 employee[26] (cabinet member) was missing Family Care Safety Registry (FCSR) check results. The FCSR provides access to comprehensive background information such as criminal history and child abuse and neglect records and serves as a critical tool in promoting the safety and well-being of children. The district provided results for an FCSR inquiry for the employee it requested on May 22, 2025, after we requested the documentation from the district on May 19, 2025.

[26] This employee's file was also missing the E-Verify Confirmation, interview scorecard, annual evaluation, resume, and transcripts.

- The files for 2 employees[27] (both cabinet members) were missing an E-Verify Confirmation and 1 employee's file was missing FBI finger print background check results. Participation in the federal work authorization program, E-Verify, is required by Section 285.530, RSMo, and is necessary to ensure the district complies with federal immigration and employment regulations, and does not knowingly employ unauthorized workers. After our inquiry about the missing confirmations, district personnel performed an E-Verify Confirmation for the current employee. District personnel indicated the document was unavailable for the former employee. Background checks for potential employees are crucial for student safety to identify individuals with a history of violent behavior, abuse, or other criminal activity that could pose a threat.

- District personnel did not complete all required parts of the federal I-9 form or retain related identification documents for 1 cabinet member. Identification documents are necessary to ensure the district complies with federal immigration and employment regulations and does not knowingly employ unauthorized workers. District personnel indicated they had been unable to schedule a meeting with the cabinet member or complete the remaining portion of the I-9 form. However, beginning in August 2023, the United States Citizenship and Immigration Services allows employers to remotely examine federal I-9 form documents.

- The file for 1 cabinet member was missing a copy of her employment application. Employment applications are necessary to ensure applicants are qualified and the hiring process is completed appropriately. Applications are normally received through an electronic program. District personnel indicated the employee who was missing an application was hired directly by the former Superintendent, rather than through the standard application process.

- Files for 8 (cabinet members) of the applicable 22 files reviewed were missing an interview scorecard and the former Superintendent did not conduct interviews as required.[28] The interview scorecard is part of the electronic application program used by the district; however, the employment files for the majority of the applicants hired by the former Superintendent did not have an interview scorecard present. District

[27] For 1 of these employees, the file was also missing identification documents, interview scorecard, and tuberculosis test results. This employee's file also contained an incomplete I-9 form.

[28] While 26 files were reviewed, the interview scorecard was not applicable for 4 files because 3 employees were hired prior to the implementation of the electronic scorecard system and the former Superintendent was identified by a third-party recruitment agency and her scorecard was not retained by the agency.

personnel could not provide any documentation to support that interviews occurred. The interview scorecard is generated as part of the application and employee selection process, and helps evaluate applicants' qualifications and support hiring decisions. Without interview scorecards, there is less documentation to support hiring decisions and candidate qualifications.

- Files for 7 (6 cabinet members and 1 other employee) of the applicable 18 files reviewed were missing an annual employee evaluation.[29] District personnel indicated annual employee evaluations were not completed for central office employees for the 2023-2024 school year because the former Superintendent wanted to create a new evaluation tool and the Human Resources Department was told to pause the evaluation process while the new evaluation tool was being developed.

In addition, we noted other missing documents including district identification badge forms for 3 employees and tuberculosis test results for 2 employees. Also, 1 employee was missing a resume and transcripts. District personnel could not locate the missing documentation.

File storage

Some personnel records are not stored in a manner that ensures confidentiality and protection from environmental threats, including potential water or fire damage. On January 29, 2025, we conducted a site visit at the district central office and retired school building where personnel files are stored. During our visit at the central office, we noted current and recent former employee personnel files are stored in filing cabinets in a locked room in the Human Resources Department. However, the key for this room is accessible to all Human Resource Department employees. As a result, the confidentiality of information within these records, including personally identifiable information such as social security numbers, dates of birth, and drivers' license numbers, is not adequately protected.

During our January 2025 visit to the retired school building, we noted former employee personnel records were stored in cardboard file boxes in a locked room, to which only the Human Resources Director has access. We also noted a window in the room was not properly sealed, allowing rain water to leak onto the floor where the record boxes are kept. There were several boxes with visible water damage. The following pictures, taken during an April 2025 site visit, show the condition of the file boxes. We noted during the April 2025 visit that boxes had been moved away from the window and efforts were made to seal the window after we brought the file conditions to district

[29] While 26 employee files were reviewed, annual employee evaluations were not applicable to 2 employees because substitute teachers are considered temporary employees and do not receive annual evaluations, and 6 employees were not employed with the district long enough to receive an annual evaluation.

personnel's attention. Board policy does not allow for personnel files to be maintained in locations outside of the central administrative office.

Beginning in 2015, the district began scanning all physical personnel files to a digital repository, but still retain physical files in addition to the digital version. According to district personnel, the district has not considered bidding for fire proof or fire safe cabinets for active employees' personnel records because the current storage room has a sprinkler system and files are kept in cabinets. District Personnel indicated the Human Resources Department did not keep a log of those coming into the records room because only the Director of Human Resources and/or the Chief of Human Resources were accessing the room. In addition, district personnel indicated the district has not made it a priority to purchase shelves for the second location to keep file boxes off the floor to avoid any further water damage or other possible damage to records.

Conclusion

Proper storage and retention of employment records is necessary to support personnel actions, including hiring, pay rate assignment, and promotion. The Secretary of State general record retention schedule[30] indicates master personnel files are to be retained for 10 years after the date of separation or 20 years after date of separation if no employment summary is prepared. Best practices should be followed to ensure all records kept are placed in an environment free from excessive heat, moisture, and threats of destruction that maintains the integrity of the records. Board Regulation R4251 requires district personnel files to be accurately maintained in the central administrative office for each present and former employee. The policy also specifies the file will contain applications for employment, references, and records relative to compensation, payroll deductions, and evaluations. In addition, Section 8 CFR 274a.2(2) of the Immigration Reform and Control Act of 1986 requires employers to physically examine the employee's identification documentation and complete section 2 of the federal I-9 form, and Section 168.133, RSMo, mandates school districts to conduct criminal background checks for all new employees hired after January 1, 2005.

[30] Secretary of State record retention schedules can be found at <https://www.sos.mo.gov/archives/localrecs/schedules>, accessed March 25, 2025.

Recommendations

The Board of Education:

4.1 Ensure future employee incentives comply with the Missouri Constitution.

4.2 Ensure all payments to employees are accurate and paid in accordance with Board-approved salary schedules. In addition, ensure all salary schedules are kept up to date.

4.3 Ensure background checks are performed and retained; ensure employment records are retained and maintained in a secure manner that protects them from unauthorized access and environmental risks, in accordance with state law; and ensure employment records are complete for all employees. Additionally, ensure the district is in compliance with Board policy for storage of personnel records.

Auditee's Response

4.1 SLPS is committed to ensuring that future employee incentives comply with the Missouri Constitution. Human Resources (HR) staff had multiple conversations with legal counsel regarding "Retention" incentives and not "Attendance". They were under the perception that offering a retention incentive in Missouri school districts was acceptable, as long as it is structured properly and in accordance with the Missouri Constitution, Article III, Section 39(3).

4.2 SLPS is committed to ensuring all payments to employees are accurate and paid in accordance with Board-approved salary schedules. The most recent salary schedule was approved December 19, 2024, and reviewed by new board members on June 24, 2025.

4.3 SLPS is committed to ensuring background checks are performed and retained; and ensuring that employment records are retained and maintained in a secure manner that protects them from unauthorized access and environmental risk. HR has moved files to a secure location that is locked and is working with the state to ensure applicants are removed from the background check system through the Record of Arrest and Prosecution (RAP) back system. The RAP back policy was approved by the board of education on June 10, 2025. RAP back is a system designed to provide governmental entities automatic criminal history updates about individuals who have been previously fingerprinted and it is available on the state and federal level.

5. Policies

District policies over travel were inadequate, the Board did not ensure travel policies were followed, and some district policies conflict with other district policies.

5.1 Travel policy violations

The Board did not have sufficient policies over district travel prior to the 2024-2025 school year, and even after it implemented additional policies and procedures, the Board did not always ensure compliance with the new policies. During fiscal year 2024, district personnel charged at least $600,000 in travel-related expenses to district purchasing and travel credit cards.

Travel purchases on purchasing cards

Prior to July 8, 2024, the district had no guidance or policies for the use of purchasing cards for travel. The district implemented purchasing card guidelines, effective July 8, 2024, that prohibit cardholders from using purchasing cards for travel-related purchases. However, from July 8, 2024, through August 5, 2024, we identified 72 purchasing card transactions totaling $24,401 for airfare, rail, rental car, lodging, and travel agent fees. In addition, we noted additional travel-related transactions included on purchasing card statements from September 2024 through March 2025. According to district personnel, exceptions were made for certain purchasing cards. However, there are no exceptions allowed in the purchasing card guidelines. Updated policies with clear exceptions are necessary to provide guidance for spending of district funds.

Meals on travel cards

The district's guidelines for meals purchased do not reflect current practices for student meals. In total, district travel cards were used for a total of 337 meal and food delivery purchases totaling approximately $29,300 from June 5, 2023, to August 5, 2024. During our review of 27 credit card transactions, we noted 3 meal purchases on travel cards for students on various trips. District personnel provided documentation of the prior approval of the student meals on the travel card.

The Travel Card Guidelines and Procedures Manual, effective September 2022, prohibits using travel cards to purchase meals because meal per diems are paid to employees prior to travel. District personnel indicated it is common practice for travel cards to be used to purchase meals for groups of students traveling with district staff members. In these instances, per diems are not provided for student meals so the travel cards are used. However, the Travel Card Guidelines and Procedures Manual does not include an exceptions for student meals. Updated policies with any allowed exceptions are necessary to provide guidance for spending of district funds, and to decrease the risk of unnecessary or unreasonable charges.

Travel log

Accounts payable department personnel did not maintain a travel log as required by the Travel Policy (effective Spring 2017). According to district personnel, the district has not maintained the travel log since at least 2020 when the accounts payable analyst, who was responsible for maintaining the log, retired. District personnel indicated the travel log was not maintained "because no one in place at that time was aware of its presence in the travel policy."

The district Travel Policy requires the accounts payable department to maintain a district travel log that is to be reviewed monthly by the accounts payable supervisor and/or the Fiscal Control Director.

Travel authorization forms and Travel Policy violations

The Board did not ensure district personnel followed established travel policies. We reviewed 6 travel-related credit card transactions from the period June 6, 2023, to August 5, 2024, totaling $16,692, and noted the following policy violations:

- District personnel could not locate the Authorization for Travel and Expense Forms for 2 transactions. In addition, district personnel did not complete 3 Authorization for Travel and Expense Forms timely.

- District personnel could not locate the cardholder agreement or travel card use authorization for 1 transaction.

The district Travel Policy, effective Spring 2017, requires the Authorization for Travel and Expense Form to be submitted to the Travel Department at least 30 days before the first day of travel, or at least 45 days before the first day of travel for grant-funded travel. The Travel Card Guidelines and Procedures Manual, effective September 2022, requires a cardholder agreement be submitted for each prospective cardholder.

5.2 Conflicting policy information

District and Board policies and Board regulations are inconsistent, some appear duplicative, and many are outdated. When reviewing policies and procedures, we identified the following issues:

- District policy, Board policy, and Board regulation conflict on who is permitted to travel for district business. Board Regulation R4521 specifies travel expenses are only for employees and does not mention Board Members. However, Board Policy P3321 indicates, "Authorized district employees and Board Members may use credit cards or purchasing cards to. . . pay for reasonable travel expenses incurred while performing job duties." The district Travel Policy allows for travel expenses and reimbursements for employees and Board members.

- District policy, Board regulation, and the travel authorization form language provide different timeframes for when the form should be submitted. Board Regulation R4521 specifies the Authorization for Travel and Expense Form must be submitted at least 15 days prior to the date of travel. The district Travel Policy specifies the form must be submitted at least 30 days, or 45 days for grant-funded travel, prior to the date of travel. The authorization form, last revised in July 2014, indicates it must be submitted to the Fiscal Control Office 1 month before the scheduled trip.

- Several Board Policy requirements conflict with the Purchasing Manual and Procurement Requirements crosswalk. For example, Board Policy P3321 specifies that for purchases of supplies or capital assets over $5,000, bids are to be collected via the sealed bid process, and does not provide for any exceptions. However, the Procurement Manual indicates bids are not required for preferred and "co-op" vendors. In addition, the Procurement Manual indicates, "There are certain items that are excluded from the competitive bid process but are necessary purchases for SLPS. These may include fees for professional membership, postage, bus passes, public utilities, professional development, textbooks, instructional services, equipment, books and materials, student activities, field trips, student incentives, professional services, and such items." However, neither Board Policies or the Procurement Requirements document mention or allow for such exclusions. The Procurement Manual is unclear about who approves any exceptions.

Additionally, the district has several policies that are duplicative or repetitive. For example, for travel, the district has a Travel Policy, Travel Card Guidelines and Procedures Manual, Board policy, and Board regulation. For procurement and purchasing, the district has a Procurement Manual, Procurement Requirements crosswalk, and Board policy. In addition, some Board policies and regulations refer to documents no longer in use by the district. For example, Board Regulation 4521 refers to "Administrative Guidelines Governing Travel Expenses," but no such document was provided during the course of the audit.

The Board has not updated its policies and regulations in several years. For example, as of December 30, 2024, Board policies were last revised on August 9, 2022, for the COVID-19 Employee Vaccination Policy, and the next most recent revision was March 9, 2021. Board regulations were last revised on June 28, 2022. The Board is currently in the process of policy revisions with assistance from the Missouri School Boards' Association.

To avoid confusion and ensure district operations are conducted in accordance with the Board's intentions, clear and consistent policies, regulations, and guidelines are necessary. Board Policy P8331 states, "Administrative guidelines must be consistent with Board Bylaws, Policies, or Regulations." Since district policies govern operations, it is important that the policies be maintained in an accurate up-to-date manner, be adequately communicated to district employees, and reflect the district's intended and actual practices.

Recommendations

The Board of Education:

5.1 Update the Purchasing Card Guidelines and Procedures Manual and Travel Card Guidelines and Procedures Manual to specify exceptions for using certain purchasing cards for travel-related expenditures and using travel cards for meals for students while traveling. In addition, the Board should ensure employees are complying with district travel policies by maintaining a travel log and ensuring travel authorization forms are completed, approved, and retained according to policy.

5.2 Ensure policies, regulations, and guidelines are consistent, updated, and appropriately communicated.

Auditee's Response

5.1 SLPS is committed to updating the Purchasing Card Guidelines and Procedures Manual and Travel Card Guidelines and Procedures Manual to specify exceptions for using certain purchasing and travel cards. The Finance Department has created an "Exception Form" used to provide documentation and justification when necessary. The Finance Department is working on making sure that when travel requests are made, there is a timely response so that all procedures are within the guidelines and policies. SLPS is also committed to ensuring that staff have a better understanding of what type of purchases can be made using a purchasing card and what type of purchases can be made using a travel card.

5.2 SLPS is committed to ensuring policies, regulations and guidelines are consistent, up to date, and appropriately communicated. SLPS continues to work with the Missouri School Boards' Association in updating policies. During the last week of June 2025, during Professional Development for SLPS administrators, the Finance Team shared updated policies, regulations, and guidelines related to travel and purchasing cards. The finance policies have been updated and posted on the SLPS website. Currently, SLPS is working with a Task Force to review human resources policies. The Task Force has met throughout June and July to review the human resource policies. Once completed, the updated human resource policies will be shared with the Missouri School Boards' Association for review and presented to the Board by November 2025.

St. Louis Public Schools
Procurement, Hiring, and Budgetary Practices
Organization and Statistical Information

The St. Louis Public Schools encompasses the entire City of St. Louis. The district operates 2 early childhood centers, 37 elementary schools (grades PK-5), 3 elementary/middle schools (grades PK-8), 8 middle schools (grades 6-8), 13 high schools (grades 9-12), 3 alternative schools (1 for grades PK-8, 1 for grades 5-12, and 1 for ages 17-21), 1 special education school (grades PK-8), 2 English for speakers of other languages schools (1 for grades K-8 and 1 for grades 9-10), and 1 college and career readiness school. The St. Louis Public Schools also sponsors 6 charter schools. Enrollment was 16,542 for the 2023-2024 school year. The district employed 3,162 full-time and 350 part-time employees, at June 30, 2024.

The St. Louis Public Schools has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The board's 7 members serve 4-year terms without compensation. Members of the board at June 30, 2024, were

Antionette Cousins, President
Matt Davis, Vice -President
Donna Jones, Secretary
Emily Hubbard, Member
Tracy Hykes, Member
Natalie Vowell, Member
Sadie Weiss, Member

Superintendent

The district's superintendent as of June 30, 2024, was Dr. Keisha Scarlett. Her annual compensation was $268,000, plus costs associated with life insurance in the amount of one and a half times her base salary at the time of policy issuance and an annual contribution to a retirement program, in the amount of 10 percent of her annual base salary. In addition, she received a relocation payment of $36,590, and $800 per month car allowance to carry out her duties as superintendent. The superintendent's compensation is established by the school board.

Cabinet Members

The cabinet members and their compensation as of June 30, 2024, were as follows:

Position	Salary
Superintendent	$ 268,000
Deputy Superintendent	194,175
Chief Operations Officer	194,175
Chief of Staff - Academics	194,175
Chief of Staff - Operations	194,175
Chief of Schools	194,175
Chief Financial Officer	194,175
Interim Chief of Human Resource Operations	194,175
Interim Chief of Human Resource Compliance	194,175
Interim Deputy Chief of Operations	182,070
Chief Technology Officer	175,000
Interim Deputy Chief of Finance	175,000
Deputy Chief of Staff	175,000

Salary Averages - Administrators and Teachers

Average salaries for district administrators and teachers for each of the 5 fiscal years through the year ended June 30, 2024, were as follows:

	Average Annual Salaries			
	Administrators			
Year Ended June 30,	Central Office	Building	All	Teachers
2020	$ 142,041	83,900	88,016	49,392
2021	138,329	83,848	89,199	48,385
2022	141,171	88,715	94,653	50,910
2023	123,104	103,077	106,594	53,970
2024	115,431	111,676	112,167	54,424

Source: Missouri Comprehensive Data System, <https://apps.dese.mo.gov/MCDS/Home.aspx>, accessed January 9, 2025.

Financial Activity

A summary of the district's financial activity obtained from the financial statement audit report for the year ended June 30, 2024, follows.

BOARD OF EDUCATION 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, 2024

					Capital Projects				
	General	Teachers	Grants	Debt Service	Building	Capital Settlement	Prop S	Non-major Permanent Fund	Total Governmental Funds
Revenues									
Local:									
Current taxes	$ 257,112,914	$ 26,393,085	$ —	$ 31,629,448	$ —	$ —	$ —	$ —	$ 315,135,447
Delinquent taxes	12,908,196	—	—	1,765,601	—	—	—	—	14,673,797
Investment income (loss)	10,855,755	—	—	2,212,325	—	(3,895)	7,785,308	327,104	21,176,597
Other	4,127,439	—	3,186,136	32	—	—	—	223,943	7,537,550
County	4,972,059	318,034	—	762,392	—	—	—	—	6,052,485
State:									
Basic formula	—	12,798,545	—	—	—	—	—	—	12,798,545
Categorical aid	14,570,032	—	5,915,367	—	—	—	—	—	20,485,399
Other	490,032	—	2,802,790	—	—	—	—	—	3,292,822
Federal	2,040,526	205,511	102,755,873	—	—	—	—	—	105,001,910
Total Revenues	307,076,953	39,715,175	114,660,166	36,369,798	—	(3,895)	7,785,308	551,047	506,154,552
Expenditures									
Current:									
Instruction	27,135,358	125,979,575	27,738,970	—	2,500	—	—	31,584	180,887,987
Building service	42,402,242	200,975	9,899,136	—	—	—	11,661,250	—	64,163,603
School administration	21,367,932	17,508,545	15,186,169	—	—	—	—	—	54,062,646
Instructional support	22,102,621	6,314,426	25,299,315	—	—	—	—	—	53,716,362
Noninstructional support	17,686,364	951,142	3,105,385	—	—	—	—		21,742,891
Transportation	27,827,725	—	2,748,659	—	—	—	—	—	30,576,384
Food and community services	2,300,456	3,805,387	25,880,766	—	—	—	—	—	31,986,609
Capital outlay	4,369	—	4,480,496	—	8,108,392	—	13,385,333	—	25,978,590
Debt service:									
Principal retirement	—	—	—	20,275,000	—	—	—	—	20,275,000
Interest charges	—	—	—	9,388,570	—	—	—	—	9,388,570
Write-off of grant receivables	—	—	395,926	—	—	—	—	—	395,926
Total Expenditures	160,827,067	154,760,050	114,734,822	29,663,570	8,110,892	—	25,046,583	31,584	493,174,568
Excess (Deficiency) Of Revenues Over Expenditures	146,249,886	(115,044,875)	(74,656)	6,706,228	(8,110,892)	(3,895)	(17,261,275)	519,463	12,979,984
Other Financing Sources (Uses)									
Transfers in	—	115,044,875	868,484	—	7,769,513	—	—	—	123,682,872
Transfers out	(123,682,872)	—	—	—	—	—	—	—	(123,682,872)
Proceeds from sale of capital assets	—	—	—	—	341,379	—	—	—	341,379
Total Other Financing Source (Uses)	(123,682,872)	115,044,875	868,484	—	8,110,892	—	—	—	341,379
Net Change In Fund Balances	22,567,014	—	793,828	6,706,228	—	(3,895)	(17,261,275)	519,463	13,321,363
Fund Balances - Beginning Of Year	180,306,094	—	10,281,031	35,063,127	—	7,926,189	147,654,117	8,451,331	389,681,889
Prior Period Adjustment	—	—	2,397,991	—	—	—	—	—	2,397,991
Fund Balances - Beginning Of Year - As Restated	180,306,094	—	12,679,022	35,063,127	—	7,926,189	147,654,117	8,451,331	392,079,880
Fund Balances - End Of Year	$ 202,873,108	$ —	$ 13,472,850	$ 41,769,355	$ —	$ 7,922,294	$ 130,392,842	$ 8,970,794	$ 405,401,243

SLPS PROCUREMENT REQUIREMENTS

SUPPLIES AND RELATED ITEMS

Annual Vendor Spend	Quotes Needed	Board Action Report	RFP Needed	Board Resolution Needed	Output/Signature
PREFERRED RFP VENDOR					
Up to $3,000.00	1 Quote	No	No	No	Purchase Order
$3,001.00 - $5,000.00	1 Quote	No	No	No	Purchase Order
$5,000.01 & Over	1 Quote	Yes	No	No	Superintendent
CO-OP VENDOR					
Up to $3,000.00	1 Quote	No	No	No	Purchase Order
$3,001.00 - $5,000.00	1 Quote	No	No	No	Purchase Order
$5,000.01 & Over	1 Quote	Yes	No	No	Superintendent
SLPS "NON-RFP" VENDOR					
Up to $3,000.00	1 Quote	No	No	No	Purchase Order
$3,001.00 - $5,000.00	3 Quotes (1 selected vendor + 2 additional quotes)	No	No	No	Purchase Order
$5,000.01 & Over	RFP/Sealed Bid Process*	Yes	Yes	Yes	Superintendent

CONTRACTS, SERVICE AGREEMENTS, PROFESSIONAL DEVELOPMENT

Annual Vendor Spend	Quotes Needed	Board Action Report (BAR)	Board Resolution Needed	RFP Needed	Signature
PREFERRED RFP VENDOR					
Up to $3,000.00	1 Quote	Yes	No	No	CFO
$3,001.00 - $4,999.99	1 Quote	Yes	No	No	CFO
$5,000.00 - $49,999.99	1 Quote	Yes	No	No	Superintendent
$50,0000.00 & over	1 Quote	Yes	Yes	No	Superintendent
CO-OP VENDOR					
Up to $3,000.00	1 Quote	Yes	No	No	CFO
$3,001.00 - $4,999.99	1 Quote	Yes	No	No	CFO
$5,000.00 - $49,999.99	1 Quote	Yes	No	No	Superintendent
$50,0000.00 & over	1 Quote	Yes	Yes	No	Superintendent
SLPS "NON-RFP" VENDOR					
Up to $3,000.00	1 Quote	Yes	No	No	CFO
$3,001.00 - $4,999.99	3 Quotes (1 selected vendor + 2 additional quotes)	Yes	No	No	CFO
$5,000.00 - $49,999.99	3 Quotes (1 selected vendor + 2 additional quotes)	Yes	No	No	Superintendent
$50,0000.00 & over	RFP/Sealed Bid Process*	Yes	Yes	Yes	Superintendent

District vendors fall into one of the following three (3) categories:

1. Preferred RFP Vendor: Vendor who has responded to an RFP or related process for a particular category and has been awarded and selected via that process.
2. (CO-OP) Vendors): Vendor within a cooperative purchasing organization that offers pre-bid goods and services. Contact Procurement for CO-OP details and information.
3. SLPS "NON-RFP" Vendor: Vendor that has been approved by SLPS Procurement office. However, the vendor does not have a formal agreement. The purchasing transaction is limited to a certain dollar amount (see chart above).

Request for Proposal (RFP)- is a solicitation used by an organization in obtaining proposals or bids in search of hiring a potential vendor to satisfy a set of requirements.

*Sealed bids may be an option in some circumstances instead of a full RFP. Contact Procurement with questions.

Information of a personal, privileged, or sensitive nature, and/or information that is not directly related to the information requested in the subpoena has been redacted.

SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

SUBPOENA

To: Registered Agent of Airbnb Payments, Inc.
CSC-Lawyers Incorporating Service Company
221 Bolivar Street
Jefferson City, Missouri 65101

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or his representative Leslie Korte, General Counsel, at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 8:00am on April 3, 2025 for purposes of providing testimony, and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, physical access to the records described in Exhibit A may be granted for State Auditor staff on or before the appearance date listed above. Alternatively, records may be shipped to the Missouri State Auditor to the attention of Emily Barraclough at 301 West High Street Room 880, Jefferson City, Missouri 65101, or you may send them electronically to Emily.Barraclough@auditor.mo.gov to be received no later than the appearance date listed above.

ISSUED this 17th day of March, 2024, pursuant to Section 29.235.4(1), RSMo.

Scott Fitzpatrick
Scott Fitzpatrick
Missouri State Auditor

I served the foregoing subpoena by SERVING REG. AGENT on this 18 day of MARCH, 2025.

D M Roberts
(DAVID M. ROBERTS)

SCOTT FITZPATRICK
MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then provide as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

- All information pertaining to reservation number: [redacted]
  Transaction Date: September 28, 2023
  Credit Card Number: ending in [redacted]
  Amount: $1,282.03
- Reservation details for reservation number [redacted], including specific listing, location, dates of reservation, number of guests, and guest names.
- Receipt or detailed invoice for reservation number [redacted].

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

April 6, 2023

SLPS Staff,

The attendance component of the bonus incentive is meant to reward those many employees who support our students, day in and day out. However, this semester has shown us that there is lasting exhaustion from the COVID-19 pandemic and ripples of the tragedy of October 24th have reemerged with the recent incident in Nashville.

The attendance threshold has placed an additional and unintended stressor on the very employees we meant to reward. This has led us to, once again, suspend the attendance threshold of the retention bonus so that it does not become another hurdle for our valued employees.

In collaboration with our unions (AFT Local 420, MNEA and Local 42) and the Board of Education, we have once again, modified the attendance component of the incentive for the remainder of this semester.

Hours Per Workday	Number of Student Days	Work Hours in a semester	Hours You Can Miss as of March 16, 2023	Days You Can Miss as of March 16, 2023
6.5	91	591.5	41.41	6.37
7	91	637	44.59	6.37
8	91	728	50.96	6.37

Full-time employees hired on or before January 4, 2023, and who complete the Spring 2023 semester will receive the $2,000 bonus so long as they did not miss more than the maximum hours, **as of the end-of-day on March 16, 2023**. To qualify you must be a full-time employee throughout the entire spring semester, and you must be in active status at the end of the semester, regardless of the number of days you may miss after the March 16th date.

Thank you for your service and for all the care and compassion you show to our students and your co-workers every day. Please continue to focus on yourself as well. Take advantage of the mental health resources available to you through the District and our partners.

We also want to show appreciation to our payroll team. They will put forth a tremendous effort to ensure the incentive will payout on **Friday, June 9, 2023**. All retention payments will be subject to customary taxes and deductions.

Thank you for all you do in service to our students and to your colleagues. Please speak to your supervisor or school leader if you have any questions. Take care of yourselves and each other.

Sincerely,
Dr. Nicole L. Williams
Interim Superintendent of Schools