

Audit Results

Communications to Those Charged With Governance

State of Missouri Petroleum Storage Tank Insurance Fund
Year End June 30, 2025
Date: October 22, 2025

Agenda

- Summary
- Audit Risks and Results
- Other Required Communications
- Appendices

The following communication is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Summary



Significant changes to the audit plan

We presented our planned audit approach, including our preliminary risk assessment, and related scoping considerations to the Those Charged With Governance on August 19, 2025. Throughout the audit we continuously evaluate the appropriateness of our audit strategy. As a result, there were no significant changes to the planned audit approach.

Audit report

We anticipate issuing an unmodified opinion on October 22, 2025. A draft of the audit report is included as Appendix III.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

In accordance with Government Auditing Standards, we have also issued our report dated October 22, 2025, on our consideration of the Petroleum Storage Tank Insurance Fund'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 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 Petroleum Storage Tank Insurance Fund'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 the Petroleum Storage Tank Insurance Fund's internal control over financial reporting and compliance.

Audit Risks and Results



Audit risks and results

Particularly sensitive accounting estimates & assumptions – claims liability

Description of estimate

Management's estimate for claims incurred but not reported is based on a third-party actuary analysis.

Balance at June 30, 2025

Claims liability – current : \$13,000,000
Claims liability – noncurrent: \$74,955,466

Management's process for developing estimates

The provision for claims liability includes a provision for outstanding claims incurred but not reported ("IBNR"). The provision for outstanding claims is based on individual claims in the process of settlement. The provision for IBNR is based on the Company's projections of the amounts that have been incurred and the recommendations of independent actuaries. Any differences between the provision for claims provided and the ultimate claim settlements will be reflected in income when they become known.

The IBNR claims accrual is developed using standard actuarial methods based upon historical data for payment patterns, cost trends and other relevant factors specific to the Organization. These estimates are continually reviewed and adjustments, if necessary, are reflected in the period known.

The process is consistent with prior periods.

Audit risks and results

Element of audit unpredictability

Risk addressed

Potential risk of fraudulent claims

Procedures performed

On a selection of claim payments tested during the normal course of audit procedures, verify payee information by:

- Obtaining payee name and address from the claimant's signed Payment Request Form
- If the payee is a vendor, verifying address listed on payment request form aligns with invoice or report submitted to claim adjudicators
- If the payee is a participant, verifying the name and address per the participant's file
- Confirming the existence of the payee via independent research of the address
- Tracing the payee's name and address to the check confirmation details for the check cut by the Missouri State Treasurer's Office

Results

No exceptions or deviations noted in the sample tested.

Other Required Communications



Other required communications

Matter to Report	Comments
Independence re-evaluation	In accordance with the AICPA's Code of Professional Conduct, we are required to communicate a breach of external independence requirements to you as soon as possible or in line with a communication protocol that is confirmed in writing. There were no independence matters that occurred or were identified subsequent to the date August 19, 2025, of our most recent communication provided to those charged with governance.
Fraud	We did not identify any potential or known fraud.
Non-compliance with laws and regulations and illegal acts	<p>We are not aware of any instances of non-compliance with laws and regulations.</p> <p>We are not aware of any potential illegal acts.</p>
Related parties	After evaluating the organization's identification of, accounting for, and disclosure of its relationships and transactions with related parties, we have identified no significant findings or issues arising during the audit in connection with the organization's related parties.
Alternative accounting treatments	We did not identify any alternative treatments permissible under US GAAP for accounting policies and practices related to material items, including recognition, measurement, and presentation and disclosure.

Other required communications

Matter to Report	Comments
Quality of the organization's financial reporting	<p>We have considered the qualitative aspects of the plan's significant accounting policies and practices, and we identified no reportable matters.</p> <p>We have evaluated whether the difference between (1) estimates best supported by the audit evidence and (2) estimates included in the financial statements, which are individually reasonable, indicate a possible bias on the part of the organization's management. We did not identify any areas of possible bias.</p> <p>We have performed an evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement, and content of the financial statements (including the accompanying notes). We did not identify any instances of nonconformity</p>
Material uncertainties related to events and conditions (specifically going concern)	There were no conditions and events that we identified that indicate that there is substantial doubt about the organization's ability to continue as a going concern.
Other material written communications	Appendix II includes a copy of other material written communications with management, including a copy of management's representation letter.
Disagreements with management	There were no disagreements with management.

Other required communications

Matter to Report	Comments
<p>Other information in documents containing audited financial statements</p>	<p>Effective for AICPA-standards audits for entities with fiscal years ending on or after December 15, 2021, AICPA Auditing Standards Board Statement on Auditing Standards No. 137 (SAS 137) requires that we communicate to you our responsibility with respect to other information, the procedures performed related to the other information, and the results.</p> <p>These standards require that we read other information, whether financial or nonfinancial, included in the organization's annual report and consider whether a material inconsistency exists between the other information and the financial statements and to remain alert for indications that</p> <ul style="list-style-type: none"> • A material inconsistency exists between the other information and the auditor's knowledge obtained in the audit, and/or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. GAAP, the methods of preparing the supplementary information have not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>

Other required communications

Matter	Conclusion
Significant accounting policies and practices – controversial or emerging areas or areas with lack of authoritative guidance or consensus or diversity in practice	We are not aware of any significant accounting policies and practices relating to controversial or emerging areas or areas with lack of authoritative guidance or consensus or diversity in practice exist.
Difficulties encountered during the audit	There were no significant difficulties encountered during the audit.
Significant unusual transactions	After evaluating the organization’s identification of, accounting for, and disclosure of significant or unusual transactions, we have identified no significant findings or issues arising during the audit, not already communicated.
Difficult or contentious matters	There were no difficult or contentious matters for which we consulted outside the engagement team, and we reasonably determined are significant and relevant to those charged with governance regarding the responsibility to oversee the financial reporting process.
Consultation with other accountants	We are not aware of any consultations management has had with other accountants about significant accounting or auditing matters.
Other matters	There were no other matters arising from the review that are significant to the oversight of the organization's financial reporting process.

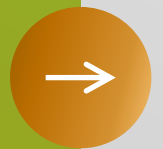
Other participants and specialist

Other individuals or entities	Description of the use of others and relevant area(s) of the audit
Specialist and those with specialized skill and knowledge	We did not use any auditor specialist and those with specialized skill and knowledge.
Internal Audit	We did not use the work of internal audit.
Organization personnel (in addition to internal auditors), and third parties working under the direction of management or those charged with governance	As previously discussed, the engagement team performed audit procedures to enable us to rely on the work of management's specialist, the independent actuary, in the course of procedures performed over management's estimate for claims incurred but not reported.
Other independent public accounting firms or other persons, who are not employed by Armanino	None were used in the audit.

Armanino Operates in an Alternative Practice Structure:

“Armanino” is the brand name under which Armanino LLP, Armanino CPA LLP, and Armanino Advisory LLC, independently owned entities, provide professional services in an alternative practice structure in accordance with law, regulations, and professional standards. Armanino LLP and Armanino CPA LLP are licensed independent CPA firms that provide attest services, and Armanino Advisory LLC and its subsidiary entities provide tax, advisory, and business consulting services. Armanino Advisory LLC and its subsidiary entities are not licensed CPA firms.

APPENDICES



Appendices

- I. **Glossary**
- II. **Management Representation Letter – included with email communication**
- III. **Financial Statements and Required Communication Letters – included with email communication**

Appendix I – Glossary

Those charged with governance - The person(s) or organization(s) (for example, a corporate trustee) with responsibility for overseeing the strategic direction of the entity and the obligations related to the accountability of the entity. This includes overseeing the financial reporting process. Those charged with governance may include management personnel; for example, executive members of a governance board or an owner-manager.

Significant accounting policies and practices - Accounting principles followed by the entity and the methods of applying those principles that materially affect the determination of financial position, cash flows, or results of operations.

Key audit matters - Those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. Key audit matters are selected from matters communicated with those charged with governance.

Accounting estimate - A monetary amount for which the measurement, in accordance with the requirements of the applicable financial reporting framework, is subject to estimation uncertainty.

Critical accounting estimates - Key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Significant unusual transactions – Significant transactions that are outside the normal course of business for the entity or that otherwise appear to be unusual due to their timing, size, or nature

Nonroutine transactions - Transactions that are unusual, either due to size or nature, and that, therefore, occur infrequently

Appendix I – Glossary continued

Misstatement - A difference between the reported amount, classification, presentation, or disclosure of a financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be presented fairly in accordance with the applicable financial reporting framework. Misstatements can arise from fraud or error. Misstatements also include those adjustments of amounts, classifications, presentations, or disclosures that, in the auditor's professional judgment, are necessary for the financial statements to be presented fairly, in all material respects.

Uncorrected misstatements - Misstatements that the auditor has accumulated during the audit and that have not been corrected.

Material weakness - A deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- **reasonably possible** - The chance of the future event or events occurring is more than remote but less than likely.
- **probable** - The future event or events are likely to occur.

Significant deficiency - A deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Control deficiency - Exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatement on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.



THANK YOU
Questions?

Possible *(Re)*Defined™

Delivering impactful, bold solutions that increase clarity
and spark success for today and tomorrow.