FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

SCHOOL DISTRICT OF CLAYTON

June 30, 2022

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Independent Auditors' Report

Board of Education
School District of Clayton

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of School District of Clayton (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 District, as of June 30, 2022, 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.

Basis for Opinions

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

Change in Accounting Principle

As described in Note A to the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedule of revenues, expenditures and changes in fund balances – budget and actual – cash basis for the debt service fund and capital projects fund are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information s the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 schedule of revenues, expenditures and changes in fund balances – budget and actual – cash basis for the debt service fund and capital projects fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information. The other information comprises the annual financial information and operating data but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Kerber, Eck & Braeckel LLP

St. Louis, Missouri
December 6, 2022

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, 2022. 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, 2022 are as follows:

- The total assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the end of the 2022 fiscal year by $49.5 million (net position).
- Net position increased approximately $20.6 million or 71.5% from the prior year primarily from an overall reduction in net pension liability and pension deferrals.
- Recording the District's proportionate share of total net PSRS/PEERS pension liability per GASB 68, has a significant impact on the Statement of Net Position and the Statement of Activities. Updated actuarial assumptions in the retirement program's most recent valuation as of June 30, 2021, together with significant investment gains for pension assets, resulted in large fluctuations from the prior year. On the Statement of Net Position, total net pension liability decreased by $40.9 million from the prior year and deferred inflows increased by $33.7 million from the prior year. On the Statement of Activities, the expenditures decreased by $10.1 million due to the decrease in net pension liability, causing current year expenditures to appear lower than the prior year. On a cash basis, the change between prior year expenditures and current year expenditures is minimal.
- General revenues totaled $67.6 million or 85.6% of all revenues. Program revenues in the form of charges for services and operating grants and contributions accounted for $11.4 million or 14.4% of all revenues.
- Total expenses for the year were $58.3 million of which $47.0 million were funded by general revenues.
- The General Fund had $23.0 million in revenues and $18.8 million in expenditures. The General Fund's balance increased $4.2 million before transfers.
- The Special Revenue Fund had $38.0 million in revenues and $34.6 million in expenditures. The Special Revenue Fund's balance increased $3.4 million before transfers.
- The Debt Service Fund had $8.9 million in revenues and $8.5 million in expenditures. The Debt Service Fund's balance increased $0.4 million.
- The Capital Projects Fund had $4.4 million in revenues and $4.7 million in expenditures. The Capital Projects Fund's balance decreased $0.3 million before transfers.

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 money is disbursed. 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 in all material respects. 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 $49.5 million at June 30, 2022. Of this amount, $46.1 million was net investment in capital assets and $24.7 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 $21.3 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,

	2022			2021		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Current and other assets	$ 103,535,186	$ 8,854	$ 103,544,040	$ 97,320,486	$ 5,140	$ 97,325,626
Capital assets	101,488,648	64,799	101,553,447	101,946,996	75,754	102,022,750
Total assets	**205,023,834**	**73,653**	**205,097,487**	**199,267,482**	**80,894**	**199,348,376**
Deferred pension and OPEB	**15,908,984**	**-**	**15,908,984**	**16,469,593**	**-**	**16,469,593**
Current and other liabilities	7,611,175	8,854	7,620,029	9,359,460	5,140	9,364,600
Noncurrent liabilities	67,631,689	-	67,631,689	115,542,210	-	115,542,210
Total liabilities	**75,242,864**	**8,854**	**75,251,718**	**124,901,670**	**5,140**	**124,906,810**
Deferred property taxes	58,312,033	-	58,312,033	58,545,404	-	58,545,404
Pension and OPEB deferrals	37,990,929	-	37,990,929	3,526,578	-	3,526,578
Total deferred inflows	**96,302,962**	**-**	**96,302,962**	**62,071,982**	**-**	**62,071,982**
Net position						
Net investment in capital assets	46,013,491	64,799	46,078,290	38,571,131	75,754	38,646,885
Restricted	24,683,383	-	24,683,383	20,598,581	-	20,598,581
Unrestricted	(21,309,882)	-	(21,309,882)	(30,406,289)	-	(30,406,289)
Total net position	**$ 49,386,992**	**$ 64,799**	**$ 49,451,791**	**$ 28,763,423**	**$ 75,754**	**$ 28,839,177**

The negative unrestricted net position of $21.3 million represents the accumulated results of all past years' operations for unrestricted activities. Total net position increased $20.6 million as described above.

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,

	2022			2021		
	Governmental activities	**Business-type activities**	**Total**	**Governmental activities**	**Business-type activities**	**Total**
Revenues						
Program revenues						
Charges for services	$ 7,648,372	$ 660,499	$ 8,308,871	$ 7,082,213	$ 214,498	$ 7,296,711
Operating grants and contributions	3,049,495	-	3,049,495	2,665,107	-	2,665,107
General revenues						
Property taxes	58,232,548	-	58,232,548	54,136,381	-	54,136,381
Federal and State aid not restricted to specific purposes	1,346,610	-	1,346,610	1,363,114	-	1,363,114
Voluntary student transfer aid	1,177,664	-	1,177,664	1,192,928	-	1,192,928
Other taxes and interest	6,844,513	-	6,844,513	5,947,676	-	5,947,676
Total revenues	**78,299,202**	**660,499**	**78,959,701**	**72,387,419**	**214,498**	**72,601,917**
Expenses						
Instruction	25,539,386	-	25,539,386	33,095,847	-	33,095,847
Student services	2,751,484	-	2,751,484	3,184,280	-	3,184,280
Support services	2,347,136	-	2,347,136	2,252,971	-	2,252,971
Building administration	2,283,301	-	2,283,301	2,914,602	-	2,914,602
Executive administration	2,333,735	-	2,333,735	3,462,879	-	3,462,879
Business services	920,634	-	920,634	953,920	-	953,920
Central office support services	5,360,490	-	5,360,490	5,210,439	-	5,210,439
Operation of plant	11,780,755	-	11,780,755	11,648,079	-	11,648,079
Security services	228,377	-	228,377	190,429	-	190,429
Nonallowable transportation	160,672	-	160,672	110,803	-	110,803
Food services	1,064,557	-	1,064,557	582,583	-	582,583
Adult/community programs	1,215,032	-	1,215,032	1,100,991	-	1,100,991
Facilities acquisition and construction	-	-	-	1,248,861	-	1,248,861
Interest and other charges	1,847,829	-	1,847,829	2,092,471	-	2,092,471
Local district services	-	513,699	513,699	-	379,656	379,656
Total expenses	**57,833,388**	**513,699**	**58,347,087**	**68,049,155**	**379,656**	**68,428,811**
Excess (deficiency) before other income and transfers	**20,465,814**	**146,800**	**20,612,614**	**4,338,264**	**(165,158)**	**4,173,106**
Other income						
Proceeds from capital lease	-	-	-	550,867	-	550,867
Transfers	157,755	(157,755)	-	(153,145)	153,145	-
Total other income	**157,755**	**(157,755)**	**-**	**397,722**	**153,145**	**550,867**
Change in net position	**20,623,569**	**(10,955)**	**20,612,614**	**4,735,986**	**(12,013)**	**4,723,973**
Beginning net position	28,763,423	75,754	28,839,177	24,027,437	87,767	24,115,204
Ending net position	**$ 49,386,992**	**$ 64,799**	**$ 49,451,791**	**$ 28,763,423**	**$ 75,754**	**$ 28,839,177**

Governmental and Business-Type Activities

As reported in the Statement of Activities, the cost of all governmental and business-type activities totaled $58.3 million in fiscal year 2022. However, the District's local taxpayers ultimately funded $47.1 million or 81.5% of these costs because some of the costs were paid by those who benefited from the programs ($8.3 million), and by operating grants and contributions ($3.0 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,

	2022		2021	
	Total cost of services	Net cost of services	Total cost of services	Net cost of services
Governmental activities				
Instruction	$ 25,539,386	$ 23,843,893	$ 33,095,847	$ 31,061,572
Student services	2,751,484	2,609,139	3,184,280	3,059,448
Support services	2,347,136	1,791,889	2,252,971	2,157,269
Administration	5,537,670	5,566,154	7,331,401	7,215,979
Operation of plant	12,009,132	11,159,121	11,838,508	10,741,206
Facilities acquisition and construction	-	-	1,248,861	1,248,861
Other	7,800,751	317,496	7,004,816	725,029
Interest and other charges	1,847,829	1,847,829	2,092,471	2,092,471
	57,833,388	**47,135,521**	**68,049,155**	**58,301,835**
Business-type activities				
Local district services	513,699	(146,800)	379,656	165,158
Total	**$ 58,347,087**	**$ 46,988,721**	**$ 68,428,811**	**$ 58,466,993**

Instruction expenses include activities directly involved in the teaching of pupils, and the interaction between teacher and pupil. The cost of instruction is lower than the prior year due to the allocation of the reduced net pension liability.

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. The cost of student services is lower than the prior year due to the allocation of the reduced net pension liability.

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

Governmental and Business-Type Activities - Continued

Administration includes expenses associated with administrative and financial supervision of the District. The cost of administration is lower than the prior year due to the allocation of the reduced net pension liability.

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

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 93.4% of instruction activities are supported through taxes and other general revenues; for all governmental activities, general revenue support is 81.5%.

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 $42.3 million at June 30, 2022. This represents an overall increase of $8.0 million from the prior year. The increase was primarily a result of increased property tax revenue among all the funds; the prior year included an accrual revenue reduction for the payback of protested taxes. The General Fund had an increase of $0.9 million in federal revenue in comparison to the prior year, from the receipt of ESSER funds and federal food service revenue. The General Fund had an increase in food services expenditures as the program operated for the full school year. Due to COVID, food services were on a reduced operation in the prior year. Expenditures for the Special Revenue Fund were similar to the prior year. The Debt Service Fund expenditures were in accordance with scheduled debt payments. The Capital Projects Fund had an increase in expenditures of approximately $2.0 million, from the prior year, in accordance with planned expenditures for the safety and security plan. 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.

The District’s financial strength is derived primarily from its strong local property values as over 79.3% 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 2021-2022 property tax revenues for all funds increased by approximately $3.0 million or 5.40% from the 2020-2021 totals primarily because of reassessment, new construction and less protested property tax cases. 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 $26,000 below the original budget and approximately $140,000 above the revised budget for all funds.

For the year ended June 30, 2022, the General Fund cash basis actual expenditures were approximately $2.8 million less than final budgeted amounts. COVID-19 caused expenditures to be less for student activities by approximately $578,000, for food services by approximately $170,000, for transportation by approximately $76,000, and for training and professional travel by approximately $256,000. Additionally, the District's contribution to the Center of Clayton operations was approximately $185,000 less than budgeted. Lastly, district-wide purchased services were below budget by approximately $663,000 and and district-wide supplies were below budget by approximately $458,000. Missouri law prohibits the District from spending more than the budget per fund.

The Special Revenue Fund budgetary basis actual expenditures were approximately $0.8 million less than the final budget primarily in the function of Instruction. Expenditures were lower than budget in salaries and benefits partially due to COVID-19 reducing the amount of extra pay stipends for student activities, professional development, and athletics as well as reducing the cost of substitute teacher expenditures. For the year ended June 30, 2022, the combined General and Special Revenue change in fund balances was approximately $4.0 million greater than the 2021-2022 final budget.

Capital Assets, Right-to-use Assets and Debt Administration

Capital Assets

At June 30, 2022, the District had capital assets and right-to-use assets with a net book value of $101.6 million, which includes $59.1 million in accumulated depreciation/amortization. Table 4 shows a breakdown of capital assets, net of accumulated depreciation/amortization, at year end.

Table 4
Capital Assets - Net
June 30,

	2022			2021		
	Governmental activities	Business-type activities	Total	Governmental activities	Business-type activities	Total
Land	$ 714,536	$ -	$ 714,536	$ 714,536	$ -	$ 714,536
Buildings and improvements	96,247,346	-	96,247,346	97,247,066	-	97,247,066
Furniture and equipment	4,017,214	64,799	4,082,013	3,448,299	75,754	3,524,053
Right-to-use assets	509,552	-	509,552	537,095	-	537,095
Total	**$ 101,488,648**	**$ 64,799**	**$ 101,553,447**	**$ 101,946,996**	**$ 75,754**	**$ 102,022,750**

The total additions for the year were $4.0 million which consisted of $2.4 million of building and improvements and $1.6 million in furniture and equipment purchases.

Debt Administration

At June 30, 2022, the District had $49.1 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 $159.2 million at June 30, 2022, far above the District's current level of debt. The District's Debt Service levy for 2021-2022 was $0.623 per $100 of assessed valuation. The Debt Service Fund balance at June 30, 2022 was $5.8 million and equal to nearly 72.4% of the fiscal year 2023 annual debt service payments and sinking fund requirement. Starting in fiscal year 2022 the District was required to place $393,000 into a sinking fund for the 2009A bond issue. These funds are shown as restricted cash on the financial statements and will be held in the sinking fund to be used towards the March 1, 2024 bond payment. Next fiscal year the District is required to place an additional $2.6 million into the sinking fund. The District's bond rating is AAA with Standard and Poor's.

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

Additional information about debt is provided in Note E.

Economic Factors and Fiscal Year 2022-2023 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 has served as a guide for the past few years, we have been purposeful about being reflective and have made adjustments along the way. We are taking an evergreen approach to our strategic plan. This means we evaluate it more often and make changes as needed based on evidence we gather. We 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 2022-2023 total expenditures including normal debt service payments, business-type activities, and extraordinary items total $72.6 million. Projected total revenues, inclusive of business-type, debt service, and extraordinary items of $71.9 million will result in the District strategically spending down reserves of $700,700 for an overall fund balance of $41.2 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 remain relatively flat for a total budget of $62.3 million. Real estate taxes are projected to remain flat. The decrease in federal revenue is due to the cessation of the Free & Reduced meal program for all students regardless of eligibility. Other income's increase is primarily due to fee-based student activities with significant fluctuations in revenue closer to pre-pandemic levels. 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 $1.1 million or 1.88% to a total of $59.7 million. Fiscal year 2022-2023 is the final year of a two-year salary agreement. For the 2022-2023 school year, an increase for certified staff has been budgeted per the salary agreement. Staffing changed based on enrollment projections and student needs have been budgeted. The staffing changes resulted in a decrease in the salary budget primarily due to the reduction of a full-time teacher at Glenridge as well as Wydown due to shifts in enrollment. 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. The District continues to work to control costs and align resources with priorities while also looking at other strategies to achieve financial balance with minimal impact on students and classrooms.

Extraordinary items are not included in the operating expenditure budget, but will reduce fund balances. Extraordinary items include capital requests for copier replacement, technology improvements, and two capital projects approved by the Board of Education. Phase II of safety and security improvements were approved by the Board on February 9, 2022. Approximately $2.5 million of proceeds from the sale of the Maryland Building is available to fund this project. An additional $1.3 million in costs in excess of these designated funds will come from fund balance reserves to fully fund the $3.8 million project. In addition, the Board approved the renovation of the Clayton High School library on April 20, 2022. The $1.5 million cost for the library project will be funded from capital improvement fund balance reserves.

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 has been allocated approximately $1.6 million in federal COVID relief funds because of the 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 2022-2023 budget continues to be impacted by the effects of the COVID-19 closures that took place beginning in March of 2020. The economy is still impacted by many changes from supply chain issues, rising inflation, and increases in the federal fund's target rate. The lasting effects of COVID-19 on the District's 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 fall short of operating expenses and extraordinary items causing a reduction in the operating fund balance of $2.8 million primarily due to one-time capital projects. The 2022-2023 year-end operating fund balances inclusive of business-type activities and extraordinary items are projected at $30.4 million or 46% of budgeted operating expenditures. However, $520,000 has been formally committed by the Board for future capital expenditures. This leaves a net operating fund balance of $29.9 million or 45% of budgeted operating expenditures.

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 six developments with approved or pending construction by the Board of Alderman:

- Resident Inn by Marriott - 8125 Forsyth Boulevard, Clayton
- Clarendale of Clayton - 7651 & 7601 Clayton Road, Clayton
- Forsyth Point - 8049 Forsyth Boulevard, Clayton
- AC Marriot Hotel - 227 South Central, Clayton
- Bemiston Place - 9 North Bemiston Avenue, Clayton
- Luxury condominium development - 8250 Forsyth Boulevard, 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 waiting on approval from the Planning Commission and/or Architectural Review Board. 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 2022-2023 budget began in December 2021. 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 a study item on May 18, 2022.

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's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to John Brazeal, Chief Financial Officer, at School District of Clayton, #2 Mark Twain Circle, Clayton, Missouri 63105.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF NET POSITION
June 30, 2022

	Governmental activities	Business-type activities	Total
ASSETS			
Cash and investments	$ 43,906,713	$ -	$ 43,906,713
Restricted cash and investments	392,598	-	392,598
Receivables:			
Property taxes, net of allowance for uncollectibles of $1,213,173	57,797,050	-	57,797,050
Sales taxes	579,160	-	579,160
Grants	210,993	-	210,993
Other	190,314	8,854	199,168
Inventories	126,010	-	126,010
Prepaid expenses	332,348	-	332,348
Capital assets not being depreciated:			
Land	714,536	-	714,536
Capital assets, net of accumulated depreciation:			
Buildings and improvements	96,247,346	-	96,247,346
Furniture and equipment	4,017,214	64,799	4,082,013
Right-to-use assets being amortized			
Buildings and improvements	509,552	-	509,552
Total assets	**205,023,834**	**73,653**	**205,097,487**
DEFERRED OUTFLOWS			
Deferred pension contributions	15,396,184	-	15,396,184
Deferred OPEB	512,800	-	512,800
Total deferred outflows	**15,908,984**	**-**	**15,908,984**
LIABILITIES			
Accounts payable	1,307,594	-	1,307,594
Accrued payroll and payroll taxes	157,199	11,302	168,501
Unearned revenue	175,844	8,233	184,077
Interfund loans	10,680	(10,680)	-
Non-current liabilities:			
Due within one year	5,959,858	-	5,959,858
Due in more than one year	50,438,974	-	50,438,974
Net pension liability	12,752,772	-	12,752,772
OPEB liability	4,439,943	-	4,439,943
Total liabilities	**75,242,864**	**8,855**	**75,251,719**
DEFERRED INFLOWS			
Deferred property taxes	58,312,033	-	58,312,033
Pension deferrals	36,064,409	-	36,064,409
OPEB deferrals	1,926,520	-	1,926,520
Total deferred inflows of resources	**96,302,962**	**-**	**96,302,962**
NET POSITION			
Net investment in capital assets	46,013,491	64,799	46,078,290
Restricted for:			
Debt service	5,208,543	-	5,208,543
Capital projects	2,938,521	-	2,938,521
Teachers' salaries and benefits	14,835,644	-	14,835,644
Medical claims	1,700,675	-	1,700,675
Unrestricted	(21,309,882)	-	(21,309,882)
Total net position	**$ 49,386,992**	**$ 64,799**	**$ 49,451,791**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF ACTIVITIES
Year ended June 30, 2022

		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	$ 25,539,386	$ 794,293	$ 901,200	$ (23,843,893)	$ -	$ (23,843,893)
Attendance and guidance	1,852,008	-	-	(1,852,008)	-	(1,852,008)
Health services	899,476	-	142,345	(757,131)	-	(757,131)
Improvements of instruction and professional development	1,450,948	-	555,247	(895,701)	-	(895,701)
Media services	896,188	-	-	(896,188)	-	(896,188)
Board of Education services	220,306	-	-	(220,306)	-	(220,306)
Executive administration	2,113,429	-	-	(2,113,429)	-	(2,113,429)
Building level administration	2,283,301	-	-	(2,283,301)	-	(2,283,301)
Operation of plant	11,780,755	774,638	75,373	(10,930,744)	-	(10,930,744)
Security services	228,377	-	-	(228,377)	-	(228,377)
Nonallowable transportation	160,672	4,160	-	(156,512)	-	(156,512)
Food services	1,064,557	69,367	1,210,670	215,480	-	215,480
Business services	920,634	-	(28,484)	(949,118)	-	(949,118)
Central office support services	5,360,490	5,318,496	-	(41,994)	-	(41,994)
Adult/community programs	1,215,032	687,418	193,144	(334,470)	-	(334,470)
Interest and other charges	1,847,829	-	-	(1,847,829)	-	(1,847,829)
Total governmental activities	**57,833,388**	**7,648,372**	**3,049,495**	**(47,135,521)**	**-**	**(47,135,521)**
Business-type activities:						
Local district services	513,699	660,499	-	-	146,800	146,800
Total business-type activities	**513,699**	**660,499**	**-**	**-**	**146,800**	**146,800**
Total school district	**$ 58,347,087**	**$ 8,308,871**	**$ 3,049,495**	**$ (47,135,521)**	**$ 146,800**	**$ (46,988,721)**

	Governmental activities	Business-type activities	Total
General Revenues:			
Taxes:			
Property taxes, levied for general purposes	$ 15,376,657	$ -	$ 15,376,657
Property taxes, levied for debt services	8,330,068	-	8,330,068
Property taxes, levied for capital projects	3,331,850	-	3,331,850
Property taxes, levied for teachers' salaries and benefits	31,193,973	-	31,193,973
Other taxes	5,888,899	-	5,888,899
Voluntary student transfer aid	1,177,664	-	1,177,664
Federal and State aid not restricted to specific purposes	1,346,610	-	1,346,610
Interest and investment earnings	813,361	-	813,361
Miscellaneous	142,253	-	142,253
Total general revenues	**67,601,335**	**-**	**67,601,335**
Revenues over expenses before transfers	**20,465,814**	**146,800**	**20,612,614**
Transfers	157,755	(157,755)	-
Change in net position	**20,623,569**	**(10,955)**	**20,612,614**
Net position at July 1, 2021	28,763,423	75,754	28,839,177
Net position at June 30, 2022	**$ 49,386,992**	**$ 64,799**	**$ 49,451,791**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and investments	$ 16,267,296	$ 16,883,748	$ 5,430,791	$ 3,221,480	$ 41,803,315
Restricted cash and investments	-	-	392,598	-	392,598
Receivables					
Property taxes - net of allowance for uncollectibles of $1,213,173	14,589,672	29,778,937	8,248,194	5,180,247	57,797,050
Sales taxes	361,975	217,185	-	-	579,160
Grants	128,506	82,487	-	-	210,993
Other receivables	181,933	8,360	-	21	190,314
Due from other funds	-	-	-	29,015	29,015
Inventories	126,010	-	-	-	126,010
Prepaid expenditures	332,348	-	-	-	332,348
Total assets	**$ 31,987,740**	**$ 46,970,717**	**$ 14,071,583**	**$ 8,430,763**	**$ 101,460,803**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 622,967	$ -	$ -	$ 281,904	$ 904,871
Due to other funds	37,261	2,434	-	-	39,695
Accrued payroll and payroll taxes	21,721	135,478	-	-	157,199
Unearned revenue	164,844	11,000	-	-	175,844
Total liabilities	**846,793**	**148,912**	**-**	**281,904**	**1,277,609**
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	14,568,611	29,736,164	8,236,768	5,175,661	57,717,204
Deferred grants	93,330	82,487	-	-	175,817
Deferred other	1,150	-	-	-	1,150
Total deferred inflows of resources	**14,663,091**	**29,818,651**	**8,236,768**	**5,175,661**	**57,894,171**
FUND BALANCES					
Nonspendable					
Inventories	126,010	-	-	-	126,010
Prepaid expenditures	332,348	-	-	-	332,348
Restricted					
Grants	128,506	82,487	-	-	210,993
Teachers salaries and benefits	-	16,920,667	-	-	16,920,667
Debt service	-	-	5,834,815	-	5,834,815
Committed					
Capital reserve	-	-	-	2,973,198	2,973,198
Assigned					
Student activities	570,665	-	-	-	570,665
Unassigned	15,320,327	-	-	-	15,320,327
Total fund balances	**16,477,856**	**17,003,154**	**5,834,815**	**2,973,198**	**42,289,023**
Total liabilities, deferred inflows of resources and fund balances	**$ 31,987,740**	**$ 46,970,717**	**$ 14,071,583**	**$ 8,430,763**	**$ 101,460,803**

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, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balance - governmental funds		$ 42,289,023
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	160,484,978	
Accumulated depreciation/amortization is	(58,996,330)	
		101,488,648
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.		(417,861)
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.		1,700,675
Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds		
Deferred pension contributions	15,396,183	
Deferred OPEB	512,800	
		15,908,983
Deferred inflows of resources related to pension deferrals are not reported in governmental funds.		(36,064,409)
Deferred inflows of resources related to OPEB deferrals are not reported in governmental funds.		(1,926,520)
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	51,700,157	
Leases, net	3,775,000	
Accrued interest on the bonds	539,858	
Compensated absences	383,817	
Net pension liability	12,752,772	
OPEB liability	4,439,943	
		(73,591,547)
Net position of governmental activities		**$ 49,386,992**

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, 2022

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Local	$ 20,708,617	$ 35,774,596	$ 8,603,404	$ 4,218,476	$ 69,305,093
County	117,824	248,983	181,784	85,167	633,758
State	360,218	1,838,364	-	-	2,198,582
Federal	1,834,041	127,434	176,629	6,145	2,144,249
Other	3,096	2,837	-	65,117	71,050
Total revenues	**23,023,796**	**37,992,214**	**8,961,817**	**4,374,905**	**74,352,732**
Expenditures					
Instruction	2,120,006	28,273,865	-	703,693	31,097,564
Attendance and guidance	755,832	1,425,228	-	-	2,181,060
Health services	681,646	218,904	-	7,980	908,530
Improvement of instruction and professional development	311,663	1,139,285	-	-	1,450,948
Media services	358,347	537,841	-	1,422	897,610
Board of Education services	220,250	-	-	-	220,250
Executive administration	1,631,790	1,278,517	-	40,677	2,950,984
Building level administration	1,068,014	1,674,124	-	2,556	2,744,694
Operation of plant	7,595,132	-	-	1,154,610	8,749,742
Security services	207,176	-	-	2,155,933	2,363,109
Nonallowable transportation	160,660	-	-	-	160,660
Food services	1,064,557	-	-	-	1,064,557
Business services	920,753	-	-	-	920,753
Central office support services	481,028	504	-	-	481,532
Adult/community programs	1,201,442	3,518	-	24,329	1,229,289
Debt service					
Principal retirements	-	-	6,720,000	490,000	7,210,000
Interest and other charges	-	-	1,821,502	102,917	1,924,419
Total expenditures	**18,778,296**	**34,551,786**	**8,541,502**	**4,684,117**	**66,555,701**
Revenues over (under) expenditures	**4,245,500**	**3,440,428**	**420,315**	**(309,212)**	**7,797,031**
Other financing sources (uses)					
Transfers	173,606	(27,006)	-	11,155	157,755
	173,606	(27,006)	-	11,155	157,755
Net Change in Fund Balances	**4,419,106**	**3,413,422**	**420,315**	**(298,057)**	**7,954,786**
Fund balances at July 1, 2021	12,058,750	13,589,732	5,414,500	3,271,255	34,334,237
Fund balances at June 30, 2022	**$ 16,477,856**	**$ 17,003,154**	**$ 5,834,815**	**$ 2,973,198**	**$ 42,289,023**

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, 2022

Total net change in fund balance - governmental funds		**$ 7,954,786**
Capital outlay to purchase or build capital assets and right-to-use leased 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/amortization expense for the period.		
Depreciation/amortization expense	4,481,337	
Capital outlay	(4,023,022)	
		(458,315)
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.		(2,062,701)
In the Statement of Activities, the loss or gain on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from the assets.		
Loss on disposal of capital assets		(33)
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).		7,711
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	690,708	
Repayment of bond principal	6,720,000	
Lease principal	490,000	
		7,900,708
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.		76,589
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.		437,682
The fund financial statements do not recognize the liability related to postemployment benefits other than pensions. The decrease in this liability is recognized in the Statement of Activities.		32,697
The fund financial statements do not recognize the pension liability. The decrease is recognized in the Statement of Activities.		6,734,445
Change in net position of governmental activities		**$ 20,623,569**

The accompanying notes are an integral part of this statement.

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2022

	Business-type activities - Enterprise fund	Governmental activities - Internal service fund	Total
ASSETS			
Current assets			
Cash	$ -	$ 2,103,398	$ 2,103,398
Other receivables	8,854	-	8,854
Noncurrent assets			
Due from other funds	10,680	-	10,680
Capital assets	64,799	-	64,799
Total assets	**84,333**	**2,103,398**	**2,187,731**
LIABILITIES			
Current liabilities			
Accounts payable	-	402,723	402,723
Accrued payroll and payroll taxes	11,301	-	11,301
Unearned revenue	8,233	-	8,233
Total current liabilities	**19,534**	**402,723**	**422,257**
NET POSITION			
Net investment in capital assets	64,799	-	64,799
Unrestricted	-	1,700,675	1,700,675
Total net position	**$ 64,799**	**$ 1,700,675**	**$ 1,765,474**

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, 2022

	Business-type activities - Enterprise fund	Governmental activities - Internal service fund	Total
Operating revenues			
Contributions	$ -	$ 5,311,753	$ 5,311,753
Rents	122,815	-	122,815
Tuition and fees	537,684	-	537,684
Other	-	6,743	6,743
Total operating revenues	**660,499**	**5,318,496**	**5,978,995**
Operating expenses			
Salaries	353,264	-	353,264
Benefits	98,222	-	98,222
Purchased services	15,307	-	15,307
Supplies	35,951	-	35,951
Claims expenses & fees	-	4,880,814	4,880,814
Depreciation	10,955	-	10,955
Total operating expenses	**513,699**	**4,880,814**	**5,394,513**
Operating income	**146,800**	**437,682**	**584,482**
Other			
Transfers to governmental activities	(157,755)	-	(157,755)
CHANGES IN NET POSITION	**(10,955)**	**437,682**	**426,727**
Net position at July 1, 2021	75,754	1,262,993	1,338,747
Net position at June 30, 2022	**$ 64,799**	**$ 1,700,675**	**$ 1,765,474**

SCHOOL DISTRICT OF CLAYTON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year ended June 30, 2022

	Business Type Activities - Enterprise fund	Governmental activities - Internal service fund	Total
Cash flows from operating activities:			
Cash received from employee/employer contributions	$ -	$ 5,318,496	$ 5,318,496
Cash received from user charges	650,833	-	650,833
Cash payments to employees for services	(443,754)	-	(443,754)
Cash payments for supplies and services	(52,069)	(4,619,112)	(4,671,181)
Net cash provided by operating activities	**155,010**	**699,384**	**854,394**
Cash flows from noncapital financing activities:			
Operating subsidies and transfers to other funds	(155,010)	-	(155,010)
Net increase in cash	**-**	**699,384**	**699,384**
Cash at July 1, 2021	-	**1,404,014**	**1,404,014**
Cash at June 30, 2022	**$ -**	**$ 2,103,398**	**$ 2,103,398**
Reconciliation of operating income to net cash provided by operating activities			
Operating income	$ 146,800	$ 437,682	$ 584,482
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	10,955	-	10,955
Decrease in accounts receivable	(3,714)	-	(3,714)
Decrease in accounts payable	(811)	261,702	260,891
Decrease in accrued payroll and payroll taxes	7,732	-	7,732
Decrease in deferred revenues	(5,952)	-	(5,952)
Net cash provided by operating activities:	**$ 155,010**	**$ 699,384**	**$ 854,394**

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 and earnings for this fund 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 allocated to future debt service payments.

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 and Right-to-use Assets and Amortization

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/amortization 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
Right-to-use building and improvements	10 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 – excess funds that have not been classified in the previous categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls. 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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

15. Equity Classifications - Continued

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.

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.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

19. New Accounting Pronouncement Adopted

For the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the District's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated into the District's June 30, 2022 financial statements and had no effect on the beginning fund balances of the governmental funds or the beginning net position of governmental activities.

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, 2022, the carrying amount of the deposits under District control was $9,804,427 and the bank balance was $11,224,758. Of the bank balance, $250,000 was covered by Federal Deposit Insurance Corporation (FDIC) through the District's depository, and the remaining amount was covered by FDIC through IntraFi Network Deposits per RSMo 67.085.

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 (MOSIP). 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 $34,102,286 at June 30, 2022.

Additionally, the District has $392,598 in restricted cash and investments that is held in a sinking fund for a future debt service principal payment per the 2009A bond issuance agreement. These funds are held by Bank of New York Mellon and invested in a US Treasury money market fund.

NOTE B – CASH AND INVESTMENTS - CONTINUED

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.

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 or through MOSIP. As of June 30, 2022, 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, 2022:

Carrying amount of deposits	$	9,804,427
Investments		34,494,884
	$	44,299,311

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 2021 for purposes of local taxation was:

Real estate:	
Residential	$ 738,020,610
Commercial	516,406,930
Personal property	105,325,480
	1,359,753,020
Less tax increment financing	10,190,650
	$ 1,349,562,370

NOTE C – TAXES - CONTINUED

The tax levy per $100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was as follows:

		Adjusted
General Fund	$	1.1483
Special Revenue Fund		2.3321
Debt Service Fund		0.6230
Capital Projects Fund		0.2500
	$	4.3534

The receipts of current property taxes during the fiscal year ended June 30, 2022 aggregated approximately 98.6% of the 2021 assessment computed on the basis of the levy as shown above.

NOTE D – CAPITAL ASSETS

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

	Balance at July 1, 2021	Transfers	Additions	Disposals	Balance at June 30, 2022
Governmental activities					
Capital assets not being depreciated					
Land	$ 714,536	$ -	$ -	$ -	$ 714,536
Capital assets that are depreciated					
Buildings and improvements	135,008,991	-	2,460,654	-	137,469,645
Furniture and equipment	20,587,433	-	1,562,368	(399,871)	21,749,930
Right-to-use assets being amortized					
Buildings and improvements	550,867	-	-	-	550,867
Totals at historical cost	156,861,827	-	4,023,022	(399,871)	160,484,978
Less: accumulated depreciation					
Buildings and improvements	(37,761,925)	-	(3,460,374)	-	(41,222,299)
Furniture and equipment	(17,139,134)	-	(993,420)	399,838	(17,732,716)
Less: accumulated amortization					
Buildings and improvements	(13,772)	-	(27,543)	-	(41,315)
Total accumulated depreciation and amortization	(54,914,831)	-	(4,481,337)	399,838	(58,996,330)
	$ 101,946,996	**$ -**	**$ (458,315)**	**$ (33)**	**$ 101,488,648**
Business-type activities					
Capital assets that are depreciated					
Furniture and equipment	$ 165,939	$ -	$ -	$ -	$ 165,939
Less accumulated depreciation					
Furniture and equipment	(90,185)	-	(10,955)	-	(101,140)
	$ 75,754	**$ -**	**$ (10,955)**	**$ -**	**$ 64,799**

Depreciation and amortization 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, 2022:

	Balance as of July 1, 2021	Additions	Reductions	Balance, as of June 30, 2022	Amount due within one year
General obligation bonds	$ 55,802,000	$ -	$ 6,720,000	$ 49,082,000	$ 4,920,000
Deferred amounts for issuance premium	3,308,865	-	690,708	2,618,157	-
Total bonds payable, net	**59,110,865**	**-**	**7,410,708**	**51,700,157**	**4,920,000**
Interest	616,447	539,858	616,447	539,858	539,858
Lease payable	4,265,000	-	490,000	3,775,000	500,000
Compensated absences	391,528	-	7,711	383,817	-
	$ 64,383,840	**$ 539,858**	**$ 8,524,866**	**$ 56,398,832**	**$ 5,959,858**

Principal and interest on general obligation bonds are paid through the Debt Service Fund. Principal and interest on 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, 2022 were as follows:

Date issued	Maturity date	Rate of interest	Original issue amount	Balance at June 30, 2022
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	15,575,000
12/05/19	03/01/29	2.00%-3.00%	31,075,000	20,335,000
				$ 49,082,000

NOTE E – LONG-TERM LIABILITIES - CONTINUED

The annual requirements to amortize the general obligation bonds as of June 30, 2022, including interest payments, are as follows:

Year ending June 30,	Principal	Interest	Total
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	6,947,000	803,389	7,750,389
2028-2029	15,130,000	694,300	15,824,300
	$ 49,082,000	**$ 6,828,915**	**$ 55,910,915**

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, 2022 was:

Constitutional debt limit	$ 202,434,356
General obligation bonds payable	(49,082,000)
Amount available in Debt Service Fund	5,834,815
Legal debt margin	**$ 159,187,171**

NOTE E – LONG-TERM LIABILITIES - CONTINUED

Lease Payable

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

- $550,867 of capital improvements to Meramec Elementary with $41,315 of related accumulated amortization

- $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

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, 2022:

Year ended June 30,		
2023	$	591,093
2024		594,244
2025		591,600
2026		593,932
2027		590,901
2028-2029		1,186,701
Total minimum lease payments		4,148,471
Less amount representing interest		(373,471)
Present value of minimum lease payments	**$**	**3,775,000**

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 2022, the total amount of tax abated was approximately $2.0 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 has established a policy of providing COLAs to both PSRS and PEERS members 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 2020, 2021 and 2022. 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 2020, 2021 and 2022. 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 $4,203,147 and $614,078, respectively, for the year ended June 30, 2022.

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

At June 30, 2022, the District recorded a liability of $12,246,618 for its proportionate share of the PSRS net pension liability and $506,154 for its proportionate share of the PEERS net pension liability. In total the District recorded net pension liabilities of $12,752,772. The net pension liability for the plans in total was measured as of June 30, 2021, 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 $4,119,889 and $590,848, respectively, for the year ended June 30, 2021 relative to the total contributions of $744,694,744 for PSRS and $125,712,392 for PEERS from all participating employers. At June 30, 2021, the District's proportionate share was 0.5532% for PSRS and 0.4700% for PEERS.

For the year ended June 30, 2022, the District recognized a pension expense (income) of $(1,768,372) for PSRS and $(144,567) for PEERS, its proportionate share of the total pension expense (income). Pension expense is the change in the net pension liability from the previous reporting period to the current reporting period, less adjustments. This may be a negative expense (pension income).

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, 2022, 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	$ 4,574,823	$ 292,823	$ 4,867,646
Changes in assumptions	5,024,587	272,217	5,296,804
Changes in proportion and differences between District contributions and proportionate share of contributions	414,509	-	414,509
Employer contributions subsequent to the measurement date	4,203,147	614,078	4,817,225
Total	**$ 14,217,066**	**$ 1,179,118**	**$ 15,396,184**

At June 30, 2022 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	$ 1,096,136	$ 26,272	$ 1,122,408
Net difference between projected and actual earnings on pension plan investments	31,334,399	3,384,431	34,718,830
Changes in proportion and differences between District contributions and proportionate share of contributions	120,139	103,032	223,171
Total	**$ 32,550,674**	**$ 3,513,735**	**$ 36,064,409**

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, 2021, will be recognized as a reduction to the net pension liability in the year ended June 30, 2023.

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
2023	$ (4,591,221)	$ (643,344)	$ (5,234,565)
2024	(5,165,346)	(557,570)	(5,722,916)
2025	(6,207,060)	(760,412)	(6,967,472)
2026	(7,640,407)	(987,369)	(8,627,776)
2027	1,067,278	-	1,067,278
	$ (22,536,756)	**$ (2,948,695)**	**$ (25,485,451)**

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 May 2021. All economic and demographic assumptions were reviewed and updated, where appropriate, based on the results of the studies and effective with the June 30, 2021 valuation. Significant actuarial assumption and methods are detailed below. For additional information please refer to the Systems' Annual Comprehensive Financial Report (ACFR). The next experience studies are scheduled for 2026.

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

Measurement Date: June 30, 2021

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

Valuation Date: June 30, 2021

Expected Return on Investments: 7.30%, net of investment expenses and including 2.00% inflation

Inflation: 2.00%

Total Payroll Growth PSRS: 2.25% per annum, consisting of 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity.

Total Payroll Growth PEERS: 2.50% per annum, consisting of 2.00% 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.

Future Salary Increases PSRS: 2.625% - 8.875%, depending on service and including 2.00% inflation, 0.125% real wage growth due to the inclusion of active health care costs in pensionable earnings, and 0.125% of real wage growth due to productivity, and real wage growth for merit.

Future Salary Increases PEERS: 3.25% - 9.75%, depending on service and including 2.00% 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.

Cost of Living Increases PSRS & PEERS: Given that the actual increase in the CPI-U index from June 2020 to June 2021 was 5.39%, the Board approved an actual COLA as of January 1, 2022 of 5.00%, in accordance with the Board's funding policy and Missouri statutes, compared to an assumed COLA of 2.00%. Future COLAs assumed in the valuation are 2.00% as of January 1, 2023 and January 1, 2024, and 1.35% each January 1 thereafter. This COLA assumption is based on the 20-year stochastic analysis of inflation performed in the 2021 experience study, the application of the Board's COLA policy, and the short-term expectations of COLA due to recent CPI activity. It is also based on the current policy of the Board to grant a COLA on each January 1 as follows:

> 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.

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

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 fourth January after retirement, while PEERS members receive a COLA on the fourth January after retirement.

Mortality Assumptions

- Actives PSRS: Experience-adjusted Pub-2010 Teachers Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

- Actives PEERS: Experience-adjusted Pub-2010 General (Below-Median Income) Mortality Table for Employees projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

- Non-Disabled Retirees PSRS: Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 Teachers Mortality Table for Healthy Retirees and the Pub-2010 Teachers Mortality Table for Contingent Survivors, respectively. The tables are projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown below at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale. The non-disabled factor is 1.10 for males and 1.04 for females. The contingent survivor factor is 1.18 for males and 1.07 for females.

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

- Non-Disabled Retirees PEERS: Mortality rates for non-disabled retirees and beneficiaries are based on the Pub-2010 General (Below-Median Income) Mortality Table for Healthy Retirees and the Pub-2010 General (Below-Median Income) Mortality Table for Contingent Survivors, respectively. The tables are projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the experience-based adjustment factors shown below at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale. The non-disabled factor is 1.13 for males and 0.94 for females. The contingent survivor factor is 1.01 for males and 1.07 for females.

- Disabled Retirees PSRS: Experience-adjusted Pub-2010 Teacher Disability Mortality Table, projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

- Disabled Retirees PEERS: Experience-adjusted Pub-2010 Generational Disability Mortality Table, projected from 2010 to 2018 using the MP-2020 improvement scale and multiplied by the healthy retiree experience-based adjustment factors at all ages for both males and females, with generational improvement after 2018 using the MP-2020 improvement scale.

Changes in Actuarial Assumptions and Methods

An experience study was completed in May 2021 resulting in an update to the following assumptions:

- PSRS & PEERS: The long-term inflation assumption was decreased from 2.25% to 2.00%. The expected return on assets assumption was decreased from 7.50% to 7.30%. The cost-of-living increase assumption was changed to be 2.00% on January 1, 2022, 2023, and 2024, and 1.35% on each January 1 thereafter.

NOTE G – RETIREMENT PLANS - CONTINUED

Actuarial Assumptions - Continued

- PSRS: The total payroll growth assumption was decreased from 2.75% to 2.25%. The future salary growth assumption was decreased from 3.00%-9.50%, depending on service. The mortality assumptions were changed to reflect the PubT-2010 (Teacher) mortality tables, with adjustments based on actual member mortality experience from 2015-2020, and to incorporate future mortality improvement on a generational basis in accordance with the MP-2020 improvement scale. Other demographic assumptions were also changed based on actual member demographic experience from 2015-2020.

- PEERS: The total payroll growth assumption was decreased from 3.25% to 2.50%. The future salary growth assumption was decreased from 4.00%-11.00%, depending on service, to 3.25%-9.75%, depending on service. The mortality assumptions were changed to reflect the PubG-2010(B)(General Employee, Below-Median Income) mortality tables, with adjustments based on actual member mortality experience from 2015-2020, and to incorporate future mortality improvement on a generational basis in accordance with the MP-2020 improvement scale. Other demographic assumptions were also changed based on actual member demographic experience from 2015-2020.

Fiduciary Net Position: The Systems issue a publicly available financial report (ACFR) 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, 2021 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 7.30% as of June 30, 2021, and is consistent with the long-term expected geometric return on plan investments. The Board of Trustees adopted a new actuarial rate of return of 7.30% effective with the June 30, 2021 valuations based on the actuarial experience studies conducted during the current fiscal year. 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 7.30% is presented as well as the net pension liabilities (assets) using a discount rate that is 1.0% lower (6.30%) or 1.0% higher (8.30%) than the current rate.

		1% decrease (6.30%)	Current rate (7.30%)	1% increase (8.30%)
PSRS	Proportionate share of the net pension liability / (asset)	$ 49,303,969	$ 12,246,618	$ (18,434,980)
PEERS	Proportionate share of the net pension liability / (asset)	4,286,113	506,154	(2,648,305)

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, 2022:

	Number	Average Age
Actives	453	46.4
Retired and beneficiaries	207	71.4
Total	**660**	

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 $4,439,943 was measured as of June 30, 2022, and the total liability used to calculate the total OPEB was determined by an actuarial valuation as of June 30, 2022.

Actuarial Cost Method: Entry age normal

Inflation: 2.40%

Salary Increases: 3.00%

Discount Rate: 3.54% based on the 20 year Bond GO Index at June 30, 2022. The rate for the prior year was 2.16%.

Healthcare Cost Trend Rates: 5.30% for 2022, 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.

Healthy Mortality Rate: Pub-2010 Teachers Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2021.

Changes in Total OPEB Liability

The components of the total OPEB liability of the District at June 30, 2022 are as follows:

	Total OPEB Liability
Balances as of June 30, 2021	$ 5,326,017
Service cost	279,827
Interest on total OPEB liability	119,350
Economic/demographic gains/losses	(467,164)
Changes in assumptions	(656,501)
Benefit payments	(161,586)
Balances as of June 30, 2022	**$ 4,439,943**

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 (2.54%)	Discount rate (3.54%)	1% increase (4.54%)
Total OPEB liability	$ 4,929,345	$ 4,439,943	$ 4,019,076

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	$ 3,939,549	$ 4,439,943	$ 5,041,616

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, 2022, the District recognized OPEB expense of $128,889 and deferred inflows of $1,926,520 related to the changes in assumptions, and deferred outflows of $512,800 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
2023	$ (270,288)
2024	(270,288)
2025	(260,919)
2026	(261,331)
2027	(208,815)
Thereafter *	(142,079)
Total	**$ (1,413,720)**

* 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.

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 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. The Board must approve the Commission's budget.

As of June 30, 2022 the Commission owed the District $108,918 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.

NOTE L – RISK MANAGEMENT - CONTINUED

1.District's Health Insurance Plan - Continued

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 $3,801,008 of which $3,631,233 was paid and $169,775 was unpaid.

The District purchases reinsurance to limit exposure to catastrophic claims. Specific stop loss limit insurance restricted the District’s 2021 calendar year exposure to $125,000 per member and restricts the District's 2022 calendar year exposure to $150,000 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 over 475 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, 2022

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual (budgetary basis)	Original to final	Final to actual
Revenues					
Local	$ 21,549,090	$ 19,829,040	$ 20,102,123	$ (1,720,050)	$ 273,083
County	127,990	117,820	117,824	(10,170)	4
State	283,320	377,990	360,218	94,670	(17,772)
Federal	887,260	1,952,900	1,761,828	1,065,640	(191,072)
Other	4,000	-	3,096	(4,000)	3,096
Total revenues	**22,851,660**	**22,277,750**	**22,345,089**	**(573,910)**	**67,339**
Expenditures					
Instruction	3,051,770	3,111,450	2,107,625	(59,680)	1,003,825
Attendance and guidance	814,960	843,490	775,841	(28,530)	67,649
Health services	680,680	718,860	685,224	(38,180)	33,636
Improvement of instruction and professional development	549,210	544,730	318,874	4,480	225,856
Media services	424,680	423,280	362,259	1,400	61,021
Board of Education services	279,100	279,100	228,280	-	50,820
Executive administration	1,686,830	1,703,890	1,617,595	(17,060)	86,295
Building level administration	1,117,270	1,117,270	1,068,539	-	48,731
Operation of plant	8,267,210	8,310,330	7,633,474	(43,120)	676,856
Security services	257,490	257,490	207,926	-	49,564
Nonallowable transportation	225,730	236,220	159,966	(10,490)	76,254
Food services	1,174,860	1,174,860	1,004,973	-	169,887
Business services	1,082,450	1,065,170	919,809	17,280	145,361
Central office support services	568,050	588,510	487,667	(20,460)	100,843
Adult/community programs	1,195,690	1,216,720	1,203,226	(21,030)	13,494
Total expenditures	**21,375,980**	**21,591,370**	**18,781,278**	**(215,390)**	**2,810,092**
Revenues over (under) expenditures	**$ 1,475,680**	**$ 686,380**	**$ 3,563,811**	**$ (789,300)**	**$ 2,877,431**

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, 2022

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual (budgetary basis)	Original to final	Final to actual
Revenues					
Local	$32,923,620	$34,289,640	$34,595,807	$ 1,366,020	$ 306,167
County	247,700	248,990	248,982	1,290	(8)
State	1,523,710	1,875,790	1,838,364	352,080	(37,426)
Federal	177,770	494,430	501,015	316,660	6,585
Other	-	2,840	2,837	2,840	(3)
Total revenues	**34,872,800**	**36,911,690**	**37,187,005**	**2,038,890**	**275,315**
Expenditures					
Instruction	29,170,190	29,100,230	28,259,630	69,960	840,600
Attendance and guidance	1,381,410	1,383,310	1,425,228	(1,900)	(41,918)
Health services	131,850	131,850	218,904	-	(87,054)
Improvement of instruction and professional development	1,181,580	1,184,280	1,122,297	(2,700)	61,983
Media services	550,140	550,140	537,841	-	12,299
Executive administration	1,234,400	1,234,400	1,278,517	-	(44,117)
Building level administration	1,669,340	1,669,340	1,674,124	-	(4,784)
Business services	110,370	108,600	-	1,770	108,600
Central office support services	-	-	504	-	(504)
Adult/community programs	3,480	3,480	3,518	-	(38)
Total expenditures	**35,432,760**	**35,365,630**	**34,520,563**	**67,130**	**845,067**
Revenues over (under) expenditures	**$ (559,960)**	**$ 1,546,060**	**$ 2,666,442**	**$ 2,106,020**	**$ 1,120,382**

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, 2021, 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	$ 22,345,089	$ 37,187,005
Current year revenue accruals	496,594	257,318
Prior year revenue accruals	182,113	547,891
Revenues - modified accrual basis	**$ 23,023,796**	**$ 37,992,214**
Expenditures		
Expenditures - cash basis	$ 18,781,278	$ 34,520,563
Current year expenditure accruals	11,060	135,478
Prior year expenditure accruals	(14,042)	(104,255)
Expenditures - modified accrual basis	**$ 18,778,296**	**$ 34,551,786**

SCHOOL DISTRICT OF CLAYTON

NET PENSION LIABILITY - UNAUDITED
Year ended June 30, 2022

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%
6/30/2021	0.5532%	12,246,618	29,001,748	42.23%	95.81%

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%	3,845,017	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%
6/30/2021	0.4700%	506,154	8,612,957	5.88%	98.36%

SCHOOL DISTRICT OF CLAYTON

NET PENSION LIABILITY - UNAUDITED
Year ended June 30, 2022

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	4,119,889	4,119,889	-	29,001,748	14.21%
6/30/2022	4,203,147	4,203,147	-	29,599,627	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	590,848	590,848	-	8,612,957	6.86%
6/30/2022	614,078	614,078	-	8,951,574	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, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service Cost	$ 279,827	$ 289,758	$ 216,081	$ 264,514	$ 270,318
Interest on total OPEB liability	119,350	116,915	205,795	213,641	199,304
Effect of economic / demographic gains or losses	(467,164)	-	(1,530,458)	-	-
Changes in assumptions	(656,501)	29,005	657,732	211,954	(160,959)
Benefit payments	(161,586)	(219,114)	(205,185)	(357,661)	(341,928)
Net change in total OPEB liability	**(886,074)**	**216,564**	**(656,035)**	**332,448**	**(33,265)**
Total OPEB liability at beginning of year	5,326,017	5,109,453	5,765,488	5,433,040	5,466,305
Total OPEB liability at end of year	**$ 4,439,943**	**$ 5,326,017**	**$ 5,109,453**	**$ 5,765,488**	**$ 5,433,040**
Covered Payroll	$ 34,016,844	$ 33,349,789	$ 32,481,736	$ 32,341,024	$ 31,688,037
Total OPEB liability as a percentage of covered payroll	13.05%	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, 2022

	Budgeted amounts			Variances - positive (negative)	
	Original	**Final**	**Actual (budgetary basis)**	**Original to final**	**Final to actual**
Revenues					
Local	$ 8,565,070	$ 8,276,470	$ 8,296,175	$ 288,600	$ 19,705
County	180,000	180,000	181,784	-	1,784
Federal	176,330	176,330	176,629	-	299
Total revenues	**8,921,400**	**8,632,800**	**8,654,588**	**288,600**	**21,788**
Expenditures					
Debt service:					
Principal retirements	6,720,000	6,720,000	6,720,000	-	-
Interest and other charges	1,826,030	1,826,030	1,821,502	-	4,528
Total expenditures	**8,546,030**	**8,546,030**	**8,541,502**	**-**	**4,528**
Revenues over expenditures	**$ 375,370**	**$ 86,770**	**$ 113,086**	**$ 288,600**	**$ 26,316**

Reconciliation of budgetary (cash) basis of accounting to modified accrual basis of accounting	
Revenues per above - cash basis	8,654,588
Current year revenue accruals	11,427
Prior year revenue accruals	295,802
Revenues - modified accrual basis	**8,961,817**
Expenditures per above - cash basis	8,541,502
Expenditures - modified accrual basis	**$ 8,541,502**

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, 2022

	Budgeted amounts			Variances - positive (negative)	
	Original	Final	Actual (budgetary basis)	Original to final	Final to actual
Revenues					
Local	$ 3,551,730	$ 4,041,100	$ 4,124,865	$ (489,370)	$ 83,765
County	26,230	85,170	85,167	(58,940)	(3)
Federal	-	6,900	6,145	(6,900)	(755)
Other	30,000	34,000	65,097	(4,000)	31,097
Total revenues	**3,607,960**	**4,167,170**	**4,281,274**	**(559,210)**	**114,104**
Expenditures					
Instruction	313,040	684,820	899,568	371,780	(214,748)
Health services	5,000	8,000	7,980	3,000	20
Media services	-	1,530	1,422	1,530	108
Executive administration	458,730	460,250	42,436	1,520	417,814
Building level administration	-	1,510	2,556	1,510	(1,046)
Operation of plant	980,250	2,663,220	1,146,269	1,682,970	1,516,951
Security services	11,680	4,746,170	2,156,505	4,734,490	2,589,665
Food services	10,000	10,000	-	-	10,000
Business services	32,500	11,290	-	(21,210)	11,290
Adult/community programs	6,000	24,840	9,084	18,840	15,756
Facilities acquisition and construction	53,290	53,290	53,292	-	(2)
Debt service:					
Principal retirements	436,710	436,710	436,708	-	2
Interest and other charges	102,930	102,930	102,917	-	13
Total expenditures	**2,410,130**	**9,204,560**	**4,858,737**	**6,794,430**	**4,345,823**
Revenues over (under) expenditures	**$ 1,197,830**	**$ (5,037,390)**	**$ (577,463)**	**$ 6,235,220**	**$ (4,459,927)**

Reconciliation of budgetary (cash) basis to modified accrual basis of accounting	
Revenues per above - cash basis	$ 4,281,274
Current year revenue accruals	4,605
Prior year revenue accruals	89,026
Revenues - modified accrual basis	**$ 4,374,905**
Expenditures per above - cash basis	$ 4,858,737
Current year expenditure accruals	281,902
Prior year expenditure accruals	(456,522)
Expenditures - modified accrual basis	**$ 4,684,117**

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA – Unaudited

SCHOOL DISTRICT OF CLAYTON

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA - UNAUDITED
Year ended June 30, 2022

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; Sept. 08, 2010; Dec. 27, 2017; Dec. 5, 2019
Relating to CUSIP Nos.:

Series 2009A			Series 2010A	Series 2017	Series 2019
FG6	GC4	GY6	184270 JM9	184270 KP0	184270 KY1
FH4	GD2	GZ3		184270 KQ8	184270 KZ8
FJ0	GE0	HA7		184270 KR6	184270 LA2
FK7	GF7	HB5		184270 KS4	184270 LB0
FL5	GG5	HC3		184270 KT2	184270 LC8
FM3	GH3	HD1		184270 KU9	184270 LD6
FN1	GJ9	HE9		184270 KV7	184270 LE4
FP6	GK6	HF6		184270 KW5	184270 LF1
FQ4	GL4	HG4		184270 KX3	184270 LG9
FR2	GM2	HH2			
FS0	GN0	HJ8			
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			

History of Enrollment

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

Grade	17-18	18-19	19-20	20-21	21-22
K	168	153	139	143	146
1st	198	164	160	143	150
2nd	187	190	167	157	159
3rd	196	192	201	167	160
4th	188	188	177	196	163
5th	210	194	192	174	188
6th	221	219	200	205	171
7th	201	242	226	202	206
8th	235	210	251	221	188
9th	232	226	214	248	215
10th	222	237	223	212	242
11th	206	227	240	220	207
12th	217	210	229	236	217
Total	2,681	2,652	2,619	2,524	2,412

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, 2022:

Revenue Source	% of Total
Local Revenue	93.21%
County Revenue	0.85
State Revenue	2.96
Federal Revenue	2.88
Other Revenue	0.10
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
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		57,431,254
2020	70,058,342	610,998	1,716,291	1,237,578	32,968,655	b	106,591,864
2021	61,835,038	613,816	1,710,141	1,826,198	116,958		66,102,151
2022	69,305,093	633,758	2,198,582	2,144,249	71,050		74,352,732

a Includes proceeds from the sale of refunded bonds and from sale of land
b Includes proceeds from the sale of refunded bonds.

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
2017	1,152,388,120	N/A
2018	1,136,240,380	-1.40%
2019	1,309,893,760	15.28%
2020	1,316,001,870	0.47%
2021	1,349,562,370	2.55%

SCHOOL DISTRICT OF CLAYTON

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA - UNAUDITED
Year ended June 30, 2022

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
2019	$ 3.6921	$ 4.0670	$ -	$ 3.9792
2020	4.1553	4.9562	-	4.5567
2021	4.1527	4.7354	-	4.5567
2022	4.0373	4.7658	-	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
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
2022	1.1483	2.3321	0.2500	0.6230	4.3534

SCHOOL DISTRICT OF CLAYTON

ANNUAL FINANCIAL INFORMATION AND OPERATING DATA - UNAUDITED
Year ended June 30, 2022

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		Current and Delinquent Taxes Collected	
				Amount	%	Amount	%
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%
2021-22	4.3534	1,349,562,370	58,751,848	59,245,361	100.84%	57,931,114	98.60%

Major Property Taxpayers

The ten largest real property taxpayers in the District according to their 2021 assessed valuations are listed below:

Taxpayer	Assessed Valuation	% of District's 2021 Total Assessed Valuation
1. City of Clayton	$ 44,955,860	3.33%
2. LCP Forsyth Blvd Property Owner LLC	30,400,000	2.25%
3. Clayton Franklin Clayton Plaza LLC	23,914,880	1.77%
4. Prime US 101 South Hanley LLC	22,176,670	1.64%
5. Clayton Corporate Park Management Co	19,460,580	1.44%
6. Clayton Central Owner LLC	16,571,200	1.23%
7. BLR Properties LLC	16,475,860	1.22%
8. MEPT Shaw Park Plaza LLC	15,126,950	1.12%
9. St. Louis Galleria LLC	14,978,390	1.11%
10. 8182 Maryland Associates	13,108,830	0.97%
	217,169,220	**16.08%**