
***CLAYTON RECREATION, SPORTS
AND WELLNESS COMMISSION, INC.***
FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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Independent Auditors' Report

Board of Directors
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St. Louis, Missouri

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Report On The Financial Statements

We have audited the accompanying financial statements of the business-type activities of Clayton Recreation, Sports And Wellness Commission, Inc. (the Commission), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility For The Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of September 30, 2015, and the respective changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Auditors

The financial statements of the Commission as of September 30, 2014 were audited by other auditors whose report dated March 30, 2015 expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

RubinBrown LLP

May 11, 2016

CLAYTON RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Clayton Recreation, Sports and Wellness Commission, Inc. (the Commission) we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal years ended September 30, 2015, 2014 and 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. The Commission's financial statements presented in this report consist of the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. The Statement of Net Position provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Commission. The revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement reports the revenues and expenses during the time periods indicated, and can be used to determine whether the Commission has successfully recovered all of its costs through user fees and other charges. The primary purpose of the Statement of Cash Flows is to provide information about the Commission's cash receipts and cash payments. This statement reports cash receipts, cash payments, and net changes in cash resulting from activities related to operations, capital and related financing, non-capital financing, and investing.

The following is a summary of financial position for the fiscal years 2015, 2014 and 2013:

	September 30,		
	2015	2014	2013
ASSETS			
Current assets	\$ 368,125	\$ 374,006	\$ 591,993
Capital assets	12,003,534	12,508,613	12,980,929
Total Assets	12,371,659	12,882,619	13,572,922
LIABILITIES			
Current liabilities	572,913	694,588	1,137,838
Noncurrent liabilities	—	—	—
Total Liabilities	572,913	694,588	1,137,838
NET POSITION			
Investment in capital assets	12,003,534	12,508,613	12,554,513
Unrestricted deficiency	(204,788)	(320,582)	(119,429)
Total Net Position	\$ 11,798,746	\$ 12,188,031	\$ 12,435,084

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Management's Discussion And Analysis (*Continued*)

STATEMENT OF NET POSITION

2015 and 2014

The Commission's net position at September 30, 2015 decreased \$389,285 to \$11,798,746 from the prior year. The change is primarily due to the provision for depreciation expense of \$581,521 and an operating loss before depreciation of \$95,099. These items were partially offset by contributions totaling \$200,000 from affiliated entities, the City of Clayton and the School District of Clayton, and utility reimbursements of \$39,005 from BJC/Oasis.

2014 and 2013

The Commission's net position at September 30, 2014 decreased \$247,053 to \$12,188,031 from the prior year. The change is primarily due to the provision for depreciation expense of \$581,521 and an operating loss before depreciation of \$128,237. These items were partially offset by contributions totaling \$426,416 from affiliated entities, the City of Clayton and the School District of Clayton and utility reimbursements of \$39,067 from BJC.

	September 30,		
	2015	2014	2013
Operating revenues	\$ 2,915,457	\$ 2,966,141	\$ 2,999,294
Operating expenses	3,544,445	3,675,899	3,428,464
Operating loss	(628,988)	(709,758)	(429,170)
Nonoperating revenues, net	239,703	462,705	379,813
Change in net position	(389,285)	(247,053)	(49,357)
Net position, beginning of year	12,188,031	12,435,084	12,484,441
Net position, end of year	\$ 11,798,746	\$ 12,188,031	\$ 12,435,084

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

2015 and 2014

Operating revenues in fiscal year 2015 decreased by \$50,684 to \$2,915,457 or 1.7%, and expenses decreased by \$131,454 to \$3,544,445 or 3.5% compared to the prior year ended September 30, 2014. Contributions from affiliates (City of Clayton and School District of Clayton) in fiscal year 2015 decreased by \$226,416 to \$200,000 and are included in non-operating revenue.

2014 and 2013

Operating revenues in fiscal year 2014 decreased by \$33,153 to \$2,966,141 or 1.1% and expenses increased by \$247,435 to \$3,675,899 or 7.2% compared to the prior year ended September 30, 2013. Contributions from affiliates (City of Clayton and School District of Clayton) in fiscal year 2014 increased by \$26,416 to \$426,416 and are included in nonoperating revenues.

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Management's Discussion And Analysis (*Continued*)

STATEMENT OF CASH FLOWS

The Commission's rate structure is designed to collect sufficient revenues to cover operating expenses. The net cash used in operating activities was used primarily for normal operating items.

CAPITAL ASSETS

The Commission's investment in capital assets includes building, improvements, furniture, and fitness equipment. Capital assets in fiscal year 2015 decreased by \$38,723 to \$20,491,167 and accumulated depreciation increased by \$466,356 to \$8,487,633. Capital assets in fiscal year 2014 increased by \$62,979 to \$20,529,890 and accumulated depreciation increased by \$535,295 to \$8,021,277.

The following is a comparative summary of capital assets.

	September 30,		
	2015	2014	2013
Building and improvements	\$ 18,989,790	\$ 19,045,446	\$ 18,997,162
Furniture and equipment	1,501,377	1,484,444	1,469,749
Total Capital Assets	20,491,167	20,529,890	20,466,911
Less: Accumulated depreciation	8,487,633	8,021,277	7,485,982
Net Capital Assets	\$ 12,003,534	\$ 12,508,613	\$ 12,980,929

Additional information on capital assets can be found in Note 3 of the Notes to Financial Statements.

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Commission's overall net position including depreciation expense declined \$389,285 in fiscal year 2015, \$247,053 in fiscal year 2014 and \$49,357 in 2013. The Commission's net position, excluding depreciation expense, increased \$144,604 in fiscal year 2015, increased \$334,468 in fiscal year 2014, and decreased \$513,256 in fiscal year 2013.

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Management's Discussion And Analysis (*Continued*)

OVERALL OUTLOOK FOR NEXT YEAR

Traditionally, the revenue stream for annual passes continues to be an important avenue of access for many people in the community, particularly families. This is not expected to change for the upcoming year. The Commission's income reflects minimal growth of 3% in annual passes for FY16 due to stagnant membership sales over the past year. Increased member amenities, such as free and reduced-fee member services, continue to drive family membership sales for residents and non-residents alike. Daily fees and facility rentals continue to be consistent sources of revenue for the facility. Increased enrollment in fitness and aquatic fitness programs continues to result in increased participation numbers; however, revenue in these program areas has not dramatically increased due to the new fee structure implemented several years ago as a part of the "value added" membership benefits package. A relatively conservative budget was approved for FY16, but the Commission is optimistic that it will maintain the current high quality of service to its patrons.

SUMMARY

This report is intended to provide our customers and other interested parties with a general overview of the financial position of the Commission and to indicate accountability for the revenues received. Questions about this report or requests for additional information should be directed to the City of Clayton Parks and Recreation Director, Patty DeForrest, at 314-290-8464 or Director of Finance and Administration, Janet K. Watson, at 314-290-8445.

**CLAYTON RECREATION, SPORTS AND
WELLNESS COMMISSION, INC.**

STATEMENT OF NET POSITION

Assets

	September 30,	
	2015	2014
Current Assets		
Cash	\$ 177,440	\$ 240,650
Accounts receivable	143,276	89,660
Prepaid expenses	47,409	43,696
Total Current Assets	368,125	374,006
Capital Assets		
Building and improvements	18,989,790	19,045,446
Furniture and equipment	1,501,377	1,484,444
	20,491,167	20,529,890
Less: Accumulated depreciation	8,487,633	8,021,277
Total Capital Assets	12,003,534	12,508,613
	\$ 12,371,659	\$ 12,882,619

Liabilities And Net Assets

Current Liabilities		
Accounts payable	\$ 107,598	\$ 238,290
Accrued salaries and payroll taxes	102,817	96,683
Accrued compensated absences	23,295	21,883
Deferred revenue - memberships	338,903	337,432
Deposits	300	300
Total Current Liabilities	572,913	694,588
Net Position		
Net investment in capital assets	12,003,534	12,508,613
Unrestricted	(204,788)	(320,582)
Total Net Position	11,798,746	12,188,031
	\$ 12,371,659	\$ 12,882,619

**CLAYTON RECREATION, SPORTS AND
WELLNESS COMMISSION, INC.**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	For The Years Ended September 30,	
	2015	2014
Operating Revenues		
Admissions	\$ 2,023,687	\$ 1,986,079
Programs	697,475	770,993
Rentals	150,111	154,471
Child care	16,397	17,622
Miscellaneous	27,787	36,976
Total Operating Revenues	2,915,457	2,966,141
Operating Expenses		
Building operations	1,060,898	1,129,022
Administration	1,123,108	1,091,779
Aquatics	356,318	359,056
Fitness	370,472	415,079
Sports	68,947	67,537
Summer quest	20,499	22,149
General recreation	10,314	9,756
Depreciation	533,889	581,521
Total Operating Expenses	3,544,445	3,675,899
Operating Loss	(628,988)	(709,758)
Nonoperating Revenues (Expenses)		
Contributions from affiliates	200,000	426,416
Utility reimbursement	39,005	39,067
Investment income	698	376
Interest expense	—	(3,154)
Total Nonoperating Revenues (Expenses)	239,703	462,705
Change In Net Position	(389,285)	(247,053)
Net Position - Beginning Of Year	12,188,031	12,435,084
Net Position - End Of Year	\$ 11,798,746	\$ 12,188,031

**CLAYTON RECREATION, SPORTS AND
WELLNESS COMMISSION, INC.**

STATEMENT OF CASH FLOWS

	For The Years	
	Ended September 30,	
	2015	2014
Cash Flows From Operating Activities		
Cash received from operations	\$ 2,863,312	\$ 2,962,765
Cash paid for operations	(3,052,384)	(3,104,508)
Net Cash Used In Operating Activities	(189,072)	(141,743)
Cash Flows From Noncapital Financing Activities		
Utility reimbursement	39,005	39,067
Contributions from affiliates	200,000	426,416
Net Cash Flows Provided By Noncapital Financing Activities	239,005	465,483
Cash Flows From Capital And Related Financing Activities		
Purchase of furniture and equipment	(113,841)	(109,205)
Principal payments on note payable	—	(426,416)
Interest paid on debt	—	(4,744)
Net Cash Used In Capital And Related Financing Activities	(113,841)	(540,365)
Cash Flows Provided By Investing Activities		
Investment income	698	376
Net Decrease In Cash	(63,210)	(216,249)
Cash - Beginning Of Year	240,650	456,899
Cash - End Of Year	\$ 177,440	\$ 240,650
Reconciliation Of Operating Loss To Net Cash Used In Operating Activities		
Operating loss	\$ (628,988)	\$ (709,758)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	533,889	581,521
Loss on disposal of capital assets	85,031	—
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(53,616)	670
(Increase) decrease in prepaid expenses	(3,713)	1,068
Decrease in accounts payable	(130,692)	(19,538)
Increase in accrued salaries, payroll taxes and compensated absences	7,546	8,340
Increase (decrease) in deferred revenue - memberships	1,471	(4,046)
Net Cash Used In Operating Activities	\$ (189,072)	\$ (141,743)

CLAYTON RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

NOTES TO FINANCIAL STATEMENTS September 30, 2015 And 2014

1. Summary Of Significant Accounting Policies

Clayton Recreation, Sports and Wellness Commission, Inc. (the Commission), a nonprofit organization, was legally incorporated in 1997 (with activity commencing on July 1, 1998) with the purpose of providing educational, recreation, athletic and wellness programs, community-based activities and related activities, and to own and operate a new athletic/recreation facility and renovated community center for the benefit of the City of Clayton, Missouri (the City) and the School District of Clayton, St. Louis, Missouri (the School District).

The financial statements of the Commission have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to local governments based upon its relationship with the City and the School District. The more significant accounting policies of the Commission are described below:

Reporting Entity

The financial statements of the Commission include the financial activities of the Commission and any component units, entities which are financially accountable to the Commission. The Commission does not have any component units.

Basis Of Accounting And Measurement Focus

All activities of the Commission are accounted for within a single proprietary (enterprise) fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (including depreciation) of providing services to the public on a continuing basis be financed or recovered primarily through user charges.

The Commission's financial statements are presented on the accrual basis of accounting, where revenues are recognized as earned and expenses are recognized when the related liability is incurred. The accounting and financial reporting treatment applied to the Commission is determined by its measurement focus. The transactions of the Commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of financial position.

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Notes To Financial Statements (*Continued*)

Revenues and expenses are categorized as either operating or nonoperating. Operating revenues and expenses include charges that are assessed to the beneficiaries of the service and the cost of providing the service. Nonoperating and other activities primarily include investment income, interest expense and contributions from affiliates.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, and then unrestricted resources as they are needed.

Accounts Receivable

In the opinion of management, all receivables are collectible in full; therefore, no allowance for doubtful accounts is provided.

Capital Assets

The Commission defines capital assets as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated property and equipment are recorded at estimated fair market value at the date of the donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life is not capitalized.

Depreciation is being computed on the straight-line method, using asset lives as follows:

<u>Assets</u>	<u>Years</u>
Building and improvements	7 - 40 years
Furniture and equipment	5 - 10 years

Compensated Absences

The Commission allows all full-time employees to accumulate unused sick leave up to a maximum of 130 days. Earned vacation time is required to be used within one year of accrual. Upon termination, accumulated vacation will be paid to the employee. Sick leave is not paid upon termination, but will be paid only upon illness while in the employment of the Commission.

Statement Of Cash Flows

For purposes of the statement of cash flows, the Commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Notes To Financial Statements (*Continued*)**Income Taxes**

The Commission is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Use Of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

2. Deposits And Investments

The Commission follows the City's investment policy, since the Commission's funds are pooled with the City's funds. The Commission has pooled cash deposits with the City at September 30, 2015 and 2014 of \$176,340 and \$239,550, respectively. The Commission held petty cash of \$1,100 in 2015 and 2014. The City and the Commission take a conservative, "prudent person" approach to their investment purchases and management. The focus of this policy is to invest public funds in safe and secure investments with sufficient liquidity to enable the Commission to meet the cash flow demands of operations while obtaining the best rate of return, given the investment risk and cash flow restraints of the policy.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Commission's deposits may not be returned or the Commission will not be able to recover collateral securities in the possession of an outside party. The Commission's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the Commission or trustee institution. The value of the securities must amount to the total of the Commission's cash not insured by the Federal Deposit Insurance Corporation (FDIC).

As of September 30, 2015 and 2014, the Commission's bank balances with the City were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

Investment Policy

The objectives of the City's investment policy are the following:

Legality: Every investment shall be made in accordance with applicable federal, state and local statutory provisions.

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Notes To Financial Statements (*Continued*)

Safety: Safety of principal is the foremost objective of the investment policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.

Liquidity: The investment portfolio must remain sufficiently liquid to enable the Commission to meet all operating requirements, which might be reasonably anticipated.

Return on Investment: The Commission's investment portfolio shall be managed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, taking into account the Commission's investment risk constraints and the cash flow characteristics of the portfolio.

These objectives support the Commission's conservative and prudent approach to investment management. The policy also addresses qualified institutions, appropriate investments, collateralization, safekeeping, institutional diversification of the portfolio, maximum maturities, performance standards, and reporting requirements.

Investment Types And Maturities

The policy limits investments to bonds, bills or notes of the United States or an agency thereof, negotiable or nonnegotiable certificates of deposit, savings accounts and other interest-earning deposit accounts of authorized financial institutions, or repurchase agreements (with acceptable collateral in an amount greater than the amount of the repurchase agreement including accrued interest) through approved financial institutions with a previously signed Master Repurchase Agreement. In accordance with the City's policy, the City tries to maintain a high level of liquidity to allow the Commission to meet its operating requirements. Unless matched to a specific cash flow, the Commission will not invest in securities maturing more than three years from the date of purchase, unless circumstances warrant other consideration.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address credit quality standards.

Concentration Of Credit Risk

The Commission's policy is to diversify its investments by institution, with the exception of bonds, bills or notes of the United States or any agency thereof.

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Notes To Financial Statements (Continued)

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with the City's policy, the Commission addresses custodial risk by pre-qualifying institutions with which the Commission places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

For deposits, custodial credit risk is the risk that in the event of bank failure, the Commission's deposits may not be returned. Protection of the Commission's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

3. Capital Assets

Capital assets activity for the fiscal years ended September 30, 2015 and 2014 was as follows:

	Balance - October 1,			Balance - September 30,	
	2014	Additions	Deletions	2015	
Capital assets being depreciated:					
Building and improvements	\$ 19,045,446	\$ 53,222	\$ (108,878)	\$ 18,989,790	
Furniture and equipment	1,484,444	60,619	(43,686)	1,501,377	
Total Capital Assets					
Being Depreciated	20,529,890	113,841	(152,564)	20,491,167	
Less: Accumulated depreciation for:					
Building and improvements	6,758,833	497,249	(28,076)	7,228,006	
Furniture and equipment	1,262,444	36,640	(39,457)	1,259,627	
Total Accumulated					
Depreciation	8,021,277	533,889	(67,533)	8,487,633	
Total Capital Assets, Net	\$ 12,508,613	\$ (420,048)	\$ (85,031)	\$ 12,003,534	

CLAYTON, RECREATION, SPORTS AND WELLNESS COMMISSION, INC.

Notes To Financial Statements *(Continued)*

	Balance - October 1, 2013	Additions	Deletions	Balance - September 30, 2014
Capital assets being depreciated:				
Building and improvements	\$ 18,997,162	\$ 48,284	\$ —	\$ 19,045,446
Furniture and equipment	1,469,749	60,921	(46,226)	1,484,444
Total Capital Assets				
Being Depreciated	20,466,911	109,205	(46,226)	20,529,890
Less: Accumulated depreciation for:				
Building and improvements	6,259,393	499,440	—	6,758,833
Furniture and equipment	1,226,589	82,081	(46,226)	1,262,444
Total Accumulated				
Depreciation	7,485,982	581,521	(46,226)	8,021,277
Total Capital Assets, Net	\$ 12,980,929	\$ (472,316)	\$ —	\$ 12,508,613

Depreciation expense for the years ended September 30, 2015 and 2014 totaled \$533,889 and \$581,521, respectively.

4. Long-Term Liabilities

The following is a summary of changes in the Commission's long-term liabilities for the fiscal years ended September 30, 2015 and 2014:

	Balance - October 1, 2014	Additions	Reductions	Balance - September 30, 2015	Amount Due Within One Year
Compensated absences	\$ 21,883	\$ 31,010	\$ (29,598)	\$ 23,295	\$ 23,295

	Balance - October 1, 2013	Additions	Reductions	Balance - September 30, 2014	Amount Due Within One Year
Note payable	\$ 426,416	\$ —	\$ (426,416)	\$ —	\$ —
Compensated absences	22,468	32,654	(33,239)	21,883	21,883
	\$ 448,884	\$ 32,654	\$ (459,655)	\$ 21,883	\$ 21,883

5. Intergovernmental Agreement And Related Party Transactions

The City joined with the School District to construct and operate the Commission's recreational facility. Administration, accounting, and repair and maintenance of the facility will be shared in accordance with an agreement between the City and the School District. The City contributed approximately two-thirds of the construction costs, with the remainder contributed by the School District and various other organizations. The City and the School District are liable in accordance with the terms of the contract for any operational cash shortages. The total amount charged to the City and the School District amounted to \$200,000 and \$426,416 for the years ended September 30, 2015 and 2014, respectively. Both the City and the School District are leasing three and nine acres of land, respectively, to the Commission for \$1 per year for 35 years.

At September 30, 2015 and 2014, accounts payable includes \$61,708 and \$214,598, respectively, which is owed to the School District.

6. Employee Retirement Benefit Plan

Substantially all full-time Commission employees are covered by a defined benefit pension plan which is operated by the City. Employees become eligible to participate in the plan on the start date of their full-time employment. The net pension liability associated with this plan is reported on the City's financial statements, as the Commission's share of this liability is immaterial.