CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2023 AND 2022

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
City of St. Louis Mental Health Board of Trustees
St. Louis, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements City of St. Louis Mental Health Board of Trustees (St. Louis Mental Health Board), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the St. Louis Mental Health Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the St. Louis Mental Health Board, as of June 30, 2023 and 2022, and the respective changes in financial position, and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Louis Mental Health Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Notes to the financial statements, during the year ended June 30, 2023, the St. Louis Mental Health Board, a adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes accounting and financial reporting requirements for subscription-based information technology arrangements and requires recognition of certain subscription assets and liabilities that previously were not reported. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Louis Mental Health Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. Louis Mental Health Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Louis Mental Health Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Trustees
City of St. Louis Mental Health Board of Trustees

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the St. Louis Mental Health Board's basic financial statements. The schedule of grants, partnerships, and initiatives to organizations is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of grants, partnerships, and initiatives to organizations is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2026, on our consideration of the St. Louis Mental Health Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Louis Mental Health Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Louis Mental Health Board's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

St. Louis, Missouri
August 7, 2026

This section of the City of St. Louis Mental Health Board of Trustees (MHB) annual financial report presents our analysis of MHB's financial performance during the fiscal years that ended on June 30, 2023 and 2022. Please read it in conjunction with the financial statements that follow this section.

FINANCIAL HIGHLIGHTS

- MHB's net position as of June 30, 2023, increased by $3.05 million.
- MHB's fiscal year 2023 tax revenues were over budget by $365,995 or 2.2%, due to greater than expected collections.
- MHB's fiscal year 2023 expenses were less than budgeted by $2.87 Million or 13.44%, primarily driven by variances in the timing of project implementation across all funding sources, which resulted in underutilization of budget and revenues.

THE FINANCIAL REPORT

MHB's financial statements consist of the following parts:

- Management's Discussion and Analysis (MD&A)
- The basic financial statements, which include the statements of net position; the statements of revenues, expenses, and changes in net position; and the statements of cash flows, along with the notes to the basic financial statements.
- Additional Information

MHB follows GASB guidance which establishes accounting and financial reporting standards for general purpose external financial reporting.

THE STATEMENTS OF NET POSITION AND THE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

These statements help to illustrate the status of MHB resulting from the years' activities. The statements include all assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. In this method, all of the years' revenues and expenses are taken into account regardless of when cash is paid or received.

The majority of MHB's activities are financed from property taxes collected by the City of St. Louis Collector of Revenue.

STATEMENTS OF NET POSITION

The following tables reflect the condensed statements of net position as of June 30, 2023 and 2022:

Condensed Statements of Net Position
(In Thousands of Dollars)

	2023	2022	Amount Change	Percent Change
Current Assets	$ 21,815	$ 17,445	$ 4,370	25.1 %
Noncurrent Assets	8,489	10,066	(1,577)	(15.7)
Total Assets	30,304	27,511	2,793	10.2
Deferred Outflows of Resources	487	204	283	138.7
Total Assets and Deferred Outflows of Resources	$ 30,791	$ 27,715	$ 3,076	11.1 %
Current Liabilities	$ 1,059	$ 1,991	$ (932)	(46.8)%
Noncurrent Liabilities	1,763	684	1,079	157.7
Total Liabilities	2,822	2,675	147	5.5
Deferred Inflows of Resources	96	217	(121)	(55.8)
Net Position				
Investment in Capital Assets and Right-of-Use Lease Assets	1	98	(97)	(99.0)
Unrestricted	27,872	24,725	3,147	12.7
Total Net Position	27,873	24,823	3,050	12.3
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 30,791	$ 27,715	$ 3,076	11.1 %

MHB's net position increased $3.05 million as a result of this year's operations, resulting in ending net position of $27.9 million, or an increase of 12.29%. Unrestricted net position (the part of net position that can be used to finance project services and administrative operations without legal restrictions or obligations) increased from $24.7 million to 27.8 million, or an increase of 12.73% at year-end. MHB can use these funds for continuing project services and administrative operations.

The components of unrestricted net position at June 30, 2023 and 2022 are as follows:

	2023	2022
	(In Thousands)	
Assigned for Grants and Partnerships	$ 11,380,000	$ 13,361,184
Nonspendable Forgivable Loans for Mental Health Supported Housing	2,482,603	2,276,485
Assigned for:		
Mental Health Supported Housing Loans	500,000	500,000
Emerging Needs	250,000	1,171,280
Administration	1,004,633	1,031,399
Unreserved, Unassigned	12,254,851	6,385,132
Total Unrestricted Net Position	$ 27,872,087	$ 24,725,480

A review of the June 30, 2023 statement of net position reveals the following:

Total assets of MHB are $30.3 million. This includes cash and cash equivalents of $15.4 million and investments of $11.5 million. Total liabilities are $2.82 million, including net pension liability of $1.17 million and deferred grant revenue of $.58 million.

Total net position of MHB is $27.9 million. This consists mostly of unrestricted net position.

The following tables reflect the condensed statements of net position as of June 30, 2022 and 2021:

Condensed Statements of Net Position
(In Thousands of Dollars)

	2022	2021	Amount Change	Percent Change
Current Assets	$ 17,445	$ 14,077	$ 3,368	23.9 %
Noncurrent Assets	10,066	8,418	1,648	19.6
Total Assets	27,511	22,495	5,016	22.3
Deferred Outflows of Resources	204	419	(215)	(51.3)
Total Assets and Deferred Outflows of Resources	$ 27,715	$ 22,914	$ 4,801	21.0 %
Current Liabilities	$ 1,991	$ 402	$ 1,589	395.3 %
Noncurrent Liabilities	684	1,102	(418)	(37.9)
Total Liabilities	2,675	1,504	1,171	77.9
Deferred Inflows of Resources	217	-	217	1.0
Net Position				
Investment in Capital Assets and Right-of-Use Lease Assets	98	125	(27)	(21.6)
Unrestricted	24,725	21,285	3,440	16.2
Total Net Position	24,823	21,410	3,413	15.9
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 27,715	$ 22,914	$ 4,801	21.0 %

MHB's net position increased $3.4 million as a result of this year's operations, resulting in ending net position of $24.8 million, or an increase of 15.9%. Unrestricted net position (the part of net position that can be used to finance project services and administrative operations without legal restrictions or obligations) increased from $21.29 million to $24.73 million, or an increase of 16.2% at year-end. MHB can use these funds for continuing project services and administrative operations.

The components of unrestricted net position at June 30, 2022 and 2021 are as follows:

	2022	As Restated 2021
	(In Thousands)	
Assigned for Grants, Partnerships, and Initiatives	$ 13,361,184	$ 11,380
Nonspendable Forgivable Loans for Mental Health Supported Housing	2,276,485	2,483
Assigned for:		
Mental Health Supported Housing Loans	500,000	500
Unanticipated Projects	1,171,280	250
Administration	1,031,399	1,005
Unreserved, Unassigned	6,385,132	5,667
Total Unrestricted Net Position	$ 24,725,480	$ 21,285

A review of the June 30, 2022 statement of net position reveals the following:

Total assets of MHB are $27.5 million. This includes cash and cash equivalents of $11.79 million and investments of $12.68 million. Total liabilities are $2.68 million. This includes net pension liability of $.67 million. The most significant current liability unearned revenue which totals $.94 million.

Total net position of MHB is $24.8 million. This consists mostly of unrestricted net position.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION OPERATING REVENUES AND EXPENSES

MHB classifies all operating and nonoperating revenues and expenses in the same manner that individual transactions are classified for cash flow purposes under GASB guidance.

The following table reflects the revenues and expenses of MHB's activities for the years ended June 30, 2023 and 2022:

Condensed Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands of Dollars)

	2023	2022	Amount Change	Percent Change
Operating Revenues	$ 21,545	$ 17,459	$ 4,086	23.4%
Operating Expenses	18,495	14,046	4,449	31.7
Excess (Deficit) of Operating Revenues Over Expenses	3,050	3,413	(363)	(10.6)
Beginning Net Position	24,823	21,410	3,413	15.9
Ending Net Position	$ 27,873	$ 24,823	$ 3,050	12.3 %

A review of the June 30, 2023 statement of revenues, expenses, and changes in net position indicates the most significant component of revenues is tax revenues of $17.03 million. Property tax revenues represent $15.89 million of this total. Another major source of revenues are operating grants which consist of federal grants totaling $3.67 million.

Major expenses relate to projects and grants that provide direct funding to local agencies performing a variety of services in the community.

The following table reflects the revenues and expenses of MHB's activities for the years ended June 30, 2022 and 2021:

Condensed Statements of Revenues,
Expenses, and Changes in Net Position
(In Thousands of Dollars)

	2022	2021	Amount Change	Percent Change
Operating Revenues	$ 17,459	$ 16,820	$ 639	3.8%
Operating Expenses	14,046	16,636	(2,590)	(15.6)
Deficit of Operating Revenues Over Expenses	3,413	184	3,229	1,754.8
Beginning Net Position	21,410	21,226	184	0.9
Ending Net Position	$ 24,823	$ 21,410	$ 3,413	15.9 %

A review of the June 30, 2022 statement of revenues, expenses, and changes in net position indicates the most significant component of revenues is tax revenues of $16.25 million. Property tax revenues represent $15.12 million of this total. Another major source of revenues is operating grants which consist of federal grants totaling $1.2 million.

Major expenses relate to projects and grants that provide direct funding to local agencies performing a variety of services in the community.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

MHB and management considered many factors when setting the fiscal year 2024 budget. Factors include the approved property tax rates and the economy. Property tax rates for the upcoming budget year are $0.0878 and $0.2396 per $100 assessed valuation for the Mental Health Fund and the Community Children's Services Fund, respectively.

BUDGET INFORMATION

Total revenues are expected to increase in fiscal year 2024, with approved budgeted revenues totaling $19.3 million. The primary revenue source is tax revenues of $17.0 million, supplemented by federal program revenues of $1.4 million, Violence Prevention Commission grant revenues of $0.6 million, dividends and interest of $0.2 million, and other administrative service fees and miscellaneous income.

Total expenses are expected to increase in fiscal year 2024, with approved budgeted expenses totaling $19.2 million. The fiscal year 2024 budget includes $18.3 million for community investments, primarily consisting of competitive grants of $13.3 million, partnerships and initiatives of $1.3 million, system building of $1.0 million, federal Violence Prevention Commission grants of $0.8 million, emerging needs of $0.6 million, direct project personnel costs of $0.9 million, SOC subawards of $0.2 million, and VPC grants of $0.2 million. Operating expenses are budgeted at $1.0 million, primarily for personnel costs, professional fees, rent and occupancy, information technology, public awareness, meetings, travel, equipment, insurance, and other administrative costs. The fiscal year 2024 budget also includes $0.3 million for housing projects cash outlays and reflects a budgeted transfer from net position of $0.2 million.

FINANCIAL CONTACT

The financial report is designed to provide users with a general overview of MHB's finances and demonstrate MHB's accountability. Any questions regarding the report or requests for additional information should be directed to:

Executive Director
City of St. Louis Mental Health Board of Trustees
701 Market St.
St. Louis, Missouri 63103

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS AND DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 15,447,326	$ 11,787,828
Investments	5,181,975	4,656,006
Receivables:		
Accounts Receivable	117,560	78,580
Grants Receivable and Other Receivables	118,489	263,787
Taxes Receivable	485,007	112,215
Mental Health Supported Housing Loans Receivable	440,271	442,343
Prepaid Expenses and Other Current Assets	24,366	104,635
Total Current Assets	21,814,994	17,445,394
NONCURRENT ASSETS		
Investments	6,327,638	8,025,696
Mental Health Supported Housing Loans Receivable	1,493,871	1,834,143
Other Assets	59,035	25,959
Capital Assets, Net	900	97,495
Right-of-Use Asset, net	607,178	83,015
Total Noncurrent Assets	8,488,622	10,066,308
Total Assets	30,303,616	27,511,702
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	486,586	204,186
Total Assets and Deferred Outflows of Resources	$ 30,790,202	$ 27,715,888

See accompanying Notes to Financial Statements.

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2023 AND 2022

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	2023	2022
CURRENT LIABILITIES		
Accounts and Grants Payable	$ 379,762	$ 838,860
Accrued Liabilities	80,969	145,883
Unearned Revenue	584,306	935,515
Current Lease Liability	13,836	70,937
Total Current Liabilities	1,058,873	1,991,195
NONCURRENT LIABILITIES		
Net Pension Liability	1,169,377	672,392
Noncurrent Lease Liability	593,606	12,044
Total Noncurrent Liabilities	1,762,983	684,436
Total Liabilities	2,821,856	2,675,631
DEFERRED INFLOWS OF RESOURCES		
Pension Related	95,623	217,249
NET POSITION		
Investment in Capital Assets	636	97,528
Unrestricted	27,872,087	24,725,480
Total Net Position	27,872,723	24,823,008
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 30,790,202	$ 27,715,888

See accompanying Notes to Financial Statements.

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
OPERATING REVENUES		
Property Taxes:		
Mental Health Fund	$ 4,248,986	$ 4,011,120
Community Children's Services Fund	11,638,548	11,109,039
Manufacturing, Institutional, and Other Taxes:		
Mental Health Fund	395,320	297,367
Community Children's Services Fund	745,367	833,011
Operating Grants - Federal	3,671,545	1,204,731
Operating Grants - Nonfederal	601,895	195,595
Investment Return (Loss), Net of Fees	193,878	(268,711)
Miscellaneous Income	49,117	76,705
Total Operating Revenues	21,544,656	17,458,857
OPERATING EXPENSES		
Grants, Partnerships, and Initiatives	15,448,948	11,746,332
Forgiveness of Mental Health Supported Housing Loans	342,343	196,119
Direct Project Expenses	1,604,730	1,122,509
Administration	1,098,920	981,057
Total Operating Expenses	18,494,941	14,046,017
EXCESS OF OPERATING REVENUES OVER EXPENSES	3,049,715	3,412,840
Net Position - Beginning of Year	24,823,008	21,410,168
NET POSITION - END OF YEAR	$ 27,872,723	$ 24,823,008

See accompanying Notes to Financial Statements.

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Property and Other Taxes	$ 16,655,429	$ 16,366,099
Proceeds from Other Support	4,428,987	2,414,160
Cash Paid for Projects	(15,451,576)	(11,466,485)
Cash Paid for Salaries and Employee Benefits	(1,427,432)	(1,221,059)
Cash Received (Paid) for Other Operating Activities	(1,841,815)	(335,623)
Net Cash Provided by Operating Activities	2,363,593	5,757,092
CASH FLOWS FROM CAPITAL ACTIVITIES		
Payments on ROU Leases	(77,361)	(72,120)
Purchases of Capital Assets	-	(5,900)
Proceeds from Sale of Capital Assets	150	50
Net Cash Used by Capital Activities	(77,211)	(77,970)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,617,189)	(7,473,918)
Interest and Dividends Received	252,305	246,676
Sales of Investments	4,738,000	7,997,000
Net Cash Provided by Investing Activities	1,373,116	769,758
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,659,498	6,448,880
Cash and Cash Equivalents - Beginning of Year	11,787,828	5,338,948
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 15,447,326	$ 11,787,828
RECONCILIATION OF EXCESS (DEFICIT) OF OPERATING REVENUES OVER EXPENSES TO NET CASH USED BY OPERATING ACTIVITIES:		
Excess of Operating Revenues Over Expenses	$ 3,049,715	$ 3,412,840
Adjustments to Reconcile Excess (Deficit) of Operating Revenues Over Expenses to Net Cash Used by Operating Activities:		
Depreciation and Amortization	107,193	105,301
Forgiveness of Mental Health Supported Housing Loans	342,343	196,119
Unrealized (Gain)/Loss	51,278	493,899
Interest and Dividends Received	(252,305)	(246,676)
(Gain) Loss on Sale of Capital Assets	66,911	(50)
Change in Assets and Liabilities:		
Increase in Accounts Receivable	(38,980)	(54,365)
(Increase) Decrease in Grants Receivable	145,298	2,589
(Increase) Decrease in Deferred Revenue	(351,209)	935,515
(Increase) Decrease in Taxes Receivable	(372,789)	115,562
(Increase) Decrease in Mental Health Supported Housing Loans Receivable	-	9,998
(Increase) Decrease in Prepaid Expenses and Other Assets	47,191	45,462
(Increase) Decrease in Deferred Outflows	(282,400)	214,879
Increase (Decrease) in Accounts and Grants Payable and Accrued Liabilities	(524,012)	654,741
Increase (Decrease) in Deferred Inflows	(121,626)	217,249
Increase (Decrease) in Net Pension Liability	496,985	(345,971)
Net Cash Provided by Operating Activities	$ 2,363,593	$ 5,757,092

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The City of St. Louis Mental Health Board of Trustees (MHB) is a public authority which derives its authority from RSMo. 205.975-205.990, effective January 2, 1991. MHB uses Mental Health Fund (MHF) receipts to provide services directly and/or by contract with any public facilities or nonprofit corporations which in turn provide programs and services to promote the mental health of residents of the City of St. Louis, Missouri by enhancing the availability and accessibility of essential community mental health and substance abuse programs. The passage of Proposition K by City of St. Louis voters in November 2004 created the Community Children's Services Fund (CCSF). CCSF's focus is to fund a wide range of programs and services which give children in the City of St. Louis a safe environment and opportunities to succeed in accordance with RSMo. 210-860-201.861.

CCSF has been established as a legally separate entity. However, because by statute the MHB acts as the governing body of the CCSF, the CCSF is reported as if it were part of MHB. Separate financial statements for the CCSF are not available. MHF and CCSF have the same governance board.

The City of St. Louis, Missouri (the City) has accountability for MHB because it appoints MHB's governing board. As such, MHB is considered a related organization of the City for financial reporting purposes. However, MHB is fiscally independent of the City. Therefore, the City is not financially accountable for MHB, and MHB is not a component unit of the City.

MHB continues to report under the governmental nonprofit reporting model as a business-type activities governmental entity allowed under GASB 29 and GASB 34.

Basis of Presentation and Method of Accounting

The financial statements of MHB have been prepared on the accrual basis of accounting, in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental and financial reporting principles.

MHB's financial statements are presented in accordance with the provisions of GASB guidance that establishes the manner in which MHB records transactions and presents financial information. GASB guidance also requires that the financial statements be accompanied by a narrative introduction and analytical overview of the entity's financial activities in the form of "management's discussion and analysis."

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Appropriations

MHB appropriates funds for specific projects and programs to be expended for the following year's program service funding period July 1, 2023 to June 30, 2024. These funds are to be distributed to various agencies which then provide programs and services to eligible persons of the City of St. Louis.

Compensated Absences

Accumulated unpaid vacation expense and a portion of the Executive Director's sick leave are reported in the period earned and are accrued in the accompanying financial statements until used. All other accrued sick leave is lost upon termination and, accordingly, is not recorded in the financial statements.

Property Tax Collections and Expenses

MHB's principal source of revenue is property taxes levied and collected by the City on MHB's behalf. Taxes collected in one month are often distributed to MHB in the subsequent month. Consequently, property taxes are recognized as revenue only to the extent they have been collected by the City's collector of revenue. Undistributed taxes are included in taxes receivable. Undistributed property taxes totaled $485,007 and $112,215 in 2023 and 2022, respectively.

MHB has adopted a fiscal year that begins July 1 each year. Property taxes are collected several months prior to the start of the fiscal year. This creates a balance in cash and cash equivalents, and investments at the end of the fiscal year that will be used to pay for the services approved for the fiscal year beginning July 1. The amount of these approved services is part of unrestricted net position.

Cash and Cash Equivalents

MHB considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash equivalents.
MHB's cash deposits are subject to custodial credit risk. Deposits in excess of federal depository insurance are required to be collateralized in accordance with applicable state statutes and MHB's investment policy.

Investments

Investments are presented at fair value in accordance with GASB guidelines. Unrealized gains and losses are included in the statements of revenues, expenses, and changes in net position.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. MHB has a formal investment policy that limits investment maturities to five years as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2023, MHB's debt security investments were scheduled to mature within five years.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

Credit Risk of Debt Securities: Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. MHB has a formal investment policy that limits its investment choices. At June 30, 2023, MHB's debt securities were rated by nationally recognized statistical rating organizations as disclosed in Note 3.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the bank or counterparty, MHB will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Protection of MHB's investments is provided by the Federal Deposit Insurance Corporation, or by an irrevocable letter of credit established by the financial institution for the benefit of MHB. At June 30, 2023, MHB's investments were covered by applicable depository insurance or collateral arrangements.

Concentration of Credit Risk: Concentration of credit risk is the risk of a loss attributed to the magnitude of MHB's investment in a single issuer. MHB's investment policy prohibits investment in bankers' acceptances and commercial paper by the same issuer in excess of 5% of the total market value of the portfolio. MHB also established a set of diversification standards by security type and by issuer as a means of limiting its exposure to concentration of credit risk. At June 30, 2023, MHB did not have investments in any one issuer, other than investments issued or explicitly guaranteed by the U.S. government, that represented 5% or more of total investments.

Accounts Receivable

Accounts receivable consist primarily of amounts due from grants, contracts, and other sources earned but not yet received as of year-end. Receivables are reported at the amount management expects to collect. Management evaluates outstanding receivables for collectability based on the nature of the receivable, historical collection experience, and known circumstances. Amounts determined to be uncollectible are written off when collection is no longer expected. Based on management's evaluation, no allowance for doubtful accounts was recorded for accounts receivable as of June 30, 2023.

Fair Value Measurements

MHB categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

MHB's investments consist of agency securities and certificates of deposit with maturities longer than three months. These investments are valued using evaluated pricing, which incorporates modeling techniques, information from extensive market sources, observed transaction data, credit quality information, perceived market movements, news, and other relevant information.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are stated at cost. Major additions and improvements are capitalized, while maintenance and repairs are expensed as incurred. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on capital assets are three to seven years.

Components of Net Position

Investment in Capital Assets

Investment in capital assets consists of the cost of furniture and equipment, and software, net of the related accumulated depreciation expense.

Unrestricted

Nonspendable Forgivable Loans for Mental Health Supported Housing – Loans issued to agencies for housing projects expected to be forgiven in future years.

Unrestricted (Continued)

Assigned for Mental Health Supported Housing Loans – Funds authorized to be used to increase the supply of safe, sanitary housing to assist in the rehabilitation of persons experiencing behavioral health disorders, including drug and alcohol addiction.

Assigned for Grants and Partnerships – Funds authorized and budgeted for specific grants, project expenditures, and collaborative programs in the fiscal year 2024.

Assigned for Emerging Needs – Funds budgeted by MHB for grants, project expenditures, and collaborative programs in the fiscal year 2024 which have not yet been assigned for specific agencies/projects.

Assigned for Administration – Funds budgeted for administration of projects in fiscal year 2024.

Operating Revenues and Expenses

MHB classifies all operating and nonoperating revenues and expenses in the same manner that individual transactions are classified for cash flow purposes under GASB guidance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will periodically report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position will periodically report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension Plan fiduciary net position

The Employees Retirement System of the City of St. Louis's (the Plan) pension trust fiduciary net position has been determined using the same basis used to determine the Plan's net pension liability, deferred outflows and inflows of resources related to pension, and pension expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Adoption of New Accounting Standards

In June 2023, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. SBITAs, which include software contracts, are recorded in the applicable government-wide financial statements. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software as specified in the contract for a period of time in an exchange or exchange-like transaction. SBITA contract contains non-cancellable terms of 12 months or greater; or noncancellable terms of 12 months or less with the option to extend (regardless of the probability of being exercised). SBITAs are recorded at the net present value of subscription payments expected to be made during the subscription term, plus any payments made to the SBITA vendor before the commencement of the subscription term and certain direct costs (less any incentives). A subscription asset should be amortized over the shorter of the subscription term or the useful life of the underlying asset. The adoption of this standard was not material to the financial statements.

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents and investments at June 30, 2023 and 2022 consisted of the following:

Included in the accompanying statements of net position as:

	2023	2022
Cash and Cash Equivalents	$ 15,447,326	$ 11,787,828
Investments - Current	5,181,975	4,656,006
Investments - Noncurrent	6,327,638	8,025,696
Total Cash and Cash Equivalents and Investments	$ 26,956,939	$ 24,469,530

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

At June 30, 2023, MHB's deposits in excess of federal depository insurance were fully collateralized in accordance with applicable state statutes and MHB's investment policy. At June 30, 2022, deposits in excess of federal depository insurance were also collateralized in accordance with applicable requirements.

Maturities of debt securities at June 30 are as follows:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
One Year or Less	$ 5,232,577	$ 5,181,975	$ 4,755,566	$ 4,656,006
After One Through Five Years	6,524,774	6,327,638	8,310,821	8,025,696
Total	$ 11,757,351	$ 11,509,613	$ 13,066,387	$ 12,681,702

Credit ratings of debt securities at June 30, 2023 are as follows:

	AAA	AA	A	BBB	Unrated
U.S. Treasuries	$ -	$ -	$ -	$ -	$ 964,298
Agency Securities	-	8,354,413	-	-	-
Certificates of Deposit	-	-	-	-	2,190,902
Total Debt Securities	$ -	$ 8,354,413	$ -	$ -	$ 3,155,200

Credit ratings of debt securities at June 30, 2022 are as follows:

	AAA	AA	A	BBB	Unrated
U.S. Treasuries	$ -	$ -	$ -	$ -	$ 473,983
Agency Securities	-	6,564,632	-	-	-
Certificates of Deposit	-	-	-	-	5,643,087
Total Debt Securities	$ -	$ 6,564,632	$ -	$ -	$ 6,117,070

Investment income for the years ended June 30 is as follows:

	2023	2022
Interest and Dividend Income, Net of Fees	$ 245,156	$ 225,188
Unrealized Gain(Loss)	(51,278)	(493,899)
Total Investment Return, Net of Fees	$ 193,878	$ (268,711)

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The following table presents the fair value measurements of investments recognized in the accompanying statements of net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at June 30, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasuries	$ -	$ 964,298	$ -	$ 964,298
Agency Securities	-	8,354,413	-	8,354,413
Certificates of Deposit	-	2,190,902	-	2,190,902
Total Investments at Fair Value	$ -	$ 11,509,613	$ -	$ 11,509,613

	2022			
	Level 1	Level 2	Level 3	Total
Investments:				
U.S. Treasuries	$ -	$ 473,983	$ -	$ 473,983
Agency Securities	-	6,564,632	-	6,564,632
Certificates of Deposit	-	5,643,087	-	5,643,087
Total Investments at Fair Value	$ -	$ 12,681,702	$ -	$ 12,681,702

NOTE 3 MENTAL HEALTH SUPPORTED HOUSING LOANS RECEIVABLE

MHB maintains a Housing Acquisition Initiative (Housing Project) in order to increase the quality and quantity of housing available for persons with serious mental illness and those completing substance abuse treatment who need subsidized housing. During the fiscal year ended June 30, 2023, fifteen projects were supported from the funds allocated by MHB for the Housing Project. As a part of the Housing Project, MHB committed to provide 10-year forgivable loans to the Agencies. Loans that are in compliance with the Certification of No Material Defaults form completed by a third party consultant are eligible for forgiveness after the first year anniversary of the loan origination date. In 2023 and 2022, no loans were made to the Agencies. Housing loans outstanding as of June 30, 2023 and 2022 totaled $1,934,142 and $2,276,486, respectively.

On each anniversary of the loans, one tenth of the outstanding principal balance, plus all accrued interest at 4%, will be forgiven. Also, upon the maturity date of the loan, the remaining principal balance and accrued interest shall be deemed satisfied and discharged. The loans mature through July 2033.

During 2023 and 2022, $342,343 and $196,119 were forgiven on mental health supported housing loans receivable, respectively.

NOTE 4 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Furniture and Equipment	$ 21,667	$ -	$ (12,562)	$ 9,105
Leasehold Improvement	9,055	-	-	9,055
Software	122,827	-	(122,827)	-
Less: Accumulated Depreciation and Amortization	(56,054)	(6,264)	45,058	(17,260)
Total Capital Assets, Net.	$ 97,495	$ (6,264)	$ (90,331)	$ 900

Capital asset activity for the year ended June 30, 2022 is as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Furniture and Equipment	$ 22,997	$ -	$ (1,330)	$ 21,667
Leasehold Improvement	9,055	-	-	9,055
Software	116,927	5,900	-	122,827
Less: Accumulated Depreciation and Amortization	(24,169)	(33,215)	1,330	(56,054)
Total Capital Assets, Net.	$ 124,810	$ (27,315)	$ -	$ 97,495

NOTE 5 LEASES

MHB leases equipment as well as an office facility for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through the fiscal year-end 2025.

Activity on the right of use assets for the year ended June 30, 2023, is as follows:

	2022	Additions	Deductions	2023
Right of Use Asset - Equipment	$ 14,385	$ 11,010	$ 11,866	$ 13,529
Right of Use Asset - Buildings	212,801	590,812	-	803,613
Less: Accumulated Amortization	(144,171)	(77,659)	(11,866)	(209,964)
Total Right of Use Assets	$ 83,015	$ 524,163	$ -	$ 607,178

Activity on the right of use assets for the year ended June 30, 2022, is as follows:

	2021	Additions	Deductions	2022
Right of Use Asset - Equipment	$ 14,385	$ -	$ -	$ 14,385
Right of Use Asset - Buildings	212,801	-	-	212,801
Less: Accumulated Amortization	(72,086)	(72,085)	-	(144,171)
Total Right of Use Assets	$ 155,100	$ (72,085)	$ -	$ 83,015

NOTE 5 LEASES (CONTINUED)

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

Year Ending June 30,	Principal	Interest	Total
2024	$ 13,836	$ 21,367	$ 35,203
2025	77,697	19,401	97,098
2026	81,750	16,535	98,285
2027	86,200	13,512	99,712
2028	90,616	10,326	100,942
Thereafter	257,343	10,941	268,284
Total Minimum Lease Payments	$ 607,442	$ 92,082	$ 699,524

NOTE 6 COMMITMENTS AND CONTINGENCIES

Financial awards from the federal government in the form of grants are subject to special oversights and audits. These audits could result in claims against MHB for disallowed costs. No provisions have been made for any liabilities that may result from such audits since the amounts, if any, cannot be determined.

MHB has committed $11,380,000 to fund programs and service contracts with various organizations for fiscal year 2024. The Board of Trustees of MHB approved the commitments during fiscal year 2023 board meetings. Compare to $13,361,184 to fund programs and service contracts with variances organization in 2023. The payments to the organizations are contingent on the services being performed.

NOTE 7 PENSION PLAN

Plan Description

MHB contributes to the Employees Retirement System of the City of St. Louis (the Plan) which is a cost-sharing multiemployer defined benefit retirement plan. The Plan is administered by a separate board of trustees, members of which are appointed by City officials and Plan participants. All nonuniformed employees of the City and certain other public entities funded by or providing services to residents of the City become members of the Plan upon employment with the exception of employees hired after attaining age 60.

The Plan issues a publicly available annual report that includes financial statistics, an actuarial valuation, and the required supplementary information. That report may be obtained by writing to the City of St. Louis Employees' Retirement System, Room 900, 1114 Market St., St. Louis, Missouri 63101.

Benefits

The Plan provides for defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base.

NOTE 7 PENSION PLAN (CONTINUED)

Contributions

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the projected unit credit actuarial cost method. Employer contribution rates are established annually by the board of trustees of the Plan based on an actuarial study. MHB's actuarially determined contribution rates for the years ended June 30, 2023 and 2022 were 15.36% and 15.34% of covered payroll, respectively. The actuarially determined contribution rate is calculated based on the actuarial valuation at the beginning of the plan year. MHB's contributions to the Plan for the years ended June 30, 2023 and 2022 were $145,154 and $121,508, respectively.

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

At June 30, 2023 and 2022, MHB reported a liability of $1,169,377 and $672,392, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of September 30, 2022 and 2021, respectively, and the total pension liability used to calculate the net pension liability was determined by actuarial valuations as of October 1, 2021 and 2020, respectively. MHB's proportion of the net pension liability was based on a projection of MHB's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At September 30, 2022 and 2021, MHB's proportion was 0.32267% and 0.38666%, respectively.

For the year ended June 30, 2023, MHB recognized pension expense of $238,111. At June 30, 2023, MHB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 26,426	$ 4,824
Changes of Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	333,745	-
Changes in Proportion	19,322	90,799
MHB Contributions Subsequent to the Measurement Date	107,093	-
Total	$ 486,586	$ 95,623

NOTE 7 PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2022, MHB recognized pension expense of $207,665. At June 30, 2022, MHB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 8,154	$ 11,561
Changes of Assumptions	58,458	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	205,688
Changes in Proportion	53,175	-
MHB Contributions Subsequent to the Measurement Date	84,399	-
Total	$ 204,186	$ 217,249

The 2023 amount of $107,093 of deferred outflows of resources resulting from MHB's contributions subsequent to the September 30, 2022 measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. The $84,399 of deferred outflows of resources resulting from MHB's contributions subsequent to the September 30, 2021 measurement date was recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	$ 78,266
2025	30,723
2026	53,181
2027	121,700
Total	$ 283,870

NOTE 7 PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	October 1, 2021 for the year ended September 30, 2022, and October 1, 2020 for the year ended September 30, 2021
Timing	Actuarially determined contributions rates are calculated based on the actuarial valuation at the beginning of the plan year.
Actuarial Cost Method	Entry age normal cost method
Asset Valuation Method	5-year smoothing
Amortization Method	Fixed 20-year period as of October 1, 2015 as a level percentage of payroll. Future gains and losses and changes in actuarial assumptions will be amortized in layers over separate 20-year periods.
Discount Rate	7.25%
Inflation	2.50%
Salary Increases	3.00% plus merit component based on years of service
Mortality (Active)	135% of the Pub-2010 General Employee Below-Median Income Weighted mortality for males and 155% for females projected with generational mortality improvements from 2010 using Scale MP-2019
Mortality (Healthy)	125% of the Pub-2010 General Retiree Below-Median Income Weighted mortality for males and 120% for females projected with generational mortality improvements from 2010 using Scale MP-2019
Mortality (Disabled)	120% of the Pub-2010 Non-Safety Disabled Retiree mortality for males and 110% for females projected with generational mortality improvements from 2010 using Scale MP-2019

NOTE 7 PENSION PLAN (CONTINUED)

The target allocation and best estimate of arithmetic real rate of return on Plan investments for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap	24.00%	6.90%
Mid Cap	7.50%	7.27%
Small Cap	7.50%	8.00%
International Large Cap	12.00%	7.24%
Emerging Markets	3.00%	7.40%
Bank Loans	4.50%	5.10%
Fixed Income	10.00%	2.50%
International Fixed Income	4.50%	4.90%
Core Real Estate	10.00%	6.50%
Infrastructure	5.00%	7.00%
Private Equity	5.00%	11.00%
Hedge Funds	3.00%	5.10%
Defensive equity	4.00%	6.10%
Total	100%	6.54%

Discount Rate and Other Key Assumptions for Total Pension Liability

The discount rate used to measure the total pension liability was 7.25% as of September 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate. Based on these assumptions, the Plan's net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on the Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of investment expenses but without reduction for administrative expenses at 7.25%. Inflation assumed to be 2.5%. Bond Yield assumed to be 4.02%.

NOTE 7 PENSION PLAN (CONTINUED)

Sensitivity of MHB's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents MHB's proportionate share of the net pension liability for September 30, 2022 and 2021 calculated using an assumed long-term expected rate of return of 7.25% as well as what MHB's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	September 30, 2022		
	One Percent Decrease 6.25%	Discount Rate 7.25%	One Percent Increase 8.25%
MHB's Proportionate Share of Net Pension Liability	$ 1,529,366	$ 1,169,377	$ 862,846

	September 30, 2021		
	One Percent Decrease 6.25%	Discount Rate 7.25%	One Percent Increase 8.25%
MHB's Proportionate Share of Net Pension Liability	$ 1,098,338	$ 672,392	$ 309,823

NOTE 8 FUNDING

Major funding for MHB is from tax revenues received from a tax levy that authorizes maximum rates of $0.09 and $0.2407 per $100 for the MHF and the CCSF, respectively, of assessed valuation of all taxable personal property, real estate, and manufacturing properties in the City of St. Louis.

Taxes are levied annually in November based on the assessed valuation of all real and personal property located in the City as of the previous January 1 and use is first permitted the following fiscal year.

The actual set rates sometimes differ from the maximum allowed due to deductions, exemptions, and other valuation adjustments. As such, tax levy rates of $0.0888 and $0.2443, respectively, for MHF and CCSF were established for fiscal year 2022. For fiscal year 2023 the rates were $0.0888 for MHF and $0.2443 for CCSF.

Taxes are billed in November and are due and collectible December 31. All unpaid taxes become delinquent on January 1 of the following year and attach as an enforceable lien on the related party at that time.

NOTE 8 FUNDING (CONTINUED)

The City collects the property tax and remits it to MHB. Tax revenues for the years ended June 30 were as follows:

	2023	2022
Real Estate Tax	$ 12,471,444	$ 12,162,713
Personal Property Tax	3,416,090	2,957,446
Total Property Tax	15,887,534	15,120,159
Manufacturing and Other Taxes	1,140,687	1,130,378
Total	$ 17,028,221	$ 16,250,537

NOTE 9 UNRESTRICTED NET POSITION

The components of unrestricted net position at June 30 are as follows:

	2023	2022
Assigned for Grants and Partnerships	$ 11,380,000	$ 13,361,184
Nonspendable Forgivable Loans for Mental Health Supported Housing	2,482,603	2,276,485
Assigned for:		
Mental Health Supported Housing Loans	500,000	500,000
Emerging Needs	250,000	1,171,280
Administration	1,004,633	1,031,399
Unreserved, Unassigned	12,254,851	6,385,132
Total Unrestricted Net Position	$ 27,872,087	$ 24,725,480

NOTE 10 TAX ABATEMENTS

Tax abatements, as defined by Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures (GASB 77)*, are agreements between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

Since MHB does not and has not entered into tax abatement agreements directly with any individuals or entities, the following estimates are from tax abatements entered into by other governments, specifically the City of St. Louis, that has reduced MHB's tax revenues.

NOTE 10 TAX ABATEMENTS (CONTINUED)

Tax Abatements Entered into by St. Louis City

MHB's property tax revenues were reduced through the following programs that are utilized by the City of St. Louis. Summaries of those programs are as follows:

Chapter 353 – Residential and Chapter 353 – Commercial: provides tax abatement incentive to improve blighted property, under State Statute Section 353.010-353.190 RSMo, determined by the governing body in the area that is blighted. The Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve the Development Agreement. The property must be transferred to an Urban Redevelopment Corporation for a moment in time. The tax is calculated based on Land assessments based on the year prior to the Urban Redevelopment Corporation transfer.

Chapter 353 – Residential PILOT and Chapter 353 – Commercial PILOT: provides tax abatement incentive to improve blighted property, under State Statute Section 353.010-353.190 RSMo, determined by the governing body in the area that is blighted. The Municipality must hold a public hearing and adopt an ordinance approving the Development Plan and may approve the Development Agreement. The property must be transferred to an Urban Redevelopment Corporation for a moment in time. The amount abated is determined by the amount of Chapter 353 payments in lieu of taxes (PILOTs) established by city ordinance.

Chapter 99 – Residential, Chapter 99 – Residential PILOT, Chapter 99 – Commercial, and Chapter 99 – Commercial PILOT: provides tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds, under State Statute Sections 99.700 to 99.715 RSMo or Sections 353.010 to 353.190 RSMo; City Ordinance 45977 approved on February 18, 1952. Establishment of a Land Clearance for Redevelopment Authority (LCRA) is required. The abatement is determined by the governing board of the area that is blighted. The LCRA adopts a redevelopment plan and the Municipality must hold public hearing and adopt an ordinance approving the redevelopment plan. Abatement goes into effect through either title transfer or affidavit. The tax is calculated based on assessment of land at predeveloped level.

Chapter 100 – Planned Industrial Expansion (PIE): provides tax abatement incentive to improve blighted property and possibly assist in property acquisition and issuance of bonds, under State Statute Sections 353.010 to 353.190 RSMo; City Ordinance 54788 approved on December 11, 1967. Establishment of a Land Clearance for Redevelopment Authority (LCRA) is required. The abatement is determined by the governing board of the area that is blighted. The LCRA adopts a redevelopment plan and the Municipality must hold public hearing and adopt an ordinance approving the redevelopment plan. Abatement goes into effect through either title transfer or affidavit. The tax is calculated based on Land assessments based on the year prior to the transfer.

NOTE 10 TAX ABATEMENTS (CONTINUED)

Tax Abatements Entered into by St. Louis City (Continued)

Enhanced Enterprise Zone Tax Incentives and Enhanced Enterprise Zone Tax Incentives PILOT: provides tax credits and/or real estate tax abatement to new or expanding businesses in the Enhanced Enterprise Zone, under State Statute Sections 135.950 to 135.973, RSMo and City Ordinance 67350 approved on December 11, 2006. An Enhanced Enterprise Zone Board (EEZB) is established by the governing body, the EEZB then recommends a project to the governing body. The governing body then adopts a resolution authorizing the project/abatement. The EEZB enters into a redevelopment agreement with the redeveloper. The City authorizing resolution shall specify the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply, and any other terms, conditions or stipulations otherwise required.

Industrial Revenue Bonds/Merchants & Manufacturer's Tax Credit: provides tax abatement incentive to provide economic development benefits to municipality for Personal and/or Real Property taxes, under State Statute Sections 100.010 to 100.200 RSMo. Abatements are obtained through preparation and approval of an Industrial Development Plan by the governing body of the municipality. The tax is abated by transferring the title of the real or personal property to be abated to the tax-exempt governmental body.

Missouri's Real Property Tax Increment Allocation Redevelopment Act enables cities to finance certain redevelopment costs with the revenue generated from (i) payments in lieu of real estate taxes, as measured by the net increase in assessed valuation resulting from redevelopment, and (ii) a portion of the increase in other local tax revenue associated with new economic activity. When a tax increment financing (TIF) plan is adopted, real estate taxes in the redevelopment are frozen at their current level. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to the increased assessed valuation resulting from redevelopment, a tax "increment" is produced. The real estate tax increments are referred to as payments in lieu of taxes, or PILOTs, and are deposited in a special allocation fund.

NOTE 10 TAX ABATEMENTS (CONTINUED)

Tax Abatements Entered into by St. Louis City (Continued)

The amount of MHB's tax revenues calculated at MHF's tax rate of $.0888 per $100 and CCSF's tax rate of $.2443 per $100 of assessed value that were abated by St. Louis City are reported in the following table for the year ended June 30, 2023.

	June 30, 2023	
	Gross Dollar of Reduced Tax Revenues	MHB Reduced Tax Revenues
Chapter 353 - Residential	$ 3,133,378	$ 126,266
Chapter 353 - Residential PILOT	4,613,059	185,893
Chapter 353 - Commercial	8,840,223	297,259
Chapter 353 - Commercial PILOT	1,939,258	65,209
Chapter 99 - Residential	5,297,003	213,454
Chapter 99 - Residential PILOT	911,518	36,732
Chapter 99 - Commercial	3,228,755	108,569
Chapter 99 - Commercial PILOT	598,101	20,112
Chapter 100 - Planned Industrial Expansion Authority	437,998	14,728
Enhanced Enterprise Zone	547,520	18,411
Enhanced Enterprise Zone PILOT	732,209	24,621
Industrial Revenue Bond Transactions - Earnings Tax Incentive Credits	2,132,900	-
Industrial Revenue Bond Transactions - Real Property	386,376	15,570
Industrial Revenue Bond Transactions - Personal Property	3,347,529	160,371
Tax Increment Financing PILOT	22,437,374	922,805
Tax Increment Financing (EATS)	12,137,417	-
	$ 70,720,618	$ 2,210,000

NOTE 10 TAX ABATEMENTS (CONTINUED)

Tax Abatements Entered into by St. Louis City (Continued)

The amount of MHB's tax revenues calculated at MHF's tax rate of $.0872 per $100 and CCSF's tax rate of $.2443 per $100 of assessed value that were abated by St. Louis City are reported in the following table for the year ended June 30, 2022.

	June 30, 2022	
	Gross Dollar of Reduced Tax Revenues	MHB Reduced Tax Revenues
Chapter 353 - Residential	$ 2,279,784	$ 91,559
Chapter 353 - Residential PILOT	2,843,445	114,197
Chapter 353 - Commercial	3,711,700	124,359
Chapter 353 - Commercial PILOT	2,447,231	81,993
Chapter 99 - Residential	5,609,417	225,282
Chapter 99 - Residential PILOT	568,108	22,816
Chapter 99 - Commercial	4,134,727	138,532
Chapter 99 - Commercial PILOT	402,823	13,496
Chapter 100 - Planned Industrial Expansion Authority	178,808	5,991
Enhanced Enterprise Zone	454,104	15,215
Enhanced Enterprise Zone PILOT	239,727	8,032
Industrial Revenue Bond Transactions - Earnings Tax Incentive Credits	2,388,479	-
Industrial Revenue Bond Transactions - Real Property	173,851	6,982
Industrial Revenue Bond Transactions - Personal Property	3,347,529	159,296
Tax Increment Financing PILOT	24,966,691	1,022,934
Tax Increment Financing (EATS)	11,354,788	-
	$ 65,101,212	$ 2,030,684

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
SCHEDULES OF SELECTED PENSION INFORMATION –
EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS
JUNE 30, 2023 AND 2022
(SEE INDEPENDENT AUDITORS' REPORT)

Schedule of the Trustees' Proportionate Share of the Net Pension Liability

					September 30,				
	2022	2021	2020	2019	2018	2017	2016	2015	2014
MHB's Proportion Percentage of the Net Pension Liability	0.3227 %	0.3867 %	0.3588 %	0.3357 %	0.2877 %	0.2894 %	0.2810 %	0.2649 %	0.2399 %
MHB's Proportionate Share of the Net Pension Liability	$ 1,169,377	$ 672,392	$ 1,018,363	$ 730,687	$ 486,669	$ 502,750	$ 587,960	$ 601,622	$ 370,851
MHB's Covered Payroll	$ 909,386	$ 926,368	$ 881,731	$ 812,250	$ 693,975	$ 698,050	$ 670,441	$ 661,337	$ 583,862
MHB's Proportionate Share of the Net Pension Liability as a Percentage of MHB's Covered Payroll	128.6 %	72.6 %	115.5 %	90.0 %	70.1 %	72.0 %	87.7 %	91.0 %	64.0 %
Plan's Fiduciary Net Position as a Percentage of Total Pension Liability	67.7 %	84.1 %	73.8 %	78.6 %	83.0 %	82.5 %	78.5 %	76.2 %	83.5 %

Schedule of the Trustees' Contributions

						June 30,			
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Required Contribution	$ 145,154	$ 121,508	$ 122,574	$ 104,512	$ 96,192	$ 83,348	$ 85,938	$ 88,585	$ 93,124
Contribution in Relation to the Required Contribution	$ 145,154	$ 121,508	$ 122,574	$ 104,512	$ 96,192	$ 83,348	$ 85,938	$ 88,585	$ 93,124
MHB's Covered Payroll	$ 945,013	$ 792,099	$ 934,966	$ 858,062	$ 783,965	$ 687,121	$ 691,371	$ 639,143	$ 634,450
Contributions as a Percentage of Covered Payroll	15.36 %	15.34 %	13.11 %	12.18 %	12.27 %	12.13 %	12.43 %	13.86 %	14.68 %

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

Changes of Benefit Terms or Assumptions

There were no changes in benefits during the years ended September 30, 2022 and 2021.

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
SCHEDULE OF GRANTS, PARTNERSHIPS, AND INITIATIVES TO ORGANIZATIONS
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

Organization	Amount
22nd Judicial Court of Missouri, Family Court-Juvenile Division	$ 382,192
A Better Future Learning Center	44,569
A Child's Dream	20,523
Angels Affordable Activites Daycare	10,773
Aunties House Home Daycare	5,089
Baden Christian Child Care Center	22,346
Beginning Futures 2	135,296
Beginning Futures	29,929
Behavorial Health Network	119,789
Behavioral Health Response	608,800
Big Adventure's Academy 2	45,250
Boys & Girls Clubs of Greater St. Louis	204,688
Brighter Futures Day Care	47,475
Buttons and Bows Preschool Development Center	28,546
CASA of St. Louis	347,055
Center for Behavioral Health - UMSL	370,519
Center for Trauma Recovery - UMSL	50,027
CHADS Coalition for Mental Health	120,000
Children Are Unique Academy	31,459
Children's Advocacy Services of Greater St. Louis - UMSL	621,492
Circle of Light Greater Achiever's Learning Center	49,500
A Million Stars d/b/a College Bound	62,215
Community of Hope	72,998
Conflict Resolution Center-St. Louis City	99,690
Constantly Growing Home DayCare	41,968
Cornelia Coleman Family Child Care Provider	17,559
Covenant House Missouri	477,862
Creative Development Academic Arts Center	14,367
Creative Development Academy	49,500
Crime Victim Advocacy Center	98,435
Criminal Justice Ministry	125,447
D.U.M.A.S. Mentoring and Youth Services	49,500
Employment Connection	159,037
Exclusive Kidz Zone	28,256
Family Care Health Centers	534,729
FamilyForward	365,718
Fathers and Families Support Center	130,063
Favored	49,500
First Impressions Pre-School and Learning	45,730
Flance Early Learning Center	213,207
Foster and Adoptive Care Coalition	268,421
Gateway Housing First	8,000
Geraldine Riley Home Daycare	17,129
Gifted Minds Academy	48,357
Haven of Light School of Mental Health	5,950
Healing Action Network	254,462
Honey-Bee Plus Daycare Center	49,500

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
SCHEDULE OF GRANTS, PARTNERSHIPS, AND INITIATIVES TO ORGANIZATIONS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

Organization	Amount
Horizon Housing Development Company	8,000
International Institute of St. Louis	146,800
Kare A Lot 4 Kidz Child Development Center	49,500
Kare A Lot Child Development Center	46,023
Karen's Kids Daycare	25,026
Kid's Creation Learning Center	40,597
Kids First	31,698
Kids Kompany Child Care Services	40,495
Kolors Learning Center #1	10,992
K's Creative Minds	49,500
LaPlace Enrichment Center	26,866
Legal Services of Eastern Missouri	691,563
Lutheran Family and Children's Services of Missouri Hilltop Child Center	46,951
The Little Bit Foundation	201,485
Little Explorers Learning Center	48,441
Little Futures Child Development & Learning Center	11,760
Little Leaders Childcare Center	29,735
Little Minds at Work Childcare Services	15,540
Little Precious Angels Childcare 2	49,500
Little Rascal Learning Academy 7 Days A Week	45,674
Little Warriors Academy	40,416
Lutheran Family and Children's Services of Missouri	285,396
Mary Margarets Day Care and Learning Center	49,500
Master's Preschool Center	1,925
Mental Health America of Eastern Missouri	125,000
Mess Pat's Daycare	41,191
Miriam School and Learning Center	126,575
Missouri Department of Mental Health	50,000
Missouri Eating Disorders Association	72,328
Bilingual International Assistant Services	542,040
My Mother's Roots	28,761
New Northside Family Life Center	49,500
Northside Youth And Senior Service Center	100,000
Nurses for Newborns	319,715
City of St. Louis - Office of the Mayor, Commission on Children, Youth, and Families	60,000
Parents As Teachers National Center	201,069
Paula Franklin Family Child Care Provider	19,050
Places for People	638,059
Playtime Academy Children Develoment Center	48,854
Power4STL	120,050
Preferred Family Healthcare	110,972
PreventEd	97,067
Provident	75,000
Queen of Peace Center	206,785
Queens and Kings Learning Center	30,731
Ready Readers	118,190
River Roads Lutheran School	35,000

CITY OF ST. LOUIS MENTAL HEALTH BOARD OF TRUSTEES
SCHEDULE OF GRANTS, PARTNERSHIPS, AND INITIATIVES TO ORGANIZATIONS (CONTINUED)
YEAR ENDED JUNE 30, 2023
(SEE INDEPENDENT AUDITORS' REPORT)

Organization	Amount
Round-About Childcare	14,337
Safe Connections	321,823
Safe Space Programming	55,091
Saint Louis Crisis Nursery	435,527
Set to Learn Child Care Home	47,688
Sherwood Forest Camp	146,196
SouthSide Early Childhood Center	140,926
St. Cecilia School and Academy	35,000
St. Francis Community Services	124,320
St. Louis ArtWorks	129,211
St. Louis Catholic Academy	40,000
St. Louis Community Foundation (as fiscal sponsor for the Gateway Early Childhood Alliance)	216,260
St. Louis Public Schools Foundation	2,285
St. Louis City Senior Citizens Services Fund	6,925
S.T.A.R.	334,487
TLC Childcare	41,257
UMSL Community Innovation & Action Center	10,000
Unleashing Potential	244,500
Vaughn Tenant Association	49,500
Vision for Children at Risk	448,579
Vitendo4Africa	111,694
Washington University - The SPOT	402,585
Youth Events	197,859
Youth in Need	100,661
Total	$ 15,448,948