FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

SCHOOL DISTRICT OF CLAYTON

June 30, 2021

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Independent Auditors' Report

Board of Education
School District of Clayton

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Clayton, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Clayton, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Clayton's basic financial statements. The annual financial information and operating data and supplemental budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The annual financial information and operating data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2021, on our consideration of the School District of Clayton'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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District of Clayton'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 School District of Clayton's internal control over financial reporting and compliance.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 10, 2021

The Management's Discussion and Analysis (MD&A) of the School District of Clayton's (District) financial performance provides a narrative overview of the District's financial activities for the fiscal year ended June 30, 2021. The MD&A should not be taken as a replacement for the financial statements and other supplemental information but should be read in conjunction with them to enhance the reader's understanding of the District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2021 are as follows:

- The total assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the end of the 2021 fiscal year by $28.8 million (net position).
- Net position increased approximately $4.7 million or 19.6% from the prior year.
- General revenues totaled $62.6 million or 86.3% of all revenues. Program revenues in the form of charges for services and operating grants and contributions accounted for $10.0 million or 13.7% of all revenues.
- Total expenses for the year were $68.4 million of which $58.5 million were funded by general revenues.
- The General Fund had $20.4 million in revenues and $17.6 million in expenditures. The General Fund's balance increased $2.8 million before transfers.
- The Special Revenue Fund had $33.6 million in revenues and $33.9 million in expenditures. The Special Revenue Fund's balance decreased $0.3 million before transfers.
- The Debt Service Fund had $8.0 million in revenues and $9.0 million in expenditures. The Debt Service Fund's balance decreased $0.9 million.
- The Capital Projects Fund had $4.1 million in revenues and $5.2 million in expenditures. The Capital Projects Fund's balance decreased $1.1 million before transfers primarily due to spending the proceeds of a prior year's capital lease.

Using this Annual Report

The District’s annual report consists of a series of financial statements that show information about the District as a whole, including its significant funds. The Statement of Net Position and the Statement of Activities (pages 21 and 22) provide information about the activities of the District as a whole and present a longer-term view of the District’s finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund statements may also provide insight into the District’s overall financial health. Fund financial statements report the District’s operations in more detail than the government-wide financial statements by providing information about the District’s most significant funds. The notes to the basic financial statements provide further explanation of some of the information in the statements and provide additional disclosures and more detailed data. This will allow statement readers to have a more complete description and understanding of the District’s financial activities and position.

The District prepares its annual budget on the cash basis of accounting, meaning that revenues are recognized when the District receives the money and the expenditures are recognized when checks are issued. To meet Governmental Accounting Standards Board (GASB) Statement No. 34, the District’s annual report uses both the modified accrual and accrual methods of accounting. Because of this difference, budget schedules will differ from the basic financial statements.

The District’s auditor has provided assurance in the Independent Auditors’ Report, located immediately preceding this MD&A, that the basic financial statements are presented fairly. Varying degrees of assurance are provided by the auditor regarding supplemental information. A user of this report should read the Independent Auditors’ Report carefully to ascertain the level of assurance being provided for each of the other parts in the financial section.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

The analysis of the District as a whole begins on page 21. This analysis provides answers to whether the District is financially stronger or weaker as a result of the year's activities. The Statement of Net Position and the Statement of Activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps answer this question. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position – the difference between assets and deferred outflows compared to liabilities and deferred inflows, as reported in the Statement of Net Position. It is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position – as reported in the Statement of Activities – is one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's mission is to provide services to students, not to generate profits as commercial entities strive to do each year. Non-financial factors, such as the quality of the education provided, safety of the schools, facility conditions, the District's property tax base and current state laws restricting revenue growth must also be considered to assess the overall health of the District.

The Statement of Net Position and the Statement of Activities report the following activity for the District's programs and services:

Governmental Activities – Most of the District's services, which includes instruction, support and plant services, are reported here. Property taxes, voluntary student transfer aid, state foundation and categorical grants, and state and federal grants finance most of these activities.

Business-type Activities – The District's business-type activities include services provided to constituents of the District where all or most of the costs involved are recovered through services charged to the users of such services or from transfers from other funds.

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major funds begins on page 23. Fund financial statements provide detailed information about the District's major funds, not the District as a whole. The District utilizes several funds to account for a wide range of financial transactions. However, the fund financial statements focus on the District's most significant funds, which are the General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. The District's funds use the following accounting approach:

Governmental Funds - Most of the District's services are reported in governmental funds which focus on how money flows into and out of the funds, and the balances remaining at year-end which are available for spending for future years. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps determine whether there are more or fewer financial resources available in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled on pages 24 and 26.

Proprietary Funds – Proprietary funds account for activities that involve business-like interactions using the accrual basis of accounting. The District has two types of proprietary funds which are the enterprise fund and the internal service fund. The enterprise fund is used to account for any activity for which external users are charged a fee for goods and services. The internal service fund is used to account for activities that benefit government activities. No reconciling items exist between the governmental-wide statements and the proprietary funds statements.

The District as a Whole

The District's net position was $28.8 million at June 30, 2021. Of this amount, $38.6 million was net investment in capital assets and $20.6 million was restricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those assets for day-to-day operations. The unrestricted net position shows a negative balance of $30.4 million after the District recognized the proportionate share of the total net pension liability of the Missouri retirement program for public school districts (PSRS/PEERS) in accordance with GASB Statement No. 68, as amended by GASB Statement No. 71, and the postemployment benefits other than pensions liability in accordance with GASB Statement No. 75. Note G contains additional information on GASB Statement No. 68 and Note I contains additional information on GASB Statement No. 75. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's activities.

The District as a Whole - Continued

Table 1
Condensed Statements of Net Position
June 30,

	2021			2020		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Current and other assets	$ 97,320,486	$ 5,140	$ 97,325,626	$ 95,626,121	$ 19,296	$ 95,645,417
Capital assets	101,946,996	75,754	102,022,750	102,430,983	87,767	102,518,750
Total assets	**199,267,482**	**80,894**	**199,348,376**	**198,057,104**	**107,063**	**198,164,167**
Deferred pension and OPEB	**16,469,593**	**-**	**16,469,593**	**12,466,140**	**-**	**12,466,140**
Current and other liabilities	9,359,460	5,140	9,364,600	10,154,645	19,296	10,173,941
Noncurrent liabilities	115,542,210	-	115,542,210	114,414,415	-	114,414,415
Total liabilities	**124,901,670**	**5,140**	**124,906,810**	**124,569,060**	**19,296**	**124,588,356**
Deferred property taxes	58,545,404	-	58,545,404	57,375,794	-	57,375,794
Pension and OPEB deferrals	3,526,578	-	3,526,578	4,550,953	-	4,550,953
Total deferred inflows	**62,071,982**	**-**	**62,071,982**	**61,926,747**	**-**	**61,926,747**
Net position						
Net investment in capital assets	38,571,131	75,754	38,646,885	31,674,483	87,767	31,762,250
Restricted	20,598,581	-	20,598,581	20,490,736	-	20,490,736
Unrestricted	(30,406,289)	-	(30,406,289)	(28,137,782)	-	(28,137,782)
Total net position	**$ 28,763,423**	**$ 75,754**	**$ 28,839,177**	**$ 24,027,437**	**$ 87,767**	**$ 24,115,204**

The negative $30.4 million in unrestricted net position represents the accumulated results of all past years' operations for unrestricted activities. Total net position increased $4.7 million.

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 22. This information is summarized in Table 2 on the following page.

The District as a Whole - Continued

Table 2
Changes in Net Position from Operating Results
Year Ended June 30,

	2021			2020		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Revenues						
Program revenues						
Charges for services	$ 7,082,213	$ 214,498	$ 7,296,711	$ 7,898,300	$ 522,090	$ 8,420,390
Operating grants and contributions	2,665,107	-	2,665,107	2,254,982	-	2,254,982
General revenues						
Property taxes	54,136,381	-	54,136,381	59,764,410	-	59,764,410
Federal and State aid not restricted to specific purposes	1,363,114	-	1,363,114	1,987,417	-	1,987,417
Voluntary student transfer aid	1,192,928	-	1,192,928	1,367,251	-	1,367,251
Other taxes and interest	5,947,676	-	5,947,676	7,048,608	-	7,048,608
Total revenues	**72,387,419**	**214,498**	**72,601,917**	**80,320,968**	**522,090**	**80,843,058**
Expenses						
Instruction	33,095,847	-	33,095,847	32,333,373	-	32,333,373
Student services	3,184,280	-	3,184,280	2,918,501	-	2,918,501
Support services	2,252,971	-	2,252,971	2,219,105	-	2,219,105
Building administration	2,914,602	-	2,914,602	3,049,902	-	3,049,902
Executive administration	3,462,879	-	3,462,879	3,281,145	-	3,281,145
Business services	953,920	-	953,920	928,638	-	928,638
Central office support services	5,210,439	-	5,210,439	4,772,627	-	4,772,627
Operation of plant	11,648,079	-	11,648,079	11,754,267	-	11,754,267
Security services	190,429	-	190,429	171,267	-	171,267
Nonallowable transportation	110,803	-	110,803	192,241	-	192,241
Food services	582,583	-	582,583	966,005	-	966,005
Adult/community programs	1,100,991	-	1,100,991	1,134,749	-	1,134,749
Facilities acquisition and construction	1,248,861	-	1,248,861	4,572,239	-	4,572,239
Interest and other charges	2,092,471	-	2,092,471	3,154,927	-	3,154,927
Local district services	-	379,656	379,656	-	587,773	587,773
Total expenses	**68,049,155**	**379,656**	**68,428,811**	**71,448,986**	**587,773**	**72,036,759**
Excess (deficiency) before other income and transfers	**4,338,264**	**(165,158)**	**4,173,106**	**8,871,982**	**(65,683)**	**8,806,299**
Other income						
Proceeds from capital lease	550,867	-	550,867	-	-	-
Transfers	(153,145)	153,145	-	(109,325)	109,325	-
Total other income	**397,722**	**153,145**	**550,867**	**(109,325)**	**109,325**	**-**
Change in net position	**4,735,986**	**(12,013)**	**4,723,973**	**8,762,657**	**43,642**	**8,806,299**
Beginning net position	24,027,437	87,767	24,115,204	15,264,780	44,125	15,308,905
Ending net position	**$ 28,763,423**	**$ 75,754**	**$ 28,839,177**	**$ 24,027,437**	**$ 87,767**	**$ 24,115,204**

Governmental and Business-Type Activities

As reported in the Statement of Activities, the cost of all governmental and business-type activities totaled $68.4 million in fiscal year 2021. However, the District's local taxpayers ultimately funded $54.1 million or 79.1% of these costs because some of the costs were paid by those who benefited from the programs ($7.3 million), by other governments and organizations who subsidized certain programs ($3.9 million), and by miscellaneous sources ($7.3 million).

Table 3 shows the cost of each of the District's largest functions, as well as each function's net cost (total cost less revenue generated by the activities). The net cost shows the financial burden that was placed on the District's taxpayers by each of the functions. Providing this information allows citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Net Cost of Governmental Activities
Year ended June 30,

	2021		2020	
	Total cost of services	**Net cost of services**	**Total cost of services**	**Net cost of services**
Governmental activities				
Instruction	$ 33,095,847	$ 31,061,572	$ 32,333,373	$ 30,672,612
Student services	3,184,280	3,059,448	2,918,501	2,918,501
Support services	2,252,971	2,157,269	2,219,105	2,135,607
Administration	7,331,401	7,215,979	7,259,685	7,247,733
Operation of plant	11,838,508	10,741,206	11,925,534	9,970,013
Facilities acquisition and construction	1,248,861	1,248,861	4,572,239	4,572,239
Other	7,004,816	725,029	7,065,622	624,072
Interest and other charges	2,092,471	2,092,471	3,154,927	3,154,927
	68,049,155	**58,301,835**	**71,448,986**	**61,295,704**
Business-type activities				
Local district services	379,656	165,158	587,773	65,683
Total	**$ 68,428,811**	**$ 58,466,993**	**$ 72,036,759**	**$ 61,361,387**

Instruction expenses include activities directly involved in the teaching of pupils, and the interaction between teacher and pupil.

Student services are those services which provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction, and to a lesser degree, community services.

Support services include the activities involved with assisting staff with the content and process of teaching to pupils as well as library services.

Administration includes expenses associated with administrative and financial supervision of the District.

Operation of plant activities involves maintaining school grounds, buildings, and equipment in an effective working condition.

Governmental and Business-Type Activities - Continued

Other includes services for transportation, food, communications, human resources, and expenses for the District self funding its health insurance plan.

Interest and other charges are transactions associated with the payment on debt of the District.

Business-type activities are services provided to constituents of the District where all or most of the costs involved are recovered through services charged to the users of such services or from transfers from other funds.

The dependence upon tax revenues is apparent. Over 93.9% of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 85.7%.

The District's Funds

The District uses funds to control and manage money for particular purposes. A review of the funds provides some insight as to whether the District is being accountable for the resources taxpayers and others provide to it, and also provides insight into the District's overall financial health. In total, governmental funds had a fund balance of $34.3 million at June 30, 2021. This represents an overall increase of $0.3 million from the prior year. The increase was primarily a result of reduced expenditures as less funds were spent on travel, supplies, food service and overtime as a result of COVID-19. Expenditures for the Special Revenue Fund were slightly less than budgeted as fewer extra pay stipends were awarded due to COVID-19. The Debt Service Fund decreased due to the scheduled debt payments. The Capital Projects Fund had a planned increase in expenditures as the remaining proceeds from the fiscal year 2019 capital lease were expended in the current year. The overall position of the District's funds remains financially strong and the District is able to meet all of its ongoing operational expenditures without having to resort to short-term financing activities.

Operating Funds (General and Special Revenue Funds Combined) - Budgeting Highlights

In accordance with Chapter 67, RSMo, the District adopts a budget for each fund. While the District uses its funding judiciously, there are a number of factors that affect the budget over which the District has little or no control. The District uses site-based budgeting which is designed to tightly control site budgets but provide flexibility for site management. During the year the District revises the budget to deal with unexpected changes in revenues and expenditures as additional information becomes available. Schedules showing the District's original and final budget amounts compared with actual amounts paid and received for the General and Special Revenue Funds are provided later in this report as required supplementary information.

Operating Funds (General and Special Revenue Funds Combined) - Budgeting Highlights - Continued

The District's financial strength is derived primarily from its strong local property values as over 83.0% of the District's operating revenues are generated through local property taxes. Under Missouri Statutes, property tax rates fluctuate with changes in assessed values preventing windfall revenue increases during periods of growing property values. This mechanism also protects taxing entities during periods of falling property values and has minimized the impacts of recent property value declines. The 2020-2021 property tax revenues for all funds decreased by approximately $2.3 million or 4.0% from the 2019-2020 totals primarily because of the settlement of protested property tax cases in favor of the taxpayer by St. Louis County. The District revised the original current property tax budget after assessed valuation information was obtained from St. Louis County. Property tax revenues finished the year approximately $1.3 million below the original budget and approximately $0.5 million above the revised budget for all funds.

For the year ended June 30, 2021, the General Fund budgetary basis actual expenditures were approximately $3.7 million less than final budgeted amounts. COVID-19 caused expenditures to be less for student activities by approximately $634 thousand, for food services by approximately $724 thousand, for summer fee-based programs by approximately $486 thousand, for utilities by approximately $239 thousand, for training and professional travel by approximately $366 thousand, for purchased services by $286 thousand and for supplies by approximately $381 thousand.

The Special Revenue Fund budgetary basis actual expenditures were approximately $0.7 million less than the final budget primarily in the function of Instruction. Expenditures were lower than budget in salaries and benefits primarily due to COVID-19 reducing the amount of extra pay stipends for student activities, summer programs, and athletics as well as reducing the cost of substitute teacher expenditures. For the year ended June 30, 2021, the combined General and Special Revenue change in fund balances was approximately $3.6 million greater than the 2020-2021 final budget. Missouri law prohibits a district from overspending the expenditure budget per fund.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2021, the District had capital assets with a net book value of $102.0 million, which includes $55.0 million in accumulated depreciation. Table 4 shows a breakdown of capital assets, net of accumulated depreciation, at year end.

Table 4
Capital Assets - Net
June 30,

	2021			2020		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Land	$ 714,536	$ -	$ 714,536	$ 714,536	$ -	$ 714,536
Construction in progress	-	-	-	2,362,709	-	2,362,709
Buildings and improvements	97,784,161	-	97,784,161	96,015,678	-	96,015,678
Furniture and equipment	3,448,299	75,754	3,524,053	3,338,060	87,767	3,425,827
Total	**$ 101,946,996**	**$ 75,754**	**$ 102,022,750**	**$ 102,430,983**	**$ 87,767**	**$ 102,518,750**

The total additions for the year were $3.8 million which consisted of $2.7 of building and improvements and $1.0 in furniture and equipment purchases.

In June 2019, the District entered into an approximately $5.1 million capital lease for the purpose of renovation and improvements to Meramec Elementary and to fund capital contributions to the joint venture Clayton Recreation, Sports and Wellness Commission which is undergoing a $10 million renovation project. The remaining lease proceeds were spent in the current year.

Debt Administration

At June 30, 2021, the District had $55.8 million in general obligation bonds outstanding. Missouri statute allows school districts to incur debt up to an amount equal to 15% of the most current assessed valuation. The District’s allowable debt level was approximately $147.0 million at June 30, 2021, far above the District’s current level of debt. The District’s Debt Service levy for 2020-2021 was $0.623 on each $100 of assessed valuation. The Debt Service Fund balance at June 30, 2021 was $5.4 million and equal to nearly 73.8% of the fiscal year 2022 annual debt service expense. The District’s bond rating is AAA with Standard and Poor’s.

Other long-term liabilities of the District include compensated absences and capital leases for renovation and improvement projects.

Additional information about debt is provided in Note E.

Economic Factors and Fiscal Year 2021-2022 Budget

As a community, the students, staff, parents and patrons of the School District of Clayton are united in our commitment to student learning. Our mission, vision and core values embody why we are here, what we want our students to become, and the principles that guide our work. The District’s mission to inspire each student to love learning and embrace challenge within a rich and rigorous academic culture, and the vision to develop leaders who shape the world through independence, creativity and critical thinking set the standard for the education we provide.

In addition to the mission, vision and core values, the District also uses our Profile of the Clayton Graduate that describes the attributes we want for every Clayton graduate. We envision graduates who are self-actualized, intellectually curious, culturally competent, empathetic, creative and collaborative. We use this profile to influence our approach to learning and challenge the mental models of what our schools should look like for our students.

The Board approved the District’s strategic plan on November 11, 2020. Varied stakeholders developed the strategic plan keeping the end in mind – the students – using the profile as the foundation of the work. The goals of the strategic plan are meant to be aspirational and bold:

- We will ensure all learners, regardless of their identity, feel safe and valued.
- We will commit to the educational growth of our learners through an equitable, personalized and individualized learning experience.
- We will be dedicated to the personal growth of our learners in their social, emotional and physical well-being.

Under each of these goals are objectives that are concrete and measurable. While our District’s strategic plan will serve as a guide for where we are going over the next three to five years, we will also be purposeful about being reflective and make adjustments along the way. We are taking an evergreen approach to our strategic plan. This means we will evaluate it more often and make changes as needed based on evidence we gather. We will have action steps that are aspirational, attainable, and aligned to our resources. The strategic plan’s data dashboard, which is an interactive tool on the District website, allows all District stakeholders to monitor our progress and hold us accountable to making growth in our goals and objectives..

The District optimizes and aligns resources to ensure we meet stated goals and objectives. To ensure we have both the fiscal and human capital needed, we use an organizational planning model that causes us to annually review our alignment of strategic goals and finances. We build our annual budget based on an organizational structure focused on instruction, human resources, capital improvement, programs and financial sustainability. We use our growth data to determine if the way we are allocating resources is having the impact we expect. The District's instructional and departmental operating budgets are prepared through a Zero-Based Budgeting (ZBB) approach. This approach helps ensure that the budget is developed to align with priorities for instructional practices and organizational needs. The ZBB approach is built on needs and priorities rather than on historical spending trends. The ZBB process is about creating accountability for what the District spends and transparency of the decisions for where the District spends.

Proposed 2021-2022 total expenditures including normal debt service payments, business-type activities, and extraordinary items total $68.5 million. Projected total revenues, inclusive of business-type, debt service, and extraordinary items of $70.7 million will result in a surplus $2.2 million and grow the overall fund balance to $37.5 million. Because many of the revenues and expenditures included in the total budget are restricted for specific purposes, the operating budget more clearly reflects the District's expected results of operations.

The operating revenue budget is projected to increase by $1.7 million or 2.94% to a total of $61.1 million primarily due to the increase in local taxes receiving a 1.4% adjustment for CPI. In addition, other local income increased due to the significant reductions in student activities and Family Center revenue for the 2020-2021 school year and returning close to pre-pandemic levels for 2021-2022. Projected revenue is based upon the best information available at this time as well as historical trends.

The operating expenditure budget is projected to increase by $1.5 million or 2.60% to a total of $58.6 million. The 2019-2020 was the final year of a two-year salary agreement. Administration and teacher representatives began having salary discussions in February 2021. The Board approved a two-year salary schedule at their April 14, 2021 meeting. A .92% budgetary increase for certified teaching staff has been included in the current projections per the salary agreement. The average salary increase for a teacher is 3.0% due to staff turnover. Administrative salaries, classified salaries, part-time temporary employment and substitute budgets will be increased by 3.0%. This represents an overall budgetary salary increase of 2.0%. In addition, the operating budget supports the maintenance of our facilities and grounds, recommended technology improvements, textbook, musical instrument and athletic uniform replacement, and curriculum implementation plans. Total proposed maintenance Capital Improvement Plan (CIP) expenditures for 2021-2022 will have a total allocation of $940,250. An additional $592,930 will also be used to pay the annual financing payments for improvements at the Center of Clayton.

While there are many unknowns in the educational world concerning the COVID-19 pandemic, the District has been responsive to the needs of families to ensure every student receives an equitable education regardless of the learning environment. The District budgeted approximately $1.0 million in federal COVID relief funds because of numerous fiscal recovery acts passed by Congress that provide a substantial infusion of resources to help address the costs of operating during a pandemic, the resulting economic fallout, and lay the foundation for a strong and equitable recovery. The District utilized these funds to install a needlepoint bi-polar ionization system that is integrated into each building's HVAC system to provide pathogen removal remediation. Further, a Contract Tracing Investigator position was added to assist in compliance with St. Louis County mandates related to the coronavirus pandemic. Personal protective equipment (PPE) including facemasks, face shields, hand sanitizer, touchless paper towel dispensers, spray bottles/microfiber towels, desk partitions/dividers, and signage were purchased to provide a safe environment. Technology enhancements were added to improve/assist with online learning. Finally, additional instructional support positions were added to assist in monitoring students' progress. The 2021-2022 budget continues to be impacted by the effects of the COVID-19 closures that took place beginning in March of 2020. The economy saw many changes from businesses closing, rising unemployment, declines in the federal funds target rate, etc. The lasting effects of COVID-19 on the District revenues and expenditures remain undetermined. The District will continue to work to control costs and align resources with priorities while also looking at other strategies to maintain financial balance with minimal impact on students and classrooms.

Operating revenues will exceed operating expenses, which will increase the operating fund balance by $2.5 million. The 2021-2022 year-end operating fund balances inclusive of business-type activities are projected at $31.8 million or 53%. However, $3.3 million has been formally committed by the Board for future capital expenditures. This leaves a net operating fund balance of $27.7 million or 47% of budgeted operating expenditures which exceeds the Board's fund balance goal of 18%.

As part of the normal budgeting process, long-range projections are developed and continually updated. This process allows the District to determine how much of available resources can be used for ongoing projects, such as new programs or initiatives, versus one-time projects, such as facility repairs. Current long-range projections include new revenue from five developments where construction plans have been approved.

- Resident Inn by Marriott – 8125 Forsyth Boulevard, Clayton
- Clarendale of Clayton – 7651 & 7601 Clayton Road, Clayton
- Forsyth Point – 8049 Forsyth Boulevard, Clayton
- Bank of America – 8100 Forsyth Boulevard, Clayton
- The Pearl Condominiums – 43-55 Topton Way, Clayton

There are several other potential new developments that are currently in the conceptual phase and have either not been submitted to the City for review or are awaiting on approval. Estimated revenue from these developments will be included in projections when approved. This conservative and prudent approach to planning by Boards of Education has been a historical trademark of the District. Long-range financial planning will continue to be relied upon with administration prepared to react to unanticipated changes to planned revenue and expenses.

Preparation of the 2021-2022 budget began in December 2020. It is our deep commitment to all students' education that drives our thoughtful conversations and guides our budgetary decisions. Input was sought from staff, administrators and instructional leaders throughout the District. Specific information on developing the budget was discussed with the Board as study items on January 22 and May 19, 2021.

Contacting the School District's Financial Management

This MD&A is intended to provide taxpayers and other constituents with an overview of the financial condition of the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Mary Jo Gruber, Chief Financial Officer (CFO), at School District of Clayton, #2 Mark Twain Circle, Clayton, Missouri 63105.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF NET POSITION
June 30, 2021

	Governmental activities	Business-type activities	Total
ASSETS			
Cash and investments	$ 37,652,375	$ -	$ 37,652,375
Receivables:			
Property taxes, net of allowance for uncollectibles of $917,660	57,731,597	-	57,731,597
Sales taxes	521,973	-	521,973
Grants	766,895	-	766,895
Other	225,798	5,140	230,938
Inventories	86,951	-	86,951
Prepaid expenses	334,897	-	334,897
Capital assets not being depreciated:			
Land	714,536	-	714,536
Capital assets, net of accumulated depreciation:			
Buildings and improvements	97,784,161	-	97,784,161
Furniture and equipment	3,448,299	75,754	3,524,053
Total assets	**199,267,482**	**80,894**	**199,348,376**
DEFERRED OUTFLOWS			
Deferred pension contributions	15,836,205	-	15,836,205
Deferred OPEB	633,388	-	633,388
Total deferred outflows	**16,469,593**	**-**	**16,469,593**
LIABILITIES			
Accounts payable	1,224,848	811	1,225,659
Accrued payroll and payroll taxes	127,994	3,570	131,564
Unearned revenue	166,745	14,185	180,930
Interfund loans	13,426	(13,426)	-
Non-current liabilities:			
Due within one year	7,826,447	-	7,826,447
Due in more than one year	56,557,393	-	56,557,393
Net pension liability	53,658,800	-	53,658,800
OPEB liability	5,326,017	-	5,326,017
Total liabilities	**124,901,670**	**5,140**	**124,906,810**
DEFERRED INFLOWS			
Deferred property taxes	58,545,404	-	58,545,404
Pension deferrals	2,332,847	-	2,332,847
OPEB deferrals	1,193,731	-	1,193,731
Total deferred inflows of resources	**62,071,982**	**-**	**62,071,982**
NET POSITION			
Net investment in capital assets	38,571,131	75,754	38,646,885
Restricted for:			
Debt service	4,977,336	-	4,977,336
Capital projects	3,329,463	-	3,329,463
Teachers' salaries and benefits	11,028,789	-	11,028,789
Medical claims	1,262,993	-	1,262,993
Unrestricted	(30,406,289)	-	(30,406,289)
Total net position	**$ 28,763,423**	**$ 75,754**	**$ 28,839,177**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF ACTIVITIES
Year ended June 30, 2021

		Program revenues		Net (expense) revenue and changes in net position		
Function/Program	**Expenses**	**Charges for services**	**Operating grants and contributions**	**Governmental activities**	**Business-type activities**	**Total**
Governmental activities:						
Instruction	$ 33,095,847	$ 678,861	$ 1,355,414	$ (31,061,572)	$ -	$ (31,061,572)
Attendance and guidance	2,334,904	-	-	(2,334,904)	-	(2,334,904)
Health services	849,376	-	124,832	(724,544)	-	(724,544)
Improvements of instruction and professional development	1,286,292	-	95,702	(1,190,590)	-	(1,190,590)
Media services	966,679	-	-	(966,679)	-	(966,679)
Board of Education services	193,566	-	-	(193,566)	-	(193,566)
Executive administration	3,269,314	-	4,620	(3,264,694)	-	(3,264,694)
Building level administration	2,914,602	-	-	(2,914,602)	-	(2,914,602)
Operation of plant	11,648,079	810,685	286,617	(10,550,777)	-	(10,550,777)
Security services	190,429	-	-	(190,429)	-	(190,429)
Nonallowable transportation	110,803	(3,538)	-	(114,341)	-	(114,341)
Food services	582,582	18,142	568,081	3,641	-	3,641
Business services	953,920	-	110,802	(843,118)	-	(843,118)
Central office support services	5,210,439	5,162,811	-	(47,628)	-	(47,628)
Adult/community programs	1,100,991	415,252	119,039	(566,700)	-	(566,700)
Facilities acquisition and construction	1,248,861	-	-	(1,248,861)	-	(1,248,861)
Interest and other charges	2,092,471	-	-	(2,092,471)	-	(2,092,471)
Total governmental activities	**68,049,155**	**7,082,213**	**2,665,107**	**(58,301,835)**	**-**	**(58,301,835)**
Business-type activities:						
Local district services	379,656	214,498	-	-	(165,158)	(165,158)
Total business-type activities	**379,656**	**214,498**	**-**	**-**	**(165,158)**	**(165,158)**
Total school district	**$ 68,428,811**	**$ 7,296,711**	**$ 2,665,107**	**$ (58,301,835)**	**$ (165,158)**	**$ (58,466,993)**

	Governmental activities	Business-type activities	Total
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	$ 15,332,250	$ -	$ 15,332,250
Property taxes, levied for debt services	7,645,248	-	7,645,248
Property taxes, levied for capital projects	2,324,980	-	2,324,980
Property taxes, levied for teachers' salaries and benefits	28,833,903	-	28,833,903
Other taxes	4,864,486	-	4,864,486
Voluntary student transfer aid	1,192,928	-	1,192,928
Federal and State aid not restricted to specific purposes	1,363,114	-	1,363,114
Interest and investment earnings	901,469	-	901,469
Miscellaneous	181,721	-	181,721
Total general revenues	**62,640,099**	**-**	**62,640,099**
Revenues over (under) expenses before transfers	**4,338,264**	**(165,158)**	**4,173,106**
Proceeds from capital lease	550,867	-	550,867
Transfers	(153,145)	153,145	-
Change in net position	**4,735,986**	**(12,013)**	**4,723,973**
Net position at July 1, 2020	24,027,437	87,767	24,115,204
Net position at June 30, 2021	**$ 28,763,423**	**$ 75,754**	**$ 28,839,177**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and equivalents	$ 12,509,944	$ 14,240,327	$ 5,710,303	$ 3,787,787	$ 36,248,361
Receivables					
Property taxes - net of allowance for uncollectibles of $917,660	15,211,869	30,928,701	8,263,375	3,327,652	57,731,597
Sales taxes	326,233	195,740	-	-	521,973
Grants	279,519	487,376	-	-	766,895
Other receivables	218,712	2,836	-	4,250	225,798
Due from other funds	-	1,551	-	29,015	30,566
Inventories	86,951	-	-	-	86,951
Prepaid expenditures	334,897	-	-	-	334,897
Total assets	**$ 28,968,125**	**$ 45,856,531**	**$ 13,973,678**	**$ 7,148,704**	**$ 95,947,038**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 627,304	$ -	$ -	$ 456,523	$ 1,083,827
Due to other funds	43,992	-	-	-	43,992
Accrued payroll and payroll taxes	23,739	104,255	-	-	127,994
Unearned revenue	159,659	2,836	-	4,250	166,745
Total liabilities	**854,694**	**107,091**	**-**	**460,773**	**1,422,558**
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	15,805,326	32,045,913	8,559,178	3,416,676	59,827,093
Deferred grants	248,781	113,795	-	-	362,576
Deferred other	574	-	-	-	574
Total deferred inflows of resources	**16,054,681**	**32,159,708**	**8,559,178**	**3,416,676**	**60,190,243**
FUND BALANCES					
Nonspendable					
Inventories	86,951	-	-	-	86,951
Prepaid expenditures	334,897	-	-	-	334,897
Restricted					
Grants	279,519	487,376	-	-	766,895
Teachers salaries and benefits	-	13,102,356	-	-	13,102,356
Debt service	-	-	5,414,500	-	5,414,500
Committed					
Capital reserve	-	-	-	2,872,011	2,872,011
Assigned					
Other capital projects	-	-	-	399,244	399,244
Student activities	572,480	-	-	-	572,480
Unassigned	10,784,903	-	-	-	10,784,903
Total fund balances	**12,058,750**	**13,589,732**	**5,414,500**	**3,271,255**	**34,334,237**
Total liabilities, deferred inflows of resources and fund balances	**$ 28,968,125**	**$ 45,856,531**	**$ 13,973,678**	**$ 7,148,704**	**$ 95,947,038**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET WITH THE DISTRICT-WIDE STATEMENT OF NET POSITION
June 30, 2021

Amounts reported for governmental activities in the Statement of Net Position are different because:			
Total fund balance - governmental funds		$	34,334,237
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.			
The cost of capital assets is	156,861,827		
Accumulated depreciation is	(54,914,831)		
			101,946,996
Certain property taxes, grants, and other receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.			1,644,839
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statements of net position.			1,262,993
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds			
Deferred pension contributions	15,836,205		
Deferred OPEB	633,388		
			16,469,593
Deferred inflows of resources related to pension deferrals are not reported in governmental funds.			(2,332,847)
Deferred inflows of resources related to OPEB deferrals are not reported in governmental funds.			(1,193,731)
Long-term liabilities, including bonds payable, are not due and not payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:			
Bonds payable	59,110,865		
Capital leases, net	4,265,000		
Accrued interest on the bonds	616,447		
Compensated absences	391,528		
Net pension liability	53,658,800		
OPEB liability	5,326,017		
			(123,368,657)
Net position of governmental activities		**$**	**28,763,423**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year ended June 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local	$ 19,160,260	$ 31,310,825	$ 7,644,096	$ 3,719,857	$ 61,835,038
County	126,706	258,168	183,033	45,909	613,816
State	251,491	1,457,571	-	1,079	1,710,141
Federal	878,266	464,325	203,436	280,172	1,826,199
Other	(104)	75,451	-	41,612	116,959
Total revenues	**20,416,619**	**33,566,340**	**8,030,565**	**4,088,629**	**66,102,153**
Expenditures					
Instruction	2,024,025	27,748,406	-	1,048,194	30,820,625
Attendance and guidance	750,317	1,385,574	-	-	2,135,891
Health services	638,257	211,849	-	13,606	863,712
Improvement of instruction and professional development	168,646	1,117,884	-	-	1,286,530
Media services	361,959	604,720	-	6,177	972,856
Board of Education services	196,702	-	-	-	196,702
Executive administration	1,624,208	1,190,156	-	97,784	2,912,148
Building level administration	1,058,731	1,594,375	-	7,570	2,660,676
Operation of plant	7,364,685	-	-	1,755,025	9,119,710
Security services	190,429	-	-	205,414	395,843
Nonallowable transportation	112,574	-	-	-	112,574
Food services	582,583	-	-	1,574	584,157
Business services	982,985	-	-	9,812	992,797
Central office support services	472,269	-	-	1,371	473,640
Adult/community programs	1,086,492	3,166	-	13,107	1,102,765
Facilities acquisition and construction	-	-	-	1,492,652	1,492,652
Debt service					
Principal retirements	-	-	6,915,000	480,000	7,395,000
Interest and other charges	-	-	2,058,208	114,499	2,172,707
Total expenditures	**17,614,862**	**33,856,130**	**8,973,208**	**5,246,785**	**65,690,985**
Revenues over (under) expenditures	**2,801,757**	**(289,790)**	**(942,643)**	**(1,158,156)**	**411,168**
Other financing sources (uses)					
Transfers	(169,909)	3,994	-	12,770	(153,145)
	(169,909)	3,994	-	12,770	(153,145)
Net Change in Fund Balances	**2,631,848**	**(285,796)**	**(942,643)**	**(1,145,386)**	**258,023**
Fund balances at July 1, 2020	9,426,902	13,875,528	6,357,143	4,416,641	34,076,214
Fund balances at June 30, 2021	**$ 12,058,750**	**$ 13,589,732**	**$ 5,414,500**	**$ 3,271,255**	**$ 34,334,237**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE DISTRICT-WIDE STATEMENT OF ACTIVITIES
Year ended June 30, 2021

Total net change in fund balance - governmental funds		**$ 258,023**
Capital outlay to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation expense for the period.		
Depreciation expense	4,235,412	
Capital outlay	(3,761,734)	
		(473,678)
Because some property taxes, grants, and other inflows of resources will not be collected for several months after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds, and are instead reported as deferred inflows of resources. They are, however, reported as revenues in the Statement of Activities.		374,716
In the Statement of Activities, the loss or gain on the sale of disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the assets.		
Loss on disposal of capital assets		(10,309)
In the Statement of Activities, certain operating expenses such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		169,504
The governmental funds report debt (e.g. bond) proceeds as another financial source, while repayment of debt principal is reported as an expenditure. Also governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of debt and related items are as follows:		
Bond issuance premium	758,047	
Repayment of bond principal	6,915,000	
Capital lease principal	480,000	
		8,153,047
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		80,236
The internal services fund used by management to charge the costs of the insurance to individual funds is not reported in the Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is included in the governmental activities.		421,965
The fund financial statements do not recognize the liability related to postemployment benefits other than pensions. The increase in this liability is recognized in the Statement of Activities.		(80,595)
The fund financial statements do not recognize the pension liability. The increase is recognized in the Statement of Activities.		(4,156,923)
Change in net position of governmental activities		**$ 4,735,986**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2021

	Business-type activities - Enterprise fund	Governmental activities - Internal service fund	Total
ASSETS			
Current assets			
Cash	$ -	$ 1,404,014	$ 1,404,014
Other receivables	5,140	-	5,140
Noncurrent assets			
Due from other funds	13,426	-	13,426
Capital assets	75,754	-	75,754
Total assets	**94,320**	**1,404,014**	**1,498,334**
LIABILITIES			
Current liabilities			
Accounts payable	811	141,021	141,832
Accrued payroll and payroll taxes	3,570	-	3,570
Unearned revenue	14,185	-	14,185
Total current liabilities	**18,566**	**141,021**	**159,587**
NET POSITION			
Net investment in capital assets	75,754	-	75,754
Unrestricted	-	1,262,993	1,262,993
Total net position	**$ 75,754**	**$ 1,262,993**	**$ 1,338,747**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS
Year ended June 30, 2021

	Business-type activities - Enterprise fund	Governmental activities - Internal service fund	Total
Operating revenues			
Contributions	$ -	$ 5,157,053	$ 5,157,053
Rents	12,770	-	12,770
Tuition and fees	201,728	-	201,728
Other	-	5,758	5,758
Total operating revenues	**214,498**	**5,162,811**	**5,377,309**
Operating expenses			
Salaries	260,449	-	260,449
Benefits	83,377	-	83,377
Purchased services	8,522	-	8,522
Supplies	15,295	-	15,295
Claims expenses & fees	-	4,740,846	4,740,846
Depreciation	12,013	-	12,013
Total operating expenses	**379,656**	**4,740,846**	**5,120,502**
Operating income (loss)	**(165,158)**	**421,965**	**256,807**
Other			
Transfers to governmental activities	153,145	-	153,145
CHANGES IN NET POSITION	**(12,013)**	**421,965**	**409,952**
Net position at July 1, 2020	87,767	841,028	928,795
Net position at June 30, 2021	**$ 75,754**	**$ 1,262,993**	**$ 1,338,747**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year ended June 30, 2021

	Business Type Activities - Enterprise fund	Governmental activities - Internal service fund	Total
Cash flows from operating activities:			
Cash received from employee/employer contributions	$ -	$ 5,162,811	$ 5,162,811
Cash received from user charges	219,554	-	219,554
Cash payments to employees for services	(340,318)	-	(340,318)
Cash payments for supplies and services	(47,243)	(4,799,420)	(4,846,663)
Net cash provided by (used) operating activities	**(168,007)**	**363,391**	**195,384**
Cash flows from noncapital financing activites:			
Operating subsidies and transfers to other funds	168,007	-	168,007
Net increase in cash	**-**	**363,391**	**363,391**
Cash at July 1, 2020	-	**1,040,623**	**1,040,623**
Cash at June 30, 2021	$ -	**$ 1,404,014**	**$ 1,404,014**
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	$ (165,156)	$ 421,965	$ 256,809
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	12,013	-	12,013
Decrease in accounts receivable	14,156	-	14,156
Decrease in accounts payable	(23,428)	(58,574)	(82,002)
Decrease in accrued payroll and payroll taxes	3,508	-	3,508
Decrease in deferred revenues	(9,100)	-	(9,100)
Net cash provided by (used in) operating activities:	**$ (168,007)**	**$ 363,391**	**$ 195,384**

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The School District of Clayton (the District), established under the Statutes of the State of Missouri, is governed by an elected seven-member board as described in RSMo Chapter 162. The Board of Education (Board) is the basic level of government that has financial accountability and control over all activities related to public school education in the District.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the District are as follows.

1. Principles Determining the Scope of Reporting Entity

GAAP requires the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the applicable GASB statements have been considered and there are no other agencies or entities, which should be presented with the District.

2. Basis of Presentation

District-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. The District does not allocate indirect costs. Program revenues include charges paid by the recipients of goods and services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. The emphasis is placed on major funds. Each major fund is presented in a separate column while non-major funds are aggregated and presented in a single column.

The major funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund

The Special Revenue Fund is used to account for specific revenue sources that are restricted, committed, or assigned for the payment of salaries and certain employee benefits for certified personnel.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed, or assigned for the periodic payment of principal, interest, and fiscal charges on general long-term debt.

Capital Projects Fund

The Capital Projects Fund is used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital assets.

Proprietary Funds

Enterprise Fund

Enterprise funds are used to account for business-like activities financed primarily by user charges. The measurement of financial activity focuses on net income similar to the private sector.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Continued

Proprietary Funds - Continued

Internal Service Fund

The Internal Service Fund accounts for the activities of the District's medical self-insurance fund. This includes the collection of premiums from employees and the payment of claims, direct insurance payments, and administrative fees. A liability for estimated claims incurred is recorded in this fund.

3. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Measurement Focus

The District-wide financial statements are prepared using the economic resources measurement focus, as are the proprietary fund financial statements. The accounting objectives of this measurement focus are the determination of changes in net position, net position, and cash flows. All assets and liabilities, whether current or noncurrent, are reported.

The governmental fund financial statements are prepared using the current financial resources measurement focus. Only current financial assets and liabilities are generally included in the balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The District-wide financial statements are prepared using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

Basis of Accounting - Continued

The governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Property and sales taxes, interest, and certain grants are susceptible to accrual. Miscellaneous revenue items, which are not susceptible to accrual, are recognized as revenues only as they are received in cash. Expenditures, including capital outlay, are recorded when the related fund liability is incurred, except for principal and interest on general obligation long-term debt which are reported when due.

4. Cash and Investments

Cash resources from all funds, except the Debt Service Fund, are combined to form a pool of cash and short term investments. Earnings from investments are allocated to each fund on the basis of the applicable cash balance participation by each fund. A separate account is maintained for the Debt Service Fund. Earnings are deposited directly into this account.

5. Restricted Cash and Investments

Restricted cash and investments represent amounts whose use is limited by legal requirements and consist of amounts escrowed for future capital improvements.

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

7. Receivables

Major receivables for the governmental activities include property and sales taxes, and state and federal grants. Business-type activities and proprietary funds report user charges as their major receivables. Allowances for uncollectible property taxes are based upon historical trends.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

8. Inventories

Inventory of supplies is stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures when issued to requisitioning departments. Reported inventories at year end are offset by a nonspendable fund balance account since they do not represent expendable financial resources.

9. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items using the consumption method. Reported prepaid items at year end are offset by a nonspendable fund balance account since they do not represent expendable financial resources.

10. Capital Assets and Depreciation

In the district-wide financial statements, capital assets purchased or acquired with an original cost of $1,000 or more are reported at historical cost or estimated historical cost if actual cost is unavailable. Contributed assets are reported at their fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the district-wide financial statements.

11. Deferred Outflows of Resources

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its Balance Sheet - Governmental Funds and the Statement of Net Position - Proprietary Funds. Deferred outflows of resources reported in this year's financial statements are deferred outflows of resources related to the District's defined benefit pension plans as further disclosed in Note G and deferred outflows of resources related to other post-employment benefits (OPEB) as further discussed in Note I. No deferred outflows of resources affect the governmental funds financial statements in the current year.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Compensated Absences

The District’s policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded in the District-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

13. Long-Term Liabilities

All long-term liabilities to be paid from governmental and business-type activities are reported as liabilities in the District-wide financial statements. Long-term liabilities primarily consist of bonds, pension liabilities, accrued compensated absences, and other post-employment benefit obligations.

Long-term liabilities are not due and are not payable in the current period and, therefore, are not reported as liabilities in the governmental fund financial statements.

14. Deferred Inflows of Resources

The District's Statements of Net Position and its Balance Sheet - Governmental Funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). Deferred inflows of resources are reported in the District's Statement of Net Position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over multiple years, including the current year. The District also reports deferred inflows in the Statement of Net Position for property taxes that there is an enforceable legal claim attached for which there has not yet been a tax levy set. Lastly, the District reports a deferred inflow related to OPEB for changes in assumptions to the pension plan.

In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected not later than 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues from property taxes, grants, and other are reported in the Balance Sheet - Governmental Funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

15. Equity Classifications

In the District-wide financial statements, equity is classified as net position and displayed in three components. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those net assets. Net position is reported as restricted when there are constraints imposed on their use either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments. The remaining net position that does not meet the definition of restricted or net investment in capital assets is reported as unrestricted. The District first utilizes restricted resources to finance qualifying activities.

In the fund financial statements, governmental fund equity is classified as fund balance. Governmental funds report the following classifications of fund balance:

Nonspendable – funds that cannot be spent due to their form (e.g., inventories and prepaid expenditures), or funds that legally or contractually must be maintained intact;

Restricted – funds that are mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation;

Committed – funds that are set aside for a specific purpose by the District’s highest level of decision making authority, the Board. The fund balance policy requires formal resolution to be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds;

Assigned – consists of funds that are set aside with the intent to be used for a specific purpose. Under the District’s adopted policy, amounts may be assigned by the Chief Financial Officer; and,

Unassigned – amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the General Fund. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, a negative unassigned fund balance may be reported.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first unless legal requirements disallow it. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Board has provided otherwise in its commitment or assignment actions.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

15. Equity Classifications - Continued

The details of the fund balances are included in the Balance Sheet - Governmental Funds.

Proprietary funds equity is classified the same as in the District-wide financial statements.

16. Revenue

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied annually by November 1 and are due by December 31. In the District-wide financial statements, property tax revenues are recognized in the fiscal year levied. In the fund financial statements, property tax revenues are recognized in the fiscal year levied when they become measurable and available. Available property tax revenue includes those property tax receivables expected to be collected within 60 days of year end. Revenues not collected within 60 days of year end are reported as deferred inflows of resources.

Sales tax is collected by the State of Missouri and remitted to districts within the state based on eligible pupils. The State receives the sales tax approximately one month after collection by vendors. Sales taxes collected by the State in June and July, which represent sales for May and June, and received by the District in July and August have been accrued and reported as sales tax receivable.

Entitlements and grants are recognized as revenue in the fiscal year in which all eligibility requirements have been satisfied. Grants and entitlements received before eligibility requirements are met are reported as unearned revenue. In the fund financial statements, entitlement and grant revenues not collected within 60 days of year end are reported as deferred inflows of resources.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, and investing activities.

17. Post-Employment Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents that elect to participate. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the 15th day of the month for the actual month covered. This program is offered for a duration of eighteen months after the termination date. The District enrolls electing, eligible participants with a third-party COBRA administrator. Participants make payments directly to the third-party administrator and these payments are then remitted to the District. There is no associated cost to the District under this program.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

17. Post-Employment Benefits - Continued

In accordance with Chapter 169, RSMo, the District offers continued healthcare benefits to employees who are eligible for normal or early retirement under PSRS or PEERS. The retiree or eligible dependent pays the premium directly to the District. The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis.

18. Use of Estimates

The preparation of the 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. Actual results could differ from those estimates.

NOTE B – CASH AND INVESTMENTS

The District maintains a cash and temporary cash investment pool that is available for use by all funds except the Debt Service Fund (Missouri law requires that all deposits of the Debt Service Fund be kept separate and apart from all other funds of the District). Each fund's portion of this pool is displayed on the balance sheet as "cash and investments" under each fund's caption.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At June 30, 2021, the carrying amount of the deposits under District control was $17,559,084 and the bank balance was $18,190,826. Of the bank balance, $250,000 was covered by Federal Deposit Insurance Corporation (FDIC), and the remaining amount was collateralized by securities held by the District's safekeeping agent, pledged in the name of the District.

NOTE B – CASH AND INVESTMENTS - CONTINUED

Investments

The District may purchase any investments allowed by the Missouri State Treasurer. These include but are not limited to (1) obligations of the United States Government, or any agency or instrumentality thereof, maturing and becoming payable not more than three years from the date of purchase, (2) repurchase agreements maturing and becoming payable within 90 days secured by U.S. Treasury obligations or obligations of U.S. Government agencies or instrumentalities of any maturity, as provided by law, or (3) other short-term obligations of the United States and deposit accounts with insured financial institutions, provided the accounts are entirely insured by the FDIC or collateralized with government securities that have a fair value exceeding the deposit amount.

The District has investments managed by the Missouri Securities Investment Program. All funds in this program are invested in accordance with Section 165.061 RSMo. Each school district owns a pro rata share of each investment, which is held in the name of the program. The investments are stated at amortized cost, which approximates fair value. The value of the investments was $20,093,291 at June 30, 2021.

In June 2019, the District entered into a lease purchase agreement with Commerce Trust Company. The funds were subsequently transferred to UMB in April 2020. The funds received were invested with UMB in the Morgan Stanley Institutional Liquidity Funds Government Portfolio, which primarily consists of U.S. Treasury obligations, U.S. government agency debt, and related repurchase agreements. The investments were expended by the end of March, 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, one of the ways the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

NOTE B – CASH AND INVESTMENTS - CONTINUED

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. State law limits investments that can be held by government agencies to safe, high-quality securities. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

The District's regular investments in the Missouri Securities Investment Program are rated AAAm by Standard and Poor's.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond what is provided by law. The District did not have any investments (excluding investments issued or explicitly guaranteed by the U.S. Government, external investment pools, or investments in mutual funds) in any one issuer representing 5% or more of total investments.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover its deposits, the value of its investments, or be able to recover collateral securities that are in the possession of an outside party. The District does not have a formal policy regarding the custody of its investments. All investment activities are conducted through the depository bank and the District's financial advisor. As of June 30, 2021, the District's investments were held by the investment's counterparty.

NOTE B – CASH AND INVESTMENTS - CONTINUED

Summary

The cash deposits and investments are summarized and presented in the financial statements as follows as of June 30, 2021:

Carrying amount of deposits	$ 17,559,084
Investments	20,093,291
	$ 37,652,375

NOTE C – TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied by November 1 and payable by December 31. All unpaid taxes become delinquent January 1 of the following year. St. Louis County collects the property taxes and remits them to the District.

The District also receives sales tax collected by the state and remitted based on eligible pupils. The District is required to reduce its property tax levy by one-half the amount of sales tax estimated to be received in the subsequent calendar year. The District's taxpayers have voted to permanently waive this property tax rollback.

The assessed valuation of the tangible taxable property for the calendar year 2020 for purposes of local taxation was:

Real estate:	
Residential	$ 700,088,110
Commercial	525,006,410
Personal property	100,965,460
	1,326,059,980
Less tax increment financing	10,058,110
	$ 1,316,001,870

NOTE C – TAXES - CONTINUED

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2020 for purposes of local taxation was as follows:

	Adjusted
General Fund	$ 1.2499
Special Revenue Fund	2.3530
Debt Service Fund	0.6230
Capital Projects Fund	0.1875
	$ 4.4134

Due to the high increase in assessed valuation, the District voluntarily rolled back the tax rate by 15 cents for the calendar year 2020. The receipts of current property taxes during the fiscal year ended June 30, 2021 aggregated approximately 96.8% of the 2020 assessment computed on the basis of the levy as shown above.

NOTE D – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Balance at July 1, 2020	Transfers	Additions	Disposals	Balance at June 30, 2021
Governmental activities					
Capital assets not being depreciated					
Land	$ 714,536	$ -	$ -	$ -	$ 714,536
Construction in progress	2,362,709	(2,362,709)	-	-	-
Capital assets that are depreciated					
Buildings and improvements	130,473,912	2,362,709	2,723,237	-	135,559,858
Furniture and equipment	19,665,192	-	1,038,497	(116,256)	20,587,433
Totals at historical cost	153,216,349	-	3,761,734	(116,256)	156,861,827
Less: accumulated depreciation					
Buildings and improvements	(34,458,234)	-	(3,317,463)	-	(37,775,697)
Furniture and equipment	(16,327,132)	-	(917,949)	105,947	(17,139,134)
Total accumulated depreciation	(50,785,366)	-	(4,235,412)	105,947	(54,914,831)
	$ 102,430,983	**$ -**	**$ (473,678)**	**$ (10,309)**	**$ 101,946,996**
Business-type activities					
Capital assets that are depreciated					
Furniture and equipment	$ 165,939	$ -	$ -	$ -	$ 165,939
Less accumulated depreciation					
Furniture and equipment	(78,172)	-	(12,013)	-	(90,185)
	$ 87,767	**$ -**	**$ (12,013)**	**$ -**	**$ 75,754**

Depreciation expense for governmental activities is reported in the Statement of Activities and was allocated to operation of plant.

NOTE E – LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the year ended June 30, 2021:

	Balance as of July 1, 2020	Additions	Reductions	Balance, as of June 30, 2021	Amount due within one year
General obligation bonds	$ 62,717,000	$ -	$ 6,915,000	$ 55,802,000	$ 6,720,000
Deferred amounts for issuance premium	4,066,912	-	758,047	3,308,865	-
Total bonds payable, net	**66,783,912**	**-**	**7,673,047**	**59,110,865**	**6,720,000**
Interest	696,683	616,447	696,683	616,447	616,447
Capital lease	4,745,000	-	480,000	4,265,000	490,000
Compensated absences	561,032	-	169,504	391,528	-
	$ 72,786,627	**$ 616,447**	**$ 9,019,234**	**$ 64,383,840**	**$ 7,826,447**

Principal and interest on general obligation bonds are paid through the Debt Service Fund. Principal and interest on capital leases are paid through the Capital Projects Fund. Compensated absences are paid through the General Fund and Special Revenue Fund.

Bonds Payable

General obligation bonds outstanding at June 30, 2021 were as follows:

Date issued	Maturity date	Rate of interest	Original issue amount	Balance at June 30, 2021
10/14/09	03/01/24	1.37%	$ 9,185,000	$ 9,185,000
09/08/10	03/01/27	4.70%	3,987,000	3,987,000
12/27/17	03/01/29	4.00%-5.00%	23,465,000	16,795,000
12/05/19	03/01/29	2.00%-3.00%	31,075,000	25,835,000
				$ 55,802,000

NOTE E – LONG-TERM LIABILITIES - CONTINUED

The annual requirements to amortize the general obligation bonds as of June 30, 2021, including interest payments, are as follows:

Year ending June 30,	Principal	Interest	Total
2022	$ 6,720,000	$ 1,819,024	$ 8,539,024
2023	4,920,000	1,593,024	6,513,024
2024	9,410,000	1,409,924	10,819,924
2025	6,110,000	1,277,339	7,387,339
2026	6,565,000	1,050,939	7,615,939
2027-2029	22,077,000	1,497,689	23,574,689
	$ 55,802,000	**$ 8,647,939**	**$ 64,449,939**

Legal Debt Margin

Article VI, Section 26(b) of the Constitution of Missouri limits the amount of General Obligation Bonds which can be authorized and outstanding by a school district to 15% of the assessed valuation of taxable tangible property within the District. The legal debt margin of the District at June 30, 2021 was:

Constitutional debt limit	$ 197,400,281
General obligation bonds payable	(55,802,000)
Amount available in Debt Service Fund	5,414,500
Legal debt margin	**$ 147,012,781**

NOTE E – LONG-TERM LIABILITIES - CONTINUED

Capital Lease Payable

On June 1, 2019, the District entered into a $5,065,000 capital lease purchase agreement. The proceeds of the lease were used as follows:

- $550,867 of capital improvements to Meramec Elementary which is included in building improvements with $25,248 of related accumulated depreciation
- $4,514,133 of capital contributions to the joint venture, Clayton Recreation, Sports and Wellness Commission. See Note K for more information on the joint venture. Since this represents a capital contribution, there is not an asset or related accumulated depreciation.

The District is only obligated to pay such payments under the lease as may lawfully be made from funds budgeted and appropriated for that purpose. Should the District fail to budget, appropriate or otherwise make available funds sufficient to pay the payments, the lease would be deemed terminated at the end of the current term and the collateral would transfer to the possession of the lessor. Meramec Elementary School is pledged as collateral.

The District has the option to purchase the lessor's interest in the project through prepayment. If the prepayment is paid with internally generated funds (i.e. not in connection with refinancing or grant), there would be no prepayment premium. Otherwise, the prepayment premium would be 3% of the remaining principal portion if on or before the first anniversary of the commencement date; 2% of the remaining principal portion if after the first anniversary but on or before the second anniversary of the commencement date; 1% of the remaining principal portion if after the second anniversary of the commencement date.

NOTE E – LONG-TERM LIABILITIES - CONTINUED

Capital Lease Payable - Continued

The following is a schedule of future minimum lease payments under the capital lease together with the present value of the net minimum lease payments as of June 30, 2021:

Year ended June 30,		
2022	$	592,917
2023		591,093
2024		594,244
2025		591,600
2026		593,932
2027-2029		1,777,602
Total minimum lease payments		4,741,388
Less amount representing interest		(476,388)
Present value of minimum lease payments	**$**	**4,265,000**

NOTE F – TAX ABATEMENTS

The District is subject to tax abatement agreements granted by St. Louis County, the City of Clayton, and the City of Richmond Heights. Abatements under Chapter 100 and Chapter 353 of RSMo exist within the District. During the term of the agreements, a certain percentage of the property tax amount for the assessed value of the eligible property is abated. For fiscal year 2021, the total amount of tax abated was approximately $1.2 million in real estate and personal property tax.

NOTE G – RETIREMENT PLANS

The District contributes to the Public School Retirement System of Missouri and the Public Education Retirement System of Missouri (PSRS and PEERS respectively, also referred to as the Systems), a cost-sharing multiple-employer defined benefit pension plan.

NOTE G – RETIREMENT PLANS - CONTINUED

Plan Description

PSRS is a mandatory cost-sharing multiple-employer retirement system for all full-time certificated employees and certain part-time certificated employees of all public school districts in Missouri (except the school districts of St. Louis and Kansas City) and all public community colleges. PSRS also includes certificated employees of the Systems, Missouri State Teachers' Association, Missouri State High School Activities Association, and certain employees of the State of Missouri who elected to remain covered by PSRS under legislation enacted in 1986, 1987 and 1989.

The majority of PSRS members are exempt from Social Security contributions. In some instances, positions may be determined not to be exempt from Social Security contributions. Any PSRS member who is required to contribute to Social Security comes under the requirements of Section 169.070 (9) RSMo, known as the "two-third's statute." PSRS members required to contribute to Social Security are required to contribute two-thirds of the approved PSRS contribution rate and their employer is required to match the contribution. The members' benefits are further calculated at two-thirds the normal benefit amount.

PEERS is a mandatory cost-sharing multiple employer retirement system for all non-certificated public school district employees (except the school districts of St. Louis and Kansas City), employees of the Missouri Association of School Administrators, and community college employees (except the Community College of St. Louis). Employees of covered districts who work 20 or more hours per week on a regular basis and who are not contributing members of PSRS must contribute to PEERS. Employees of the Systems who do not hold Missouri educator certificates also contribute to PEERS. PEERS was established as a trust fund by an Act of the Missouri General Assembly effective October 13, 1965. Statutes governing the Systems are found in Sections 169.600 - 169.715 and Sections 169.560-169.595 RSMo. The statutes place responsibility for the operation of PEERS on the Board of Trustees of PSRS.

NOTE G – RETIREMENT PLANS - CONTINUED

Benefits Provided

PSRS is a defined benefit plan providing retirement, disability, and death/survivor benefits. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the "Rule of 80" (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 2.5% benefit factor. Actuarially age-reduced benefits are available for members with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80" but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a one-time partial lump sum (PLSO) payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

PEERS is a defined benefit plan providing retirement, disability, and death benefits to its members. Members are vested for service retirement benefits after accruing five years of service. Individuals who (a) are at least age 60 and have a minimum of five years of service, (b) have 30 years of service, or (c) qualify for benefits under the “Rule of 80” (service and age total at least 80) are entitled to a monthly benefit for life, which is calculated using a 1.61% benefit factor. Members qualifying for "Rule of 80" or "30-and-out" are entitled to an additional temporary benefit until reaching minimum Social Security age (currently age 62), which is calculated using a 0.8% benefit factor. Actuarially age-reduced retirement benefits are available with five to 24.9 years of service at age 55. Members who are younger than age 55 and who do not qualify under the “Rule of 80” but have between 25 and 29.9 years of service may retire with a lesser benefit factor. Members that are three years beyond normal retirement can elect to have their lifetime monthly benefits actuarially reduced in exchange for the right to also receive a PLSO payment at retirement equal to 12, 24, or 36 times the Single Life benefit amount.

Summary Plan Descriptions detailing the provisions of the plans can be found on the Systems' website at www.psrs-peers.org.

NOTE G – RETIREMENT PLANS - CONTINUED

Cost-of-Living Adjustments ("COLA")

The Board of Trustees of the Systems established a policy of providing COLAs to both PSRS and PEERs as follows:

If the June to June change in the Consumer Price Index for All Urban Consumers (CPI-U) is less than 2% for one or more consecutive one-year periods, a COLA increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% COLA increase is granted.

If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a COLA increase of 2% will be granted.

If the June to June change in the CPI-U is greater than or equal to 5%, a COLA increase of 5% will be granted.

If the CPI decreases, no COLA is provided.

For any PSRS member retiring on or after July 1, 2001, such adjustments commence on the second January after commencement of benefits and occur annually thereafter. For PEERS members, such adjustments commence on the fourth January after commencement of benefits and occur annually thereafter. The total of such increases may not exceed 80% of the original benefit for any member.

Contributions

PSRS members were required to contribute 14.5% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed l% of pay.

PEERS members were required to contribute 6.86% of their annual covered salary during fiscal years 2019, 2020 and 2021. Employers were required to match the contributions made by employees. The contribution rate is set each year by the PSRS Board of Trustees upon the recommendation of the independent actuary within the contribution restrictions set in Section 169.030 RSMo. The annual statutory increase in the total contribution rate may not exceed 0.5% of pay.

NOTE G – RETIREMENT PLANS - CONTINUED

Contributions - Continued

The District's contributions to PSRS and PEERS were $4,119,081 and $587,375, respectively, for the year ended June 30, 2021.

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

At June 30, 2021, the District recorded a liability of $49,011,771 for its proportionate share of the PSRS net pension liability and $4,647,029 for its proportionate share of the PEERS net pension liability. In total the District recorded net pension liabilities of $53,658,799. The net pension liability for the plans in total was measured as of June 30, 2020, and determined by an actuarial valuation as of that date. The District's proportionate share of the total net pension liability was based on the ratio of its actual contributions paid to PSRS and PEERS of $3,972,917 and $591,055, respectively, for the year ended June 30, 2020 relative to the total contributions of $723,970,206 for PSRS and $123,440,288 for PEERS from all participating employers. At June 30, 2020, the District's proportionate share was 0.5488% for PSRS and 0.4788% for PEERS.

For the year ended June 30, 2021, the District recognized a pension expense of $7,935,382 for PSRS and $902,275 for PEERS, its proportionate share of the total pension expense.

NOTE G – RETIREMENT PLANS - CONTINUED

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

At June 30, 2021, the District reported deferred outflows of resources from the following sources related to PSRS and PEERS pension benefits:

	Deferred outflows of resources		
	PSRS	PEERS	District Total
Balance of deferred outflows due to:			
Differences between expected and actual experience	$ 798,917	$ -	$ 798,917
Changes in assumptions	4,026,240	47,337	4,073,577
Net difference between projected and actual earnings on pension plan investments	5,271,338	581,299	5,852,637
Changes in proportion and differences between District contributions and proportionate share of contributions	404,618	-	404,618
Employer contributions subsequent to the measurement date	4,119,081	587,375	4,706,456
Total	**$ 14,620,194**	**$ 1,216,011**	**$ 15,836,205**

At June 30, 2021 the District reported deferred inflows of resources from the following sources related to PSRS and PEERS pension benefits:

	Deferred inflows of resources		
	PSRS	PEERS	District Total
Balance of deferred inflows due to:			
Differences between expected and actual experience	$ 2,009,388	$ 69,392	$ 2,078,780
Changes in proportion and differences between District contributions and proportionate share of contributions	151,588	102,479	254,067
Total	**$ 2,160,976**	**$ 171,871**	**$ 2,332,847**

NOTE G – RETIREMENT PLANS - CONTINUED

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

Amounts reported as deferred outflows of resources resulting from contributions subsequent to the measurement date of June 30, 2020, will be recognized as a reduction to the net pension liability in the year ended June 30, 2022.

Other amounts reported as collective deferred (inflows)/outflows of resources are to be recognized in pension expense as follows:

Year ending June 30,	PSRS	PEERS	District Total
2022	$ 1,414,793	$ (40,717)	$ 1,374,076
2023	3,031,393	113,456	3,144,849
2024	2,460,985	200,365	2,661,350
2025	1,427,445	183,661	1,611,106
2026	5,520	-	5,520
	$ 8,340,136	**$ 456,765**	**$ 8,796,901**

Actuarial Assumptions

Actuarial valuations of the Systems involve assumptions about probability of occurrence of events far into the future in order to estimate the reported amounts. Examples include assumptions about future employment, salary increases, and mortality. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Board of Trustees adopts actuarial assumptions, each of which individually represents a reasonable long-term estimate of anticipated experience for the Systems, derived from experience studies conducted every fifth year and from Board policies concerning investments and COLAs. The most recent comprehensive experience studies were completed in June 2016. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2016 valuation. For the June 30, 2017 valuations, the investment rate of return was reduced from 7.75% to 7.60% and the assumption for the annual COLA was updated in accordance with the funding policies amended by the Board of Trustees at their November 2017 meeting. For the June 30, 2018 valuation, the investment rate of return assumption was further reduced from 7.60% to 7.50%. No additional assumption changes have occurred. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Comprehensive Annual Financial Report (CAFR). The next experience studies are scheduled for 2021.

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

Significant actuarial assumptions and other inputs used to measure the total pension liability:

Measurement Date: June 30, 2020

Valuation Date: June 30, 2020

Expected Return on Investments: 7.50%, net of investment expenses and including 2.25% inflation

Inflation: 2.25%

Total Payroll Growth PSRS: 2.75% per annum, consisting of 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity.

Total Payroll Growth PEERS: 3.25% per annum, consisting of 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity.

Future Salary Increases PSRS: 3.00% - 9.50%, depending on service and including 2.25% inflation, 0.25% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.25% of real wage growth due to productivity, and real wage growth for merit, promotion and seniority of 0.25% to 6.75%.

Future Salary Increases PEERS: 4.00% - 11.00%, depending on service and including 2.25% inflation, 0.50% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.50% of real wage growth due to productivity. and real wage growth for merit, promotion and seniority of 0.75% to 7.75%.

Cost of Living Increases PSRS & PEERS: The annual COLA assumed in the valuation increases from 1.35% to 1.65% over six years, beginning January 1, 2022. The COLA reflected for January 1, 2021 is 2.00%, in accordance with the actual COLA approved by the Board. This COLA assumption reflects an assumption that general inflation will increase from 1.95% to a normative inflation assumption of 2.25% over six years. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

If the June to June change in the CPI-U is less than 2% for one or more consecutive one-year periods, a COLA increase of 2% will be granted when the cumulative increase is equal to or greater than 2%, at which point the cumulative increase in the CPI-U will be reset to zero. For the following year, the starting CPI-U will be based on the June value immediately preceding the January 1 at which the 2% cost-of-living increase is granted.

If the June to June change in the CPI-U is greater than or equal to 2%, but less than 5%, a COLA increase of 2% will be granted.

If the June to June change in the CPI-U is greater than or equal to 5%, a COLA increase of 5% will be granted.

If the CPI decreases, no COLA is provided.

The COLA applies to service retirements and beneficiary annuities. The COLA does not apply to the benefits for in-service death payable to spouses (where the spouse is over age 60), and does not apply to the spouse with children pre-retirement death benefit, the dependent children pre-retirement death benefit, or the dependent parent death benefit. The total lifetime COLA cannot exceed 80% of the original benefit. PSRS members receive a COLA on the second January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

Mortality Assumptions

- Actives PSRS: RP 2006 White Collar Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
- Actives PEERS: RP 2006 Total Dataset Employee Mortality Table, multiplied by an adjustment factor of 0.75 at all ages for both males and females, with static projection using the 2014 SSA Improvement Scale to 2028.
- Non-Disabled Retirees, Beneficiaries, and Survivors PSRS: RP 2006 White Collar Mortality Tables with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.
- Non-Disabled Retirees, Beneficiaries, and Survivors PEERS: RP 2006 Total Dataset Mortality Table with plan-specific experience adjustments and static projection to 2028 using the 2014 SSA Improvement Scale.

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

- Disabled Retirees PSRS & PEERS: RP 2006 Disabled Retiree Mortality Tables with static projection to 2028 using the 2014 SSA Improvement Scale.

Changes in Actuarial Assumptions and Methods

There have been no assumption changes since the June 30, 2018 valuations.

Fiduciary Net Position: The Systems issue a publicly available financial report (CAFR) that can be obtained at www.psrs-peers.org.

Expected Rate of Return

The long-term expected rate of return on investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed rate of return. The long-term expected rate of return on the Systems' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Systems' target allocation as of June 30, 2020 are summarized below.

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

Asset class	Target asset allocation	Long-term expected real return arithmetic basis
U.S. Public Equity	23.00 %	4.81 %
Public Credit	-	0.80
Hedged Assets	6.00	2.39
Non-U.S. Public Equity	16.00	6.88
U.S. Treasuries	20.00	(0.02)
U.S. TIPS	-	0.29
Private Credit	8.00	5.61
Private Equity	16.00	10.90
Private Real Estate	11.00	7.47
Total	**100.00 %**	

Discount Rate

The long-term expected rate of return used to measure the total pension liability was 7.50% as of June 30, 2020, and is consistent with the long-term expected geometric return on plan investments. The actuarial assumed rate of return was 8.00% from 1980 through fiscal year 2016. The Board of Trustees adopted a new actuarial rate of return of 7.75% effective with the June 30, 2016 valuation based on the actuarial experience studies and asset-liability study conducted during the 2016 fiscal year. As previously discussed, the Board of Trustees further reduced the assumed rate of return to 7.6% effective with the June 30, 2017 valuation, and to 7.50% effective with the June 30, 2018 valuation. The projection of cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarial calculated rate computed in accordance with assumptions and methods stated in the funding policy adopted by the Board of Trustees, which requires payment of the normal cost and amortization of the unfunded actuarially accrued liability in level percent of employee payroll installments over 30 years utilizing a closed period, layered approach. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

Discount Rate Sensitivity

The sensitivity of the District's net pension liabilities to changes in the discount rate is presented below. The District's net pension liabilities calculated using the discount rate of 7.50% is presented as well as the net pension liabilities using a discount rate that is 1.0% lower (6.50%) or 1.0% higher (8.50%) than the current rate.

		1% decrease (6.50%)	Current rate (7.50%)	1% increase (8.50%)
PSRS	Proportionate share of the net pension liability / (asset)	$ 83,170,351	$ 49,011,771	$ 20,604,531
PEERS	Proportionate share of the net pension liability / (asset)	8,189,407	4,647,029	1,674,755

NOTE H – DEFERRED COMPENSATION PLANS

The District offers its employees a choice of deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) or 457. These plans, available to all District employees, permit them to defer a portion of their salary until future years. The District makes these plans available to its employees as an accommodation only. The District’s role in connection with the plans is generally limited to processing the paperwork necessary to remit the participant’s salary withholdings (deferrals) to the unrelated financial institution.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description and Benefits Provided

In addition to providing the pension benefits described above, the District provides continuation of medical, dental, and vision insurance coverage, including prescription drugs, to employees who are eligible for normal or early retirement under PSRS or PEERS. Retirees and their dependents that elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time. Since retirees pay the premium for each year, the District's share of any premium cost is determined on the basis of a blended rate or implicit rate subsidy calculation. The plan is not accounted for as a trust fund since an irrevocable trust has not been established. A stand-alone financial report is not available for the plan. No assets are accumulated in a trust that meets all of the criteria in GASB Statement No. 75, paragraph 4.

Actuarial analysis completed on employees covered by benefit terms at June 30, 2019:

	Number	Average Age
Actives	451	46.4
Retired and beneficiaries	190	71.2
Total	**641**	

Contributions

The District currently pays for the implicit rate subsidy associated with these postemployment health care benefits on a pay-as-you-go basis. The District determines contribution requirements and they may be amended by the District.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Total OPEB Liability

The District's total OPEB liability of $5,326,017 was measured as of June 30, 2021, and the total liability used to calculate the total OPEB was determined by an actuarial valuation as of June 30, 2020.

Actuarial Cost Method: Entry age normal

Inflation: 2.30%

Salary Increases: 3.00%

Discount Rate: 2.16% based on the 20 year Bond GO Index at June 30, 2021. The rate for the prior year was 2.21%.

Healthcare Cost Trend Rates: 5.30% for 2021, gradually decreasing to an ultimate rate of 3.70% for 2073 and beyond.

Participation: It is assumed that 40% of employees who retire prior to age 65 will elect medical and dental coverage upon retirement.

Mortality: Pub-2010 Teachers Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2019.

Changes in Total OPEB Liability

The components of the total OPEB liability of the District at June 30, 2021 are as follows:

	Total OPEB Liability
Balances as of June 30, 2020	$ 5,109,453
Service cost	289,758
Interest on total OPEB liability	116,915
Changes in assumptions	29,005
Benefit payments	(219,114)
Balances as of June 30, 2021	**$ 5,326,017**

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower and 1 percentage point higher than the current discount rate.

	1% decrease (1.16%)	Discount rate (2.16%)	1% increase (3.16%)
Total OPEB liability	$ 5,959,940	$ 5,326,017	$ 4,787,737

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trends

The following presents the total OPEB liability of the District, calculated using the current healthcare cost trend rates as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% decrease	Current Trend Rate	1% increase
Total OPEB liability	$ 4,626,022	$ 5,326,017	$ 6,185,502

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) - CONTINUED

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of $299,709 and deferred inflows of $1,193,731 related to the changes in assumptions, and deferred outflows of $633,388 related to changes in assumptions.

Amounts currently reported as deferred outflows and inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ending June 30	Net Outflow of Resources
2022	$ (106,964)
2023	(106,964)
2024	(106,964)
2025	(97,595)
2026	(98,007)
Thereafter *	(43,849)
Total	**$ (560,343)**

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

NOTE J – COMMITMENTS AND CONTINGENCIES

Grant Audits

The District receives federal grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under, or other noncompliance with, the terms of the grants and funding. The District is not aware of any noncompliance with federal or state provisions that might require the District to provide reimbursement.

NOTE J – COMMITMENTS AND CONTINGENCIES - CONTINUED

Protested Taxes

Each year St. Louis County remits certain unresolved protested tax payments to the District. When St. Louis County refunds tax payments to those who are successful in their protests, it withholds the refunded amount from future distributions to taxing districts. Future withholdings by St. Louis County are not expected to be material in relation to the District's financial position and results of operations.

COVID-19

In December 2019, a novel strain of coronavirus (COVID-19), was reported in Wuhan, China. The World Health Organization has declared the COVID-19 outbreak to constitute a "Public Health Emergency of International Concern." The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our students, employees and vendors all of which are uncertain and cannot be determined at this time.

NOTE K – JOINT VENTURE

The Clayton Recreation, Sports and Wellness Commission, Inc. (the Commission) is a not-for-profit organization which provides a shared use facility to address the athletic and educational needs of the community. The Commission is comprised of two trustees appointed by the District, two trustees appointed by the City of Clayton, and two at-large representatives. The original construction of the project was funded by $5,500,000 of general obligation bonds issued by the District and $11,500,000 of bonds issued by the City of Clayton In 2020, the Commission completed a $10.0 million renovation and improvement project that was funded equally by the District and the City of Clayton. The District entered into a 10-year capital lease on June 1, 2019, to fund approximately $4.5 million of the project. The remaining $500,000 of the District's portion of the project was funded from the capital project fund.

The District and the City of Clayton are each responsible for funding one-half of any operational short-fall of the Commission. Due to COVID-19, the Commission realized an operational short-fall for the first time in over 10 years. The Commission is closely monitoring the status of COVID-19 and is regularly reassessing plans and procedures. The extent to which COVID-19 will impact future revenues and operations of the Commission remains uncertain. However, the Commission is projecting an operational short-fall for the next several years. The Board must approve the Commission's budget.

NOTE K – JOINT VENTURE - CONTINUED

As of June 30, 2021 the Commission owed the District $165,894 for miscellaneous purchases, shared utilities, and maintenance salaries. Complete financial statements for the Commission can be obtained from the Commission's administrative office.

NOTE L – RISK MANAGEMENT

1. District's Health Insurance Plan

The District utilizes an internal service fund to account for the risks associated with the employees' health insurance plan. A premium is charged to each fund that accounts for employees' salaries based upon past trends in claims experience. Provisions are also made for unexpected and unusual claims.

Liabilities of the fund are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

The District incurred claims of $3,831,789 of which $3,690,768 was paid and $141,021 was unpaid.

The District purchases reinsurance to limit exposure to catastrophic claims. Specific stop loss limit insurance is purchased which limits the District's calendar year exposure to $125,000 per member.

2. District's Other Risk

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. To mitigate these risks, the District is a participant in the Missouri United School Insurance Council (MUSIC) which is a Protected Self-Insurance Program of Missouri Public School Districts with approximately 400 members. The District pays an assessment to MUSIC to cover estimated claims payable and reserves for claims for each entity. Part of the assessment then goes to purchase excess insurance contracts for the group as a whole. Should the contributions received by MUSIC not be sufficient, special assessments can be made to the member districts. There have been no significant changes in insurance coverage from the prior year.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS - GENERAL FUND - UNAUDITED
Year ended June 30, 2021

	Budgeted amounts			Variances - positive (negative)	
	Original	**Final**	**Actual (budgetary basis)**	**Original to final**	**Final to actual**
Revenues					
Local	$ 21,377,130	$ 19,739,290	$ 19,678,262	$ (1,637,840)	$ (61,028)
County	108,000	126,710	126,706	18,710	(4)
State	292,920	278,630	251,492	(14,290)	(27,138)
Federal	397,430	803,640	735,451	406,210	(68,189)
Other	4,000	4,000	2,579	-	(1,421)
Total revenues	**22,179,480**	**20,952,270**	**20,794,490**	**(1,227,210)**	**(157,780)**
Expenditures					
Instruction	2,989,540	3,020,800	1,960,259	(31,260)	1,060,541
Attendance and guidance	788,830	788,760	730,891	70	57,869
Health services	589,380	775,270	633,296	(185,890)	141,974
Improvement of instruction and professional development	500,530	424,330	195,483	76,200	228,847
Media services	419,620	414,880	366,947	4,740	47,933
Board of Education services	304,360	304,360	188,994	-	115,366
Executive administration	1,644,980	1,657,700	1,597,463	(12,720)	60,237
Building level administration	1,127,010	1,137,510	1,062,993	(10,500)	74,517
Operation of plant	7,776,580	8,233,580	7,444,297	(457,000)	789,283
Security services	257,580	255,780	189,578	1,800	66,202
Nonallowable transportation	216,240	195,740	111,946	20,500	83,794
Food services	1,236,980	1,236,980	512,933	-	724,047
Business services	1,054,660	1,025,530	963,212	29,130	62,318
Central office support services	536,330	595,760	475,303	(59,430)	120,457
Adult/community programs	1,108,010	1,167,720	1,088,148	(59,710)	79,572
Total expenditures	**20,550,630**	**21,234,700**	**17,521,743**	**(684,070)**	**3,712,957**
Revenues over (under) expenditures	**$ 1,628,850**	**$ (282,430)**	**$ 3,272,747**	**$ (1,911,280)**	**$ 3,555,177**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS - SPECIAL REVENUE FUND - UNAUDITED
Year ended June 30, 2021

	Budgeted amounts			Variances - positive (negative)	
	Original	**Final**	**Actual (budgetary basis)**	**Original to final**	**Final to actual**
Revenues					
Local	$34,511,200	$32,692,450	$32,418,245	$ (1,818,750)	$ (274,205)
County	267,070	258,180	258,167	(8,890)	(13)
State	1,499,550	1,512,240	1,457,571	12,690	(54,669)
Federal	51,620	488,170	90,744	436,550	(397,426)
Other	95,550	95,550	89,787	-	(5,763)
Total revenues	**36,424,990**	**35,046,590**	**34,314,514**	**(1,378,400)**	**(732,076)**
Expenditures					
Instruction	28,388,620	28,399,360	27,671,036	(10,740)	728,324
Attendance and guidance	1,362,030	1,364,130	1,385,574	(2,100)	(21,444)
Health services	128,060	128,060	211,849	-	(83,789)
Improvement of instruction and professional development	1,162,780	1,249,780	1,114,649	(87,000)	135,131
Media services	603,400	603,400	604,720	-	(1,320)
Executive administration	1,062,100	1,062,100	1,190,156	-	(128,056)
Building level administration	1,611,290	1,611,290	1,594,375	-	16,915
Business services	90,000	90,000	-	-	90,000
Adult/community programs	3,480	3,480	3,166	-	314
Total expenditures	**34,411,760**	**34,511,600**	**33,775,525**	**(99,840)**	**736,075**
Revenues over expenditures	**$ 2,013,230**	**$ 534,990**	**$ 538,989**	**$ (1,478,240)**	**$ 3,999**

The accompanying notes are an integral part of this statement.

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- In accordance with Chapter 67, RSMo, the District adopts a budget for each fund.

- Prior to July, the Superintendent, who serves as the budget officer, submits to the Board a proposed budget for the fiscal year beginning on the following July 1. The proposed budget includes estimated revenues and proposed expenditures for all District funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year.

- A public hearing is conducted to obtain taxpayer comments. Prior to its approval by the Board, the budget document is available for public inspection.

- Prior to July 1, the budget is legally enacted by a vote of the Board.

- Subsequent to its formal approval of the budget, the Board has the authority to make necessary adjustments to the budget by formal vote of the Board. For each fund, total fund expenditures may not legally exceed final amended budgeted expenditures. Expenditure appropriations lapse at the end of the fiscal year.

- Budgeted amounts are as originally adopted on June 2, 2020, or as amended by the Board at various times during the year.

- Budgets are adopted on the cash basis of accounting for all governmental funds. The cash basis is used to enable the District to more accurately budget revenue and expenses as the resources are expended or received.

NOTE A – BUDGETS AND BUDGETARY ACCOUNTING - CONTINUED

The following schedule reconciles the revenue and expenditures on the budgetary basis of accounting (cash basis) with the amounts presented under the modified accrual basis of accounting:

	General Fund	Special Revenue Fund
Revenues		
Revenues - cash basis	$ 20,794,490	$ 34,314,514
Current year revenue accruals	(124,968)	(547,891)
Prior year revenue accruals	(252,903)	(200,283)
Revenues - modified accrual basis	**$ 20,416,619**	**$ 33,566,340**
Expenditures		
Expenditures - cash basis	$ 17,521,743	$ 33,775,525
Current year expenditure accruals	70,956	104,255
Prior year expenditure accruals	22,163	(23,650)
Expenditures - modified accrual basis	**$ 17,614,862**	**$ 33,856,130**

SCHOOL DISTRICT OF CLAYTON

NET PENSION LIABILITY - UNAUDITED
Year ended June 30, 2021

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – PSRS

Year ended*	Proportion of the Net Pension Liability (Asset)	Proportionate share of the Net Pension Liability (Asset)	Actual member payroll	Net Pension Liability (Asset) as a percentage of covered payroll	Fiduciary Net Position as a percentage of total pension liability
6/30/2014	0.5208%	$ 21,366,213	$ 23,616,628	90.47%	89.34%
6/30/2015	0.5256%	30,342,153	24,305,850	124.83%	85.78%
6/30/2016	0.5421%	40,335,757	25,587,013	157.64%	82.18%
6/30/2017	0.5510%	39,790,604	26,583,036	149.68%	83.77%
6/30/2018	0.5512%	41,022,820	27,049,379	151.00%	84.06%
6/30/2019	0.5515%	40,701,088	27,606,008	147.44%	84.62%
6/30/2020	0.5488%	49,011,771	27,895,612	175.70%	82.01%

Schedule of Proportionate Share of the Net Pension Liability and Related Ratios – PEERS

Year ended*	Proportion of the Net Pension Liability (Asset)	Proportionate share of the Net Pension Liability (Asset)	Actual member payroll	Net Pension Liability (Asset) as a percentage of covered payroll	Fiduciary Net Position as a percentage of total pension liability
6/30/2014	0.5233%	$ 1,910,913	$ 7,630,413	25.04%	91.33%
6/30/2015	0.5044%	2,667,803	7,563,393	35.27%	88.28%
6/30/2016	0.5122%	4,109,561	7,908,987	51.96%	83.32%
6/30/2017	0.5064%	3,863,583	8,137,380	47.48%	85.35%
6/30/2018	0.4976%	3,844,992	8,279,018	46.44%	86.06%
6/30/2019	0.4942%	3,908,930	8,571,837	45.60%	86.38%
6/30/2020	0.4788%	4,647,029	8,615,269	53.94%	84.06%

SCHOOL DISTRICT OF CLAYTON

NET PENSION LIABILITY - UNAUDITED
Year ended June 30, 2021

Schedule of Employer Contributions - PSRS

Year ended	Contractually required contribution	Actual employer contributions	Contributions excess / (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
6/30/2013	$ 3,360,070	$ 3,360,070	$ -	$ 23,695,943	14.18%
6/30/2014	3,353,834	3,353,834	-	23,616,628	14.20%
6/30/2015	3,450,675	3,450,675	-	24,305,850	14.20%
6/30/2016	3,631,138	3,631,138	-	25,587,013	14.19%
6/30/2017	3,768,984	3,768,984	-	26,583,036	14.18%
6/30/2018	3,843,008	3,843,008	-	27,049,379	14.21%
6/30/2019	3,925,649	3,925,649	-	27,606,008	14.22%
6/30/2020	3,972,917	3,972,917	-	27,895,612	14.24%
6/30/2021	4,119,081	4,119,081	-	29,007,613	14.20%

Schedule of Employer Contributions - PEERS

Year ended	Contractually required contribution	Actual employer contributions	Contributions excess / (deficiency)	Covered payroll	Contributions as a percentage of covered payroll
6/30/2013	$ 535,396	$ 535,396	$ -	$ 7,805,015	6.86%
6/30/2014	523,447	523,447	-	7,630,413	6.86%
6/30/2015	518,849	518,849	-	7,563,393	6.86%
6/30/2016	542,557	542,557	-	7,908,987	6.86%
6/30/2017	558,224	558,224	-	8,137,380	6.86%
6/30/2018	567,941	567,941	-	8,279,018	6.86%
6/30/2019	588,545	588,545	-	8,571,837	6.87%
6/30/2020	591,055	591,055	-	8,615,269	6.86%
6/30/2021	587,375	587,375	-	8,562,318	6.86%

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

*The data provided in the schedules is based as of the measurement date of the System's net pension liability, which is as of the beginning of the District's fiscal year.

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - UNAUDITED
Year ended June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service Cost	$ 289,758	$ 216,081	$ 264,514	$ 270,318
Interest on total OPEB liability	116,915	205,795	213,641	199,304
Effect of liability gains or losses	-	(1,530,458)	-	-
Changes in assumptions	29,005	657,732	211,954	(160,959)
Benefit payments	(219,114)	(205,185)	(357,661)	(341,928)
Net change in total OPEB liability	**216,564**	**(656,035)**	**332,448**	**(33,265)**
Total OPEB liability at beginning of year	5,109,453	5,765,488	5,433,040	5,466,305
Total OPEB liability at end of year	**$ 5,326,017**	**$ 5,109,453**	**$ 5,765,488**	**$ 5,433,040**
				-
Covered Payroll	$ 33,349,789	$ 32,481,736	$ 32,341,024	$ 31,688,037
Total OPEB liability as a percentage of covered payroll	15.97%	15.73%	17.83%	17.15%

Note: This schedule is to present information for 10 years. Additional years will be presented as they become available.

Plan Assets

No assets are accumulated in a trust that meets all of the following criteria of GASB Statement No. 75, paragraph 4, to pay benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the plan administrator, and plan members.

SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS - DEBT SERVICE FUND - UNAUDITED
Year ended June 30, 2021

	Budgeted amounts		Actual	Variances - positive (negative)	
	Original	Final	(budgetary basis)	Original to final	Final to actual
Revenues					
Local	$ 8,007,570	$ 8,020,900	$ 7,951,652	$ (13,330)	$ (69,248)
County	162,000	183,030	183,033	(21,030)	3
Federal	202,160	203,440	203,436	(1,280)	(4)
Total revenues	**8,371,730**	**8,407,370**	**8,338,121**	**(35,640)**	**(69,249)**
Expenditures					
Debt service:					
Principal retirements	6,915,000	6,915,000	6,915,000	-	-
Interest and other charges	2,062,790	2,062,790	2,058,611	-	4,179
Total expenditures	**8,977,790**	**8,977,790**	**8,973,611**	**-**	**4,179**
Other financing sources (uses)					
Revenues over (under) expenditures	**$ (606,060)**	**$ (570,420)**	**$ (635,490)**	**$ (35,640)**	**$ (65,070)**
Reconciliation of budgetary (cash) basis of accounting to modified accrual basis of accounting					
Revenues per above - cash basis			8,338,121		
Current year revenue accruals			(295,802)		
Prior year revenue accruals			(11,754)		
Revenues - modified accrual basis			**8,030,565**		
Expenditures per above - cash basis			8,973,611		
Prior year expenditure accruals			(403)		
Expenditures - modified accrual basis			**$ 8,973,208**		

SCHOOL DISTRICT OF CLAYTON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CASH BASIS - CAPITAL PROJECTS FUND - UNAUDITED
Year ended June 30, 2021

	Budgeted amounts			Variances - positive (negative)	
	Original	**Final**	**Actual (budgetary basis)**	**Original to final**	**Final to actual**
Revenues					
Local	$ 1,373,850	$ 3,757,270	$ 3,810,650	$ (2,383,420)	$ 53,380
County	27,000	45,910	45,909	(18,910)	(1)
State	-	1,080	1,079	(1,080)	(1)
Federal	-	280,170	280,171	(280,170)	1
Other	30,000	42,000	41,667	(12,000)	(333)
Total revenues	**1,430,850**	**4,126,430**	**4,179,476**	**(2,695,580)**	**53,046**
Expenditures					
Instruction	290,830	1,007,130	960,706	716,300	46,424
Attendance and guidance	1,200	1,200	-	-	1,200
Health services	5,000	11,240	13,606	6,240	(2,366)
Media services	-	6,500	6,177	6,500	323
Executive administration	458,240	462,740	121,205	4,500	341,535
Building level administration	1,510	19,550	18,040	18,040	1,510
Operation of plant	962,500	3,725,040	2,088,591	2,762,540	1,636,449
Security services	3,000	18,900	179,409	15,900	(160,509)
Food services	14,000	14,000	1,574	-	12,426
Business services	32,500	24,550	9,813	(7,950)	14,737
Central office support services	1,650	1,650	1,371	-	279
Adult/community programs	6,000	6,000	21,395	-	(15,395)
Facilities acquisition and construction	52,210	1,083,910	1,078,153	1,031,700	5,757
Debt service:					
Principal retirements	427,800	427,800	427,795	-	5
Interest and other charges	56,790	114,510	114,499	57,720	11
Total expenditures	**2,313,230**	**6,924,720**	**5,042,334**	**4,611,490**	**1,882,386**
Revenues over (under) expenditures	**$ (882,380)**	**$ (2,798,290)**	**$ (862,858)**	**$ 1,915,910**	**$ (1,935,432)**

Reconciliation of budgetary (cash) basis to modified accrual basis of accounting	
Revenues per above - cash basis	$ 4,179,476
Current year revenue accruals	(88,905)
Prior year revenue accruals	(1,942)
Revenues - modified accrual basis	**$ 4,088,629**
Expenditures per above - cash basis	$ 5,042,334
Current year expenditure accruals	1,229,054
Prior year expenditure accruals	(1,024,603)
Expenditures - modified accrual basis	**$ 5,246,785**

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA – Unaudited

The following information is included to meet certain disclosure compliance requirements related to bonds issued by the District.

Bond Issuance Information

Name of Issuer: School District of Clayton, St. Louis County, Missouri
Dates of Issuance: Oct. 14, 2009; Nov. 3, 2009; Sept. 08, 2010; Dec. 27, 2017; Dec. 5, 2019
Relating to CUSIP Nos.:

Series 2009A			Series 2009C	Series 2010A	Series 2017	Series 2019
FG6	GC4	GY6	184270 HZ2	184270 JM9	184270 KP0	184270 KY1
FH4	GD2	GZ3	184270 JB3		184270 KQ8	184270 KZ8
FJ0	GE0	HA7	184270 JC1		184270 KR6	184270 LA2
FK7	GF7	HB5	184270 JD9		184270 KS4	184270 LB0
FL5	GG5	HC3	184270 JE7		184270 KT2	184270 LC8
FM3	GH3	HD1	184270 JF4		184270 KU9	184270 LD6
FN1	GJ9	HE9	184270 JG2		184270 KV7	184270 LE4
FP6	GK6	HF6	184270 JH0		184270 KW5	184270 LF1
FQ4	GL4	HG4	184270 JJ6		184270 KX3	184270 LG9
FR2	GM2	HH2	184270 JK3			
FS0	GN0	HJ8	184270 JL1			
FT8	GP5	HK5				
FU5	GQ3	HL3				
FV3	GR1	HM1				
FW1	GS9	HN9				
FX9	GT7	HP4				
FY7	GU4	HQ2				
FZ4	GV2	HR0				
GA8	GW0	HS8				
GB6	GX8	HT6				

SCHOOL DISTRICT OF CLAYTON

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA - UNAUDITED
Year ended June 30, 2021

History of Enrollment

Listed below are the District's Fall enrollment figures for the last four and current school years:

Grade	16-17	17-18	18-19	19-20	20-21
K	178	168	153	139	143
1st	169	198	164	160	143
2nd	183	187	190	167	157
3rd	180	196	192	201	167
4th	198	188	188	177	196
5th	206	210	194	192	174
6th	205	221	219	200	205
7th	229	201	242	226	202
8th	219	235	210	251	221
9th	222	232	226	214	248
10th	210	222	237	223	212
11th	224	206	227	240	220
12th	214	217	210	229	236
Total	2,637	2,681	2,652	2,619	2,524

Sources of Revenue

The following table shows the allocation of the District's revenue from the various sources for the fiscal year ended June 30, 2021:

Revenue Source	% of Total
Local Revenue	93.54%
County Revenue	0.93
State Revenue	2.59
Federal Revenue	2.76
Other Revenue	0.18
Total	100.00%

Sources of Revenue by Fiscal Year

The following table shows the District's sources of revenues for the fiscal years shown below:

Fiscal Year Ended June 30	Local Revenue	County Revenue	State Revenue	Federal Revenue	Other Revenue		Total Revenue
2017	$ 51,425,428	$ 536,786	$ 1,741,020	$ 1,738,923	$ 30,729		$ 55,472,886
2018	54,455,608	559,302	1,729,439	1,673,247	31,264,065	a	89,681,661
2019	53,169,996	525,825	1,742,804	1,635,582	357,047	b	57,431,254
2020	70,058,342	610,998	1,716,291	1,237,578	32,968,655	c	106,591,864
2021	61,835,038	613,816	1,710,141	1,826,198	116,958	b	66,102,151

a Includes proceeds from the sale of refunded bonds and from sale of land
b Includes statutory tuition revenue
c Includes proceeds from the sale of refunded bonds and statutory tuition revenue

Property Tax Information

The following table provides the history of total assessed valuation of all taxable tangible property situated in the District, according to the assessments of January 1, in the calendar years shown below:

Calendar Year	Assessed Valuation	% Change
2016	1,036,106,710	N/A
2017	1,152,388,120	11.22%
2018	1,136,240,380	-1.40%
2019	1,309,893,760	15.28%
2020	1,316,001,870	0.47%

SCHOOL DISTRICT OF CLAYTON

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA - UNAUDITED
Year ended June 30, 2021

Tax Rates

The following table shows the adjusted tax rates (per $100 of assessed valuation) levied against each subclass of property for the current fiscal year and the last three fiscal years for the District:

Fiscal Year Ended June 30	Real Estate Residential	Real Estate Commercial	Real Estate Agricultural	Personal Property
2018	$ 3.6494	$ 4.1682	$ -	$ 3.9845
2019	3.6921	4.0670	-	3.9792
2020	4.1553	4.9562	-	4.5567
2021	4.1527	4.7354	-	4.5567

Tax Rates – Allocation by Fund

The following table shows the District's adjusted tax levies (per $100 of assessed valuation) for each of the following fiscal years:

Fiscal Year Ended June 30	General (Incidental) Fund	Special Revenue (Teachers') Fund	Capital Projects (Building) Fund	Debt Service Fund	Total Levy - Blended Rate
2017	$ 0.9291	$ 2.3057	$ 0.2065	$ 0.6230	$ 4.0643
2018	0.9350	2.2278	0.1050	0.6230	3.8908
2019	1.0555	2.0770	0.1100	0.6230	3.8655
2020	1.2732	2.5030	0.1000	0.6230	4.4992
2021	1.2499	2.3530	0.1875	0.6230	4.4134

Tax Collection Record

The following table sets forth tax collection information for the District for the last five fiscal years:

Fiscal Year	Total Levy (per $100 of Assessed Value)	Assessed Valuation	Total Taxes Levied	Current Taxes Collected Amount	Current Taxes Collected %	Current and Delinquent Taxes Collected Amount	Current and Delinquent Taxes Collected %
2016-17	4.0643	$ 1,036,106,710	$ 42,110,485	$ 41,028,612	97.43%	$ 40,202,268	95.47%
2017-18	3.8908	1,152,388,120	44,837,117	43,801,052	97.69%	43,078,099	96.08%
2018-19	3.8655	1,136,240,380	43,921,372	43,046,572	98.01%	42,500,328	96.76%
2019-20	4.4992	1,309,893,760	58,934,740	57,882,064	98.21%	58,517,417	99.29%
2020-21	4.4134	1,316,001,870	58,080,427	56,469,791	97.23%	56,209,478	96.78%

Major Property Taxpayers

The ten largest real property taxpayers in the District according to their 2020 assessed valuations are listed below:

Taxpayer	Assessed Valuation	% of District's 2020 Total Assessed Valuation
1. City of Clayton	$ 59,316,620	4.51%
2. LCP Forsyth Blvd Property Owner LLC	27,253,990	2.07%
3. Clayton Franklin Clayton Plaza LLC	23,569,310	1.79%
4. Prime US 101 South Hanley LLC	20,943,810	1.59%
5. BLR Properties LLC	20,113,000	1.53%
6. Clayton Corporate Park Management Co	19,460,580	1.48%
7. Saint Louis Galleria LLC	17,408,510	1.32%
8. Clayton Central Owner LLC	16,571,200	1.26%
9. MEPT Shaw Park Plaza LLC	14,510,910	1.10%
10. 8182 Maryland Associates	11,867,170	0.90%
	231,015,100	**17.55%**