

Clayton, Missouri



Photo by Paul G. GREGG/TURCO



Comprehensive Annual Financial Report
For the year ended September 30, 2017

***CITY OF CLAYTON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT***
For The Fiscal Year Ended September 30, 2017

*Report prepared and submitted by the
Finance Department*

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INTRODUCTORY SECTION



April 20, 2018

To the Honorable Mayor, Board of Aldermen and Citizens of Clayton:

Pursuant to City policy and in accordance with state law, the Comprehensive Annual Financial Report (CAFR) of the City of Clayton, Missouri, for the fiscal year (FY) ended September 30, 2017, is herewith submitted for your review. This report was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by an independent firm of licensed certified public accountants.

This report is the City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making the representations contained within this report, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformance with GAAP. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs.

The City's financial statements have been audited by RubinBrown LLP, a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended September 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon its audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended September 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

CITY PROFILE AND STRUCTURE

The City was incorporated in 1913 and is a home rule municipal corporation operating under its own charter. The governing body for the City is a Board of Aldermen consisting of an elected Mayor and six Aldermen, and operates under the Council/Manager form of government. The Board of Aldermen collectively appoint a City Manager to administer daily operations. The City's borders encompass 2.5 square miles and combine a bustling downtown with quiet, secure residential neighborhoods. The City's downtown is the leading business district in the region and home to extraordinary commercial enterprises. The City has a residential population of 15,939 and an estimated daytime population of 46,000. The City serves as the governmental seat for St. Louis County, Missouri.

The City provides a full range of municipal services including public works, parks and recreation, police, fire and emergency medical services, economic development, finance, information technology, and general administration.

The City uses the Governmental Accounting Standards Board criteria to examine the relationship of the City to other associated but legally separate entities, to determine if their inclusion in this report would be necessary to fairly represent the financial position of the City. These criteria for including entities as a potential component unit are generally related to the financial benefit or burden, and levels of influence over the activities of these organizations. The financial reporting entity includes all funds of the City. This report does not include the Clayton Recreation, Sports and Wellness Commission (CRSWC). The CRSWC is considered a joint venture of the City and Clayton School District and further information on this entity can be found in Note 11 in the Notes to Financial Statements.

FINANCIAL INFORMATION

In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal controls are designed and developed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed and recorded in line with management's policies. The internal control structure provides reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

The annual budget serves as a foundation for the City's financial and operational plan for the following year. The City Manager requests each department develop an annual operating and capital planning budget request, including revenue and expenditures, for appropriation. In addition, two planning years are included in the budget document and are updated annually. The budget is prepared by fund, broken down further by department, programs, or projects within the department, then object of expenditures within programs, and finally line items within the objects. The City Manager presents a proposed budget to the Board of Aldermen and a public hearing is held prior to final approval. Budget transfers within a department require approval by the City Manager. Budget transfers between departments or between funds require approval by the Board of Aldermen and these approvals occur quarterly. Budgetary control is maintained at the departmental and fund levels partially through the use of an encumbrance system. Monies of respective accounts are encumbered as purchase orders so that budgeted appropriations may not be overspent without proper approval. Open encumbrances at year-end are reported as assignments of the fund balance.

In addition to City funds, the City has a fiduciary responsibility as a trustee for assets for the Uniformed and Non-Uniformed pension plans. Additional information can be found in Note 7 in the Notes to Financial Statements.

ECONOMIC CONDITION AND OUTLOOK

The City blends an active business district with an outstanding housing mix. The downtown area combines approximately 7,000,000 square feet of prestigious office space with the vitality of more than 1,000,000 square feet of retail space. The City's appealing residential neighborhoods provide a mix of housing, to include single-family homes, condominiums, and multi-family apartment dwellings. Much of the residential area is within walking distance of the downtown or neighborhood retail districts that include specialty boutiques, restaurants, services, fitness facilities, and cafes. In addition to its strong economy, the City has beautiful residential neighborhoods and has devoted nearly 80 acres of green space to passive and active park areas and recreation adding to its quality of life. Included in these resources is The Center of Clayton, a multi-use recreational facility operated in conjunction with the Clayton School District.

The City has maintained a thriving business district despite the economic challenges faced nationally. The City has a diverse income mix and is not overly dependent on property tax, which is balanced well between commercial and residential. Therefore, the City is able to maintain a strong financial footing.

The City's location within the region further strengthens the City's attractiveness to residents, businesses, and visitors. As the seat for St. Louis County, many county residents come to the City on a daily basis to do business in the many County offices. MetroLink (the region's light-rail system) through the City provides easy and quick access to downtown St. Louis, the airport, and parts of south St. Louis County. A regional bus transfer station that is connected to the Central Avenue MetroLink station provides public transportation access to most of the region. Finally, the City's proximity to numerous interstates and major County arterials, as well as its central location, allows that trips to the airport, downtown St. Louis, or other major attractions can be made within 15 minutes.

The City's stable retail community includes approximately 85 restaurants (many of which are award winning), 70 vibrant retail boutiques, and 230 personal service businesses. The City's downtown is the region's premier business district and home to numerous Forbes and Fortune 500 headquarters and branch offices. To name just a few, the City is home to Enterprise Holdings, Caleres (formerly Brown Shoe Group), Commerce Bank, Centene Corporation, Graybar, Barry-Wehmiller Companies, Olin Corporation, Apex Oil, and many of the largest law firms in the St. Louis area. The City maintains the highest commercial occupancy rate in the region at over 94%, and it continues to be one of the steadiest submarkets in the St. Louis area, and highest commercial real estate values in the Midwest outside of Downtown Chicago.

The City is experiencing the strongest commercial and multi-family economic development in its history. Over the last year, the City had three residential developments come to substantial completion and are now leasing over 600 downtown luxury rental apartments. These projects also include 26,000 square feet of retail space. The City also has a \$750 million expansion of Centene Corporation's world headquarters underway which consists of over 3,000,000 square feet of office, retail, hotel, civic auditorium, and parking space. A new downtown hotel and a senior multi-story community have recently publicly announced their intentions to commence zoning approvals and construction. Other large mixed-use, residential and commercial projects are in the proposal process. Clayton remains the region's premiere dining destination. Within the past year Clayton

has seen the openings of Capital Grille, Louie, Billie Jean and Bao. Other restaurants are currently under construction.

In 2010 to aid in further development, the City updated the Downtown Master Plan which calls for a stronger identity for the downtown area, specifically the retail component. The revised plan provides a comprehensive framework for future development and strategic retail marketing efforts. The plan includes streetscape improvements; interconnecting open space creating a downtown identity; and developing a marketing strategy to benefit private and public sectors and encourage tourism. Two projects included in the master plan were recently completed which are a comprehensive signage and wayfinding system; and Chapman Plaza which is a privately funded \$7 million inviting, new pedestrian entrance to Shaw Park from the downtown which includes a large, natural water feature at the northeast corner of the park. The City continues to expand the offering of community events in the downtown area.

MAJOR INITIATIVES

Citizen Survey and Performance Management

The City performs biennial citizens surveys which are conducted to ensure the City is meeting the needs and expectations of our citizens. In the last survey the City maintained high ratings, setting new high standards in several categories tracked by the ETC Institute, the survey administrator. The City continues to develop its performance measurement and management system to align City services and programs with the feedback from the survey.

Strategic Plan

The City has in place a strategic plan for the future, entitled *C the Future*. The City hired a consultant which facilitated the process, established a steering committee, created a fifty-person stakeholder's group, and received public input through focus groups and online forums. The final plan generated the following community vision.

VISION

Clayton is recognized regionally and nationally as a premier city of its size and character. The community is a safe, vibrant destination defined by its unique combination of leading businesses and educational institutions, the seat of county government and picturesque neighborhoods, all of which combine to provide an exceptional quality of life.

Four Key Performance Areas and Strategic Initiatives were identified and developed for the community. These are the critical areas that must be successful in order to achieve the vision above. Strategic initiatives have also been identified for each key performance area. The four key performance areas are as follows:

- Exceptional City Services - Clayton residents, visitors, and businesses are proud of its City government and the exceptional level of City services provided by dedicated employees. City services are provided in a financially sustainable manner with high service levels delivered with a commitment to efficiency.
- Livable Community - Clayton is a sustainable, welcoming community comprised of desirable neighborhoods, attractive green space, diverse artistic, cultural and recreational opportunities, and a multi-modal transportation system, all of which foster a safe, healthy, and enriched quality of life.
- Strategic Relationships - Clayton ensures its long-term viability as a thriving community and premier destination by developing and leveraging strategic relationships. Clayton leads

and fosters collaboration among public, private, and non-profit entities for the greater good of the community and the region.

- Economic Development and Vibrant Downtown - Clayton is a premier economic center, welcoming and fostering entrepreneurs and new companies, attracting diverse talent while maintaining and promoting established businesses and investment. Clayton's economy and sense of place is anchored by a vibrant downtown that is characterized by a blend of corporate headquarters, local businesses, restaurants, residences, retail uses, and regional government.

Sustainability

The City continues to lead the region as a "green" city by becoming a *Green Power Community* and the City has achieved a 3% green power requirement. The City's police facility is certified at the LEED Platinum level, and also includes an installation which is the largest non-utility owned solar array in the State of Missouri.

LONG-TERM FINANCIAL PLANNING

The City updates a five-year capital improvement plan annually and includes this information in the budget document. Over the next five years, the capital plan includes \$27.7 million in infrastructure, parks, and facility improvements. The plan is funded by annual revenues, grants, a portion of the remaining General Obligation bond funds, and future planned issuance of bonds for improvements to park and recreation facilities.

The Board of Aldermen has approved a balanced General Fund budget, as has been the year-end result in the last three fiscal years, and will maintain the strong General Fund balance of 64% of annual expenditures. The county has passed a new one-half cent public safety sales tax which began October 1, 2017 and the City of Clayton will receive a portion of that tax as new revenue for public safety purposes. Also, long-term revenue from substantial economic development will begin to enhance services in the near future.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 30 consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting this document to GFOA for award consideration.

Additionally, the GFOA awarded the Distinguished Budget Award to the City for FY 2017. This was the City's tenth consecutive Distinguished Budget Award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only and the City has already submitted the FY 2018 budget for award consideration.

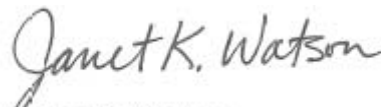
ACKNOWLEDGEMENTS

The quality and timely preparation of the CAFR would not be possible without the dedicated service of administrative staff from various departments. We want to specifically thank the Finance Department as they were key components in administering the City's accounting and reporting systems. We would also like to acknowledge our auditors, RubinBrown LLP, for their help in formulating this report. We also wish to extend our sincere gratitude to the Board of Aldermen for their leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Craig S. Owens
City Manager



Janet K. Watson
Director of Finance and Administration

CITY OF CLAYTON, MISSOURI

PRINCIPAL OFFICIALS

Mayor Harold Sanger

Aldermen:

Ward I Joanne Boulton

Ward I Richard Lintz

Ward II Michelle Harris

Ward II Ira Berkowitz

Ward III Mark Winings

Ward III Alex Berger III

City Manager Craig S. Owens

Department Directors:

..... Janet Watson, Finance and Administration

..... Gary Carter, Economic Development

..... Susan Istenes, Planning and Development

..... Kevin Murphy, Police

..... (Vacant), Fire

..... Dale Houdeshell, Public Works

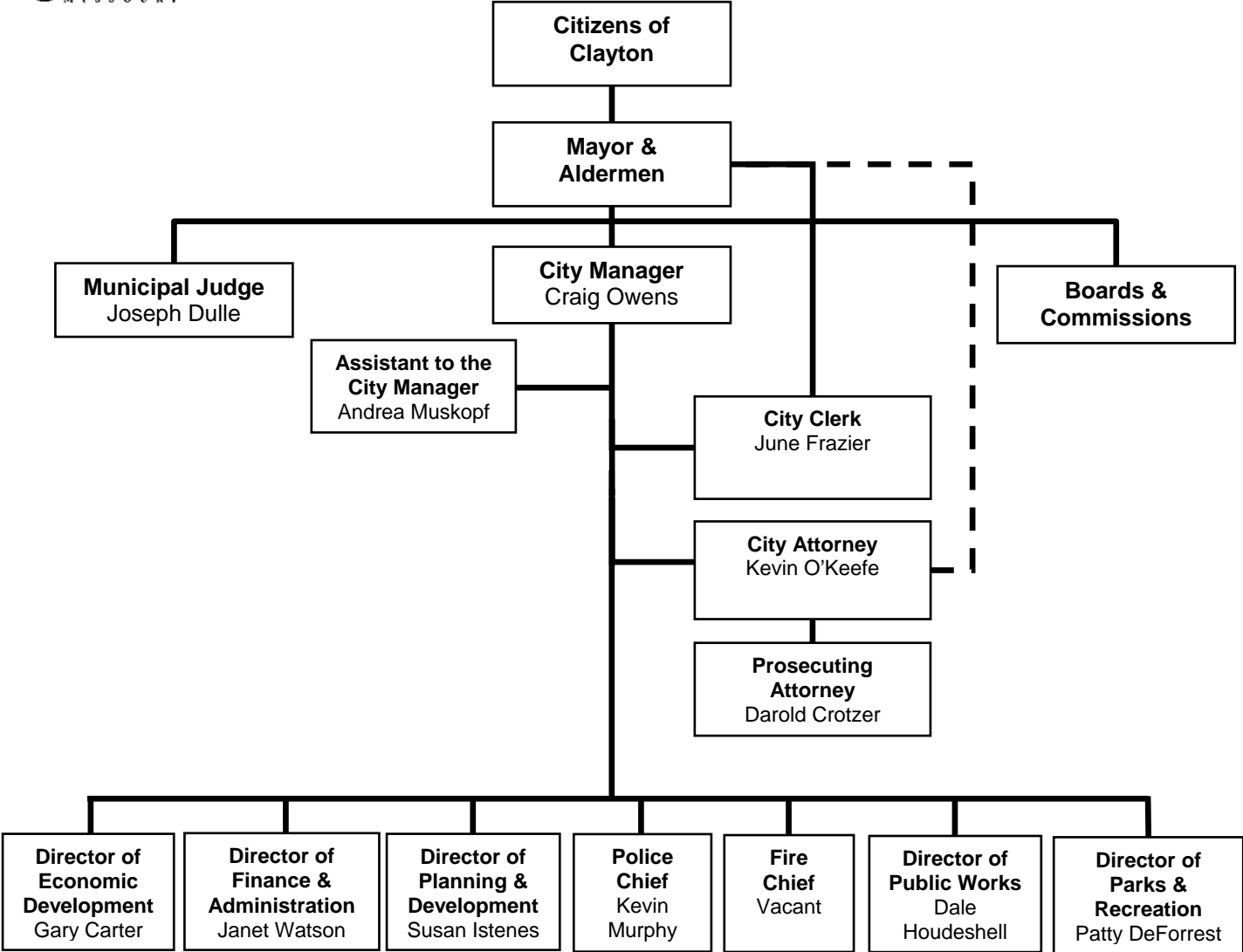
..... Patty DeForrest, Parks and Recreation

..... June Frazier, City Clerk

..... Andrea Muskopf, Assistant to the City Manager



City of Clayton Organization Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Clayton
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditors' Report

The Honorable Mayor and Members
of the Board of Aldermen
City of Clayton, Missouri

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Clayton, Missouri (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City'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.

Auditor's Responsibility

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

An audit includes 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Budgetary Comparison Information; the Schedules of Changes in Net Pension Liability and Related Ratios, Contributions, and Investment Returns related to the City's retirement plans; and the Schedule of Funding Progress related to the City's other post-employment benefit plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2018 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 City's internal control over financial reporting and compliance.

RubinBrown LLP

April 20, 2018

CITY OF CLAYTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Clayton, Missouri presents this narrative overview and analysis to assist our readers in reviewing and understanding the accompanying annual financial statements for the fiscal year ended September 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal which can be found on pages i-vi of this report.

Financial Highlights

- On a government-wide basis the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources for the most recent fiscal year by \$88,013,327. Of this amount, \$15,305,096 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,404,577 due to revenues exceeding expenses.
- At the close of fiscal year 2017, the City's governmental funds reported an ending fund balance of \$31,550,191, a decrease of \$3,356,843 in comparison to the prior year balance of \$34,907,034 due to the expenditures of a portion of the remaining General Obligation bond proceeds and other funds for capital projects. Approximately 53% of the ending fund balance, or \$16,818,279, is unassigned and available for spending at the City's discretion.
- At the end of fiscal year 2017, unassigned fund balance for the general fund was \$16,818,279 or 68% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City of Clayton, Missouri's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with an overview of the City's finances, presenting all funds in a more simplified format. This section is similar to financial reporting used by commercial entities. Note that the government-wide financial statements exclude fiduciary fund (Pension Trust Funds) activities.

The *statement of net position* presents information on all the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including long-term debt and capital assets in the governmental funds. The difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as transactions occur, regardless of when the related cash flows are reported. Therefore, some revenues and expenses included in this statement may reflect cash flows that actually occur in future periods.

Government-wide statements are principally supported by taxes and intergovernmental revenues and include general government, public safety, public works, parks and recreation, economic development, community development, and interest and fiscal charges.

Fund Financial Statements

Funds are used in government accounting to separate resources that are designated for specific programs or activities. The City, like other state and local governments, uses fund accounting to demonstrate compliance with the laws, regulations and contractual agreements that establish the authority for the City's programs and services. The funds for the City of Clayton can be divided into two categories: governmental and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the City's basic services, the same services that are included in the governmental activities on the government-wide statements. However, the information in the fund statements is measured differently. Governmental funds focus on current financial resources rather than economic resources. Therefore, the statements include the short-term resources, such as cash, investments and receivables, that will be collected in the next few months, and liabilities that will be retired with these monies. This information is important for assessing the City's current financial resources.

The reconciliations in the fund statements explain the difference between the governmental funds in the fund statements and the governmental activities found in the government-wide financial statements. This reconciliation will explain the adjustments necessary to compile the long-term resources and liabilities for the government-wide statements with the current picture presented in the fund statements.

The City utilizes the following major governmental funds:

- General
- Capital Improvement
- Equipment Replacement
- 2014 General Obligation Bond Issue

The larger funds are presented as major funds while the other funds are presented in the combining statements for non-major funds. A description of the major funds can be found in the notes to the financial statements. Both major and non-major fund statements include a balance sheet and statement of revenues, expenditures and changes in fund balances.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

The City adopts an annual budget for all funds except the Drug Forfeiture Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget. Budgetary comparisons for the general fund can be found in the required supplementary information. All other major and non-major funds budgetary comparisons can be found in the other supplementary information section.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City is the trustee, or fiduciary, for the City of Clayton Uniformed Employees' Pension Fund and Non-Uniformed Employees' Retirement Fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

Notes provide additional information that is essential to a full understanding of the information included in the government-wide and fund financial statements. Notes provide additional details about the balances and transactions in the City's financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found in this section of the report.

Other Supplementary Information

The combining and individual fund statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Clayton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$88,013,327 at the close of the most recent fiscal year, an increase of \$5,404,577.

A major portion of the City's net position is net investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure less any related debt used to acquire those assets) which totals \$71,073,997 or 81% of net position. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (Continued)

Unrestricted net position of \$15,305,096 is another major portion of the City's net position (17%) that may be used to meet on-going obligations to citizens and creditors.

The following table summarizes the statement of net position as of September 30, 2017 and 2016:

| | September 30 | | 2017 Change | |
|---|----------------------|----------------------|---------------------|---------------|
| | 2017 | 2016 | Amount | Percent |
| Assets | | | | |
| Current and other assets | \$ 40,070,842 | \$ 42,484,666 | \$ (2,413,824) | -5.7% |
| Capital assets, net | 99,106,116 | 93,427,356 | 5,678,760 | 6.1% |
| Total assets | 139,176,958 | 135,912,022 | 3,264,936 | 2.4% |
| Deferred Outflows of Resources | | | | |
| Deferred charges on refunding | 109,912 | 234,270 | (124,358) | -53.1% |
| Deferred amounts related to pensions | 2,477,701 | 3,326,714 | (849,013) | -25.5% |
| Total deferred outflows of resources | 2,587,613 | 3,560,984 | (973,371) | -27.3% |
| Liabilities | | | | |
| Current liabilities | 8,313,358 | 7,397,894 | 915,464 | 12.4% |
| Long-term liabilities | 43,431,788 | 48,926,593 | (5,494,805) | -11.2% |
| Total liabilities | 51,745,146 | 56,324,487 | (4,579,341) | -8.1% |
| Deferred Inflows of Resources | | | | |
| Deferred amounts related to pensions | 2,006,098 | 539,769 | 1,466,329 | 271.7% |
| Total deferred inflows of resources | 2,006,098 | 539,769 | 1,466,329 | 271.7% |
| Net Position | | | | |
| Net investment in capital assets | 71,073,997 | 63,730,611 | 7,343,386 | 11.5% |
| Restricted | 1,634,234 | 3,020,748 | (1,386,514) | -45.9% |
| Unrestricted | 15,305,096 | 15,857,391 | (552,295) | -3.5% |
| Total net position | \$ 88,013,327 | \$ 82,608,750 | \$ 5,404,577 | 6.5% |

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

The statement of activities is the second statement in the government-wide statements. The following table outlines the major components of this statement.

| | September 30 | | 2017 Change | |
|---|----------------------|----------------------|-----------------------|----------------|
| | 2017 | 2016 | Amount | Percent |
| Revenues | | | | |
| Program revenues: | | | | |
| Charges for services | \$ 7,622,016 | \$ 6,724,069 | \$ 897,947 | 13.4% |
| Operating grants and contributions | 1,174,849 | 1,143,239 | 31,610 | 2.8% |
| Capital grants and contributions | 4,888,546 | 1,983,200 | 2,905,346 | 146.5% |
| General revenues: | | | | |
| Property tax | 9,051,027 | 8,326,593 | 724,434 | 8.7% |
| Sales tax | 7,101,367 | 7,257,356 | (155,989) | -2.1% |
| Utility tax | 5,301,493 | 5,235,918 | 65,575 | 1.3% |
| Other taxes | 240,183 | 236,529 | 3,654 | 1.5% |
| Investment income | 283,949 | 331,992 | (48,043) | -14.5% |
| Grants and contributions not restricted to specific programs | 183,866 | 192,157 | (8,291) | -4.3% |
| Gain on sale of capital assets | 41,001 | 4,024,986 | (3,983,985) | 100.0% |
| Miscellaneous | 214,256 | 185,115 | 29,141 | 15.7% |
| Total revenues | 36,102,553 | 35,641,154 | 461,399 | 1.3% |
| Program Expenses | | | | |
| General government | 4,814,472 | 4,965,846 | (151,374) | -3.0% |
| Public safety | 12,255,940 | 11,240,555 | 1,015,385 | 9.0% |
| Public works | 7,763,038 | 6,897,265 | 865,773 | 12.6% |
| Parks and recreation | 2,914,876 | 2,747,973 | 166,903 | 6.1% |
| Economic development | 535,756 | 595,984 | (60,228) | -10.1% |
| Community development | 1,058,584 | 917,979 | 140,605 | 15.3% |
| Interest on long-term debt | 1,355,310 | 1,472,979 | (117,669) | -8.0% |
| Program expenses | 30,697,976 | 28,838,581 | 1,859,395 | 6.4% |
| Change in net position | 5,404,577 | 6,802,573 | (1,397,996) | -20.6% |
| Beginning of year net position | 82,608,750 | 75,806,177 | 1,397,996 | 1.8% |
| End of year net position | \$ 88,013,327 | \$ 82,608,750 | \$ (1,397,996) | -1.7% |

The City's overall net position of \$88,013,327 increased \$5,404,577 during the current fiscal year. Fiscal year 2017 revenues totaling \$36,102,553 are \$461,339 more than fiscal year 2016. Program revenue totaling \$13,685,411 are \$3,834,903 more than fiscal year 2016 due to a large increase in capital grants and contributions. The majority of these grants and contributions were for park enhancements.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

General revenue from property, sales, and utility taxes total \$21,453,887, an increase of \$634,020 from fiscal year 2016 and 96% of total general revenues of \$22,417,142. Property tax revenue increased \$724,434 to \$9,051,027 due to the City's decision to recoup revenue lost through property owners' successful assessed valuation protests. Sales tax decreased slightly by \$155,989 to \$7,101,367 due to normal fluctuations in economic growth. The City expects sales tax growth in the future.

Program expenses totaling \$30,697,976 were \$1,859,395 greater than fiscal year 2016. The increase is primarily due to salary and benefit increases, especially in public safety, additional shared services staff with related revenue, a new parking system and related fees, a feasibility study regarding use of current facilities, and contracting for additional plan review services.

Financial Analysis of the City's Funds

The fund statements present the City's financial information in a more detailed format. Fund statements provide important information about the City's compliance with laws and regulations that define the local government environment in Missouri. The measurement principles in the governmental fund statements are also different than the government-wide statements. Fund statements focus on current and short-term resources, while government-wide statements present the long-term view.

The City's total governmental funds at the end of the current fiscal year reported an ending fund balance of \$31,550,191, a decrease of \$3,356,843 in comparison with the prior year. Approximately 53% of this total amount (\$16,818,279) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances consists of nonspendable funds of \$93,795 for inventory and interfund advances; restricted funds of \$9,326,000 for capital projects, economic development, debt service, public safety and sewer lateral; committed funds of \$5,236,670 for capital projects; and assigned funds of \$75,447 for purchases on order.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance is \$16,818,279 while total fund balance is \$16,987,521. Unassigned fund balance represents 68% of total General Fund expenditures. The City's General Fund minimum reserve policy level is 25% of expenditures, with a target level of 33%. The City's fiscal year 2017 General Fund balance increased \$44,192. Fiscal year 2017 revenue totaled \$25,136,142 and is \$1,497,761 more than fiscal year 2016. Most of this change is related to increases in revenue from property tax, building permits, reimbursement for shared services staff, and parking meters and fines.

The Capital Improvement Fund balance of \$234,924 is restricted for capital projects. The decrease in fund balance of \$1,433,758 was mostly due to large expenditures for capital projects. Transfers in of \$2,562,772 are from the 2014 general obligation bond issue for construction and from a decision by the Board of Aldermen to transfer the majority of the General Fund 2017 surplus to be used for capital projects. Transfers out of \$3,323,479 are to pay a portion of the debt service on the 2011 bonds and the 2014 refunding bonds, and to cover a portion of capital equipment replacement costs in the General Fund.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

The Equipment Replacement Fund has a total fund balance of \$5,236,670, which is committed for the replacement of vehicles, equipment and technology items in the City based on a long-range replacement plan. The funding source is a charge-back to the General Fund.

The 2014 General Obligation Bond Issue Fund has a total fund balance of \$8,507,283. This represents the remainder of the proceeds of the 2014 General Obligation bonds, which are restricted for expenditure on various capital improvements and for debt service.

General Fund Significant Variances - Budget and Actual

The General Fund budget to actual is summarized in the required supplementary information section. The General Fund final budget for revenues totaled \$25,033,569 and was \$686,544 lower than the original budget mostly due to the timing of receipt of some large building permits and less sales tax being received than planned. The final budget for expenditures totaled \$25,190,005 and was \$196,775 lower than the original budget. As stated earlier, the City's policy on General Fund balance is a minimum of 25% of operating expenditures, with a target level of 33%. The current unassigned General Fund balance is at 68%.

Overall, the net change in fund balance on the budget basis was an increase of \$44,192. Actual General Fund revenue totaling \$24,979,179 was \$54,389 less than the final budget. Actual General Fund expenditures totaling \$24,661,556 were \$528,449 less than the final budget due to vacancies, a delay in small projects, and less contractual services than planned.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of September 30, 2017 totaled \$99,106,116 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total change in the City's investment in capital assets was an increase of \$5,678,760 with depreciable capital assets increasing \$3,967,617, construction in progress increasing \$4,756,249 and offset by an increase in accumulated depreciation of \$3,045,106.

The following table details the net capital assets:

| | September 30 | | 2017 Change | |
|----------------------------------|----------------------|----------------------|---------------------|----------------|
| | 2017 | 2016 | Amount | Percent |
| Land | \$ 9,946,623 | \$ 9,946,623 | \$ — | 0.0% |
| Buildings | 43,087,613 | 44,043,052 | (955,439) | -2.2% |
| Improvements other than building | 4,999,693 | 4,759,210 | 240,483 | 5.1% |
| Machinery and equipment | 4,835,336 | 4,666,268 | 169,068 | 3.6% |
| Infrastructure | 28,190,369 | 26,721,970 | 1,468,399 | 5.5% |
| Construction in progress | 8,046,482 | 3,290,233 | 4,756,249 | 144.6% |
| Total capital assets, net | \$ 99,106,116 | \$ 93,427,356 | \$ 5,678,760 | 6.1% |

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Additional information on the City's capital assets can be found in Note 3 to the Financial Statements.

Long-term Debt

The City had government-wide debt outstanding of \$35,008,074 at the end of the current fiscal year. Of this amount, \$13,890,000 is general obligation debt backed by the full faith and credit of the City, \$20,575,000 is special obligation debt, \$410,655 represents a capital lease and \$132,419 is a note payable paid for from annual appropriations and special assessment fees.

A summary of the City's total debt is as follows:

| | September 30 | | 2017 Change | |
|------------------------------------|----------------------|----------------------|-----------------------|--------------|
| | 2017 | 2016 | Amount | Percent |
| General obligation Series 2014 | \$ 13,890,000 | \$ 14,450,000 | \$ (560,000) | -3.9% |
| Special obligation Series 2009 A&B | 10,670,000 | 11,330,000 | (660,000) | -5.8% |
| Special obligation Series 2011 | 7,810,000 | 8,235,000 | (425,000) | -5.2% |
| Special obligation Series 2014 | 2,095,000 | 3,880,000 | (1,785,000) | -46.0% |
| Capital lease payable | 410,655 | 503,984 | (93,329) | -18.5% |
| Note payable | 132,419 | 350,633 | (218,214) | -62.2% |
| Total long-term debt | \$ 35,008,074 | \$ 38,749,617 | \$ (3,741,543) | -9.7% |

Additional information on the City's long-term debt can be found in Note 6 to the financial statements.

The Outlook for Next Year's Budget

In FY 2017, the City maintained a General Fund surplus budget for the third year in a row. The FY 2018 budget also plans for a surplus through increasing revenue and continuing to monitor expenditures. The FY 2018 budget continues to maintain the high level of General Fund services and fee increases that come close to full cost recovery for certain services. Economic development activity in the City is historically high, which will result in long-term revenue gains.

Highlights of the FY 2018 budget are as follows:

- For all funds, revenue is \$40,134,589 and expenditures are \$44,732,360, excluding transfers. Expenditures remain high due to the continuing expenditure of the proceeds of the general obligation bonds for construction projects.
- For the General Fund, revenue and transfers in total \$28,690,837, and expenditures and transfers out are \$28,657,707 with the resulting expectations of a continuing budget surplus for the year.
- Capital Improvements are budgeted to be \$11,042,708 and include various infrastructure, facilities and parks improvements. The total capital improvement project plan for FY 2018 - FY 2020 totals \$24,812,512.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Overall, the economic outlook for the City is quite optimistic. This optimism comes from stabilized expenditures and future increased revenue from substantial economic development activity.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Finance and Administration
City of Clayton, Missouri
10 N. Bemiston Avenue
Clayton, MO 63105

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION

September 30, 2017

| | Governmental Activities |
|---|------------------------------------|
| Assets | |
| Cash and cash equivalents | \$ 2,648,106 |
| Investments | 32,201,573 |
| Receivables: | |
| Property taxes | 89,628 |
| Intergovernmental | 1,530,125 |
| Public utility licenses | 553,650 |
| Special assessments | 55,197 |
| Ambulance, net | 201,111 |
| Court, net | 79,726 |
| Interest | 110,115 |
| Staff reimbursements | 323,761 |
| Other | 522,571 |
| Prepaid expense | 1,738,785 |
| Inventory | 16,494 |
| Capital assets: | |
| Land and construction in progress | 17,993,105 |
| Other capital assets, net | 81,113,011 |
| Total Assets | 139,176,958 |
| Deferred Outflows Of Resources | |
| Deferred charges on refunding | 109,912 |
| Deferred amounts related to pensions | 2,477,701 |
| Total Deferred Outflows Of Resources | 2,587,613 |

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION (Continued) September 30, 2017

| | Governmental Activities |
|---|------------------------------------|
| Liabilities | |
| Accounts payable | \$ 3,368,089 |
| Accrued interest payable | 257,744 |
| Accrued liabilities | 573,920 |
| Unearned revenues | 3,482,549 |
| Deposits | 631,056 |
| Noncurrent liabilities: | |
| Due within one year | 3,731,577 |
| Due in more than one year | 32,401,624 |
| Net pension liability | 6,768,984 |
| Other post-employment benefit obligations | 529,603 |
| Total Liabilities | 51,745,146 |
| Deferred Inflows Of Resources | |
| Deferred amounts related to pensions | 2,006,098 |
| Net Position | |
| Net investment in capital assets | 71,073,997 |
| Restricted for: | |
| Economic development | 231,580 |
| Debt service | 937,326 |
| Public safety | 136,584 |
| Sewer lateral projects | 93,820 |
| Capital projects | 234,924 |
| Unrestricted | 15,305,096 |
| Total Net Position | \$ 88,013,327 |

CITY OF CLAYTON, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended September 30, 2017

| <u>Functions</u> | <u>Expenses</u> | Program Revenues | | | <u>Net Revenues (Expenses) And Changes In Net Assets</u> |
|--|-----------------|---------------------------------|---|---|--|
| | | <u>Charges For Services</u> | <u>Operating Grants And Contributions</u> | <u>Capital Grants And Contributions</u> | |
| Governmental Activities | | | | | |
| General government | \$ 4,814,472 | \$ 2,228,732 | \$ 4,269 | \$ — | \$ (2,581,471) |
| Public safety | 12,255,940 | 2,832,013 | 689,762 | — | (8,734,165) |
| Public works | 7,763,038 | 1,511,207 | 430,796 | 949,596 | (4,871,439) |
| Parks and recreation | 2,914,876 | 1,050,064 | 50,022 | 3,938,950 | 2,124,160 |
| Economic development | 535,756 | — | — | — | (535,756) |
| Community development | 1,058,584 | — | — | — | (1,058,584) |
| Interest and fiscal charges | 1,355,310 | — | — | — | (1,355,310) |
| Total Governmental Activities | 30,697,976 | 7,622,016 | 1,174,849 | 4,888,546 | (17,012,565) |
| General Revenues | | | | | |
| Taxes: | | | | | |
| Property | | | | | 9,051,027 |
| Sales | | | | | 7,101,367 |
| Utility | | | | | 5,301,493 |
| Other | | | | | 240,183 |
| Investment income | | | | | 283,949 |
| Grants and contributions not restricted to specific programs | | | | | 183,866 |
| Gain on sale of capital assets | | | | | 41,001 |
| Miscellaneous | | | | | 214,256 |
| Total General Revenues | | | | | 22,417,142 |
| Change In Net Position | | | | | 5,404,577 |
| Net Position - Beginning Of Year | | | | | 82,608,750 |
| Net Position - End Of Year | | | | | \$ 88,013,327 |

CITY OF CLAYTON, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2017

| | General Fund | Capital Improvement Fund | Equipment Replacement Fund | 2014 General Obligation Bond Issue Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------------|----------------------------------|---|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and cash equivalents | \$ 1,157,233 | \$ 645,317 | \$ 424,200 | \$ 242,938 | \$ 178,418 | \$ 2,648,106 |
| Investments | 14,071,988 | 4,634,399 | 4,888,464 | 8,175,730 | 430,992 | 32,201,573 |
| Receivables: | | | | | | |
| Property taxes | — | 15,882 | 64,500 | — | 9,246 | 89,628 |
| Intergovernmental | 911,994 | 618,131 | — | — | — | 1,530,125 |
| Public utility licenses | 553,650 | — | — | — | — | 553,650 |
| Special assessments | — | 55,197 | — | — | — | 55,197 |
| Ambulance | 201,111 | — | — | — | — | 201,111 |
| Court | 79,726 | — | — | — | — | 79,726 |
| Interest | 9,836 | 3,239 | 3,416 | 93,324 | 300 | 110,115 |
| Staff reimbursements | 323,761 | — | — | — | — | 323,761 |
| Other | 522,571 | — | — | — | — | 522,571 |
| Prepaid expenses | 1,530,702 | — | — | — | — | 1,530,702 |
| Inventory | 16,494 | — | — | — | — | 16,494 |
| Advances to other funds | 121,027 | — | — | — | — | 121,027 |
| Total Assets | \$ 19,500,093 | \$ 5,972,165 | \$ 5,380,580 | \$ 8,511,992 | \$ 618,956 | \$ 39,983,786 |
| Liabilities And Fund Balances | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 1,039,900 | \$ 2,155,878 | \$ 140,441 | \$ 4,709 | \$ 27,161 | \$ 3,368,089 |
| Accrued liabilities | 573,661 | — | — | — | 259 | 573,920 |
| Unearned revenue | 109,502 | 3,369,578 | 3,469 | — | — | 3,482,549 |
| Deposits | 611,056 | 20,000 | — | — | — | 631,056 |
| Advances from other funds | — | 121,027 | — | — | — | 121,027 |
| Total Liabilities | 2,334,119 | 5,666,483 | 143,910 | 4,709 | 27,420 | 8,176,641 |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenues: | | | | | | |
| Property taxes | — | 15,561 | — | — | — | 15,561 |
| Special assessments | — | 55,197 | — | — | 7,743 | 62,940 |
| Ambulance | 98,728 | — | — | — | — | 98,728 |
| Court | 79,725 | — | — | — | — | 79,725 |
| Total Deferred Inflows of Resources | 178,453 | 70,758 | — | — | 7,743 | 256,954 |
| Fund Balances (Deficit) | | | | | | |
| Nonspendable: | | | | | | |
| Inventory | 16,494 | — | — | — | — | 16,494 |
| Advances | 121,027 | — | — | — | — | 121,027 |
| Restricted for: | | | | | | |
| Capital projects | — | 234,924 | — | 7,691,766 | — | 7,926,690 |
| Economic development | — | — | — | — | 231,580 | 231,580 |
| Debt service | — | — | — | 815,517 | 121,809 | 937,326 |
| Public safety | — | — | — | — | 136,584 | 136,584 |
| Sewer lateral | — | — | — | — | 93,820 | 93,820 |
| Committed for: | | | | | | |
| Capital projects | — | — | 5,236,670 | — | — | 5,236,670 |
| Assigned to: | | | | | | |
| Purchases on order | 75,447 | — | — | — | — | 75,447 |
| Unassigned | 16,774,553 | — | — | — | — | 16,774,553 |
| Total Fund Balances | 16,987,521 | 234,924 | 5,236,670 | 8,507,283 | 583,793 | 31,550,191 |
| Total Liabilities, Deferred Inflows of Resources, And Fund Balances | \$ 19,500,093 | \$ 5,972,165 | \$ 5,380,580 | \$ 8,511,992 | \$ 618,956 | \$ 39,983,786 |

CITY OF CLAYTON, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

September 30, 2017

Total Fund Balance - Governmental Funds \$ 31,550,191

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$136,454,748 and the accumulated depreciation is \$37,359,632. 99,106,116

Certain changes in the net pension liability are amortized over time and are not reported in the funds. 471,603

Property and other taxes assessed by the City, but not collected within 60 days after fiscal year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements. Likewise, assessments on certain properties are deferred within the fund financial statements until collected, but are recognized as revenue in the year of assessment in the government-wide statements. 256,954

Prepaid assets used in governmental activities are not financial resources if they expire after 30 days and, therefore, are not reported in the governmental funds. 208,083

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:

| | |
|---|--------------|
| Accrued interest payable | (257,744) |
| Net pension liability | (6,768,984) |
| Other post-employment benefit obligations | (529,603) |
| Compensated absences | (409,316) |
| Bonds payable | (35,008,074) |
| Unamortized bond premium | (715,811) |
| Unamortized deferred charges | 109,912 |

Total Net Position - Governmental Activities \$ 88,013,327

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended September 30, 2017

| | <u>General</u> | <u>Capital Improvement Fund</u> | <u>Equipment Replacement Fund</u> | <u>2014 General Obligation Bond Issue Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|---|---|--|---|---|
| Revenues | | | | | | |
| General property taxes | \$ 6,404,536 | \$ — | \$ — | \$ 1,054,474 | \$ 1,592,017 | \$ 9,051,027 |
| Special assessments | — | 5,192 | — | — | 102,529 | 107,721 |
| Sales taxes | 4,252,770 | 2,848,597 | — | — | — | 7,101,367 |
| Licenses and permits | 2,170,772 | — | — | — | — | 2,170,772 |
| Public utility licenses | 5,301,493 | — | — | — | — | 5,301,493 |
| Intergovernmental | 1,400,516 | 913,761 | — | — | 183,866 | 2,498,143 |
| Community programs | 1,910,456 | — | — | — | — | 1,910,456 |
| Parking facilities and meters | 2,256,024 | — | — | — | — | 2,256,024 |
| Fines and forfeitures | 909,408 | — | — | — | 39,244 | 948,652 |
| Donations and reimbursements | 35,849 | 3,951,389 | 29,721 | — | — | 4,016,959 |
| Investment income | 109,681 | 35,365 | 33,127 | 100,971 | 4,805 | 283,949 |
| Miscellaneous | 384,637 | — | 32,774 | — | — | 417,411 |
| Total Revenues | 25,136,142 | 7,754,304 | 95,622 | 1,155,445 | 1,922,461 | 36,063,974 |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 3,374,336 | — | — | — | — | 3,374,336 |
| Parks and recreation | 2,257,630 | — | — | — | — | 2,257,630 |
| Public safety | 11,387,340 | — | — | — | 16,785 | 11,404,125 |
| Public works | 5,976,177 | — | — | — | — | 5,976,177 |
| Economic development | 536,541 | — | — | — | — | 536,541 |
| Community development | 1,055,687 | — | — | — | — | 1,055,687 |
| Capital outlay | — | 8,425,115 | 1,263,588 | — | 125,721 | 9,814,424 |
| Debt service: | | | | | | |
| Principal | 218,214 | — | — | 560,000 | 2,870,000 | 3,648,214 |
| Interest and fiscal charges | 12,594 | 2,240 | 103,018 | 434,115 | 908,415 | 1,460,382 |
| Total Expenditures | 24,818,519 | 8,427,355 | 1,366,606 | 994,115 | 3,920,921 | 39,527,516 |
| Revenues Over (Under) Expenditures | 317,623 | (673,051) | (1,270,984) | 161,330 | (1,998,460) | (3,463,542) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers in | 1,458,637 | 2,562,772 | 1,351,149 | — | 2,401,987 | 7,774,545 |
| Transfers out | (1,732,068) | (3,323,479) | — | (2,294,046) | (424,952) | (7,774,545) |
| Sale of capital assets | — | — | 106,699 | — | — | 106,699 |
| Total Other Financing Sources (Uses) | (273,431) | (760,707) | 1,457,848 | (2,294,046) | 1,977,035 | 106,699 |
| Net Change In Fund Balances | 44,192 | (1,433,758) | 186,864 | (2,132,716) | (21,425) | (3,356,843) |
| Fund Balances - Beginning Of Year | 16,943,329 | 1,668,682 | 5,049,806 | 10,639,999 | 605,218 | 34,907,034 |
| Fund Balances - End Of Year | \$ 16,987,521 | \$ 234,924 | \$ 5,236,670 | \$ 8,507,283 | \$ 583,793 | \$ 31,550,191 |

CITY OF CLAYTON, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES For The Year Ended September 30, 2017

Net Change In Fund Balances - Total Governmental Funds \$ (3,356,843)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over estimated useful lives and reported as depreciation expense. Capital outlays of \$9,389,803 over the capitalization threshold exceeded depreciation of \$3,656,345 in the current period. 5,744,458

In the statement of activities, a loss or gain on disposal or sale of capital assets is reported. However, governmental funds do not report any gain or loss on disposal of capital assets; only the proceeds from sales of capital assets are reported. (65,698)

Property and other tax revenues received prior to the year for which they were levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred inflows related to property taxes increased this fiscal year by \$4,480. Assessment income is deferred in the fund financial statements until the assessments are collected. However, assessment income is recorded in the year of the assessment in the statement of activities. Deferred inflows related to court cases increased this fiscal year by \$48,870. Deferred inflows related to assessments and ambulance taxes decreased this fiscal year by \$14,013 and \$41,759, respectively. (2,422)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Repayment of bond principal 3,741,543
Amortization of premiums and deferred amounts on refunding 110

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on debt 11,633
Prepaid expense 18,344
Compensated absences (28,020)
Pension expense (588,538)
Other post-employment benefits (69,990)

Change In Net Position Of Governmental Activities \$ 5,404,577

CITY OF CLAYTON, MISSOURI

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS September 30, 2017

| | Pension Trust Funds |
|---------------------------------------|------------------------------------|
| Assets | |
| Cash and cash equivalents | \$ 2,541,024 |
| Investments: | |
| U.S. government and agency securities | 1,990,845 |
| Common stocks | 6,094,588 |
| Corporate bonds | 4,344,422 |
| Taxable municipal obligations | 605,640 |
| Mutual funds | 39,039,020 |
| Property funds | 6,461,845 |
| Interest receivable | 78,155 |
| Total Assets | 61,155,539 |
| Liabilities | |
| Accrued investment expenses | 3,221 |
| Net Position | |
| Net position restricted for pensions | \$ 61,152,318 |

CITY OF CLAYTON, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For The Year Ended September 30, 2017

| | Pension Trust Funds |
|---|------------------------------------|
| Additions | |
| Contributions: | |
| Participant contributions | \$ 451,911 |
| Employer contributions | 3,160,010 |
| Total Contributions | <u>3,611,921</u> |
| Investment Income: | |
| Net appreciation in fair value of investments and interest and dividends | 6,574,604 |
| Less: Investment expenses | <u>(259,973)</u> |
| Total Investment Income | <u>6,314,631</u> |
| Total Additions | 9,926,552 |
| Deductions | |
| Benefits paid | <u>2,739,029</u> |
| Change In Net Position | 7,187,523 |
| Net Position Restricted For Pensions - Beginning Of Year | <u>53,964,795</u> |
| Net Position Restricted For Pensions - End Of Year | <u><u>\$ 61,152,318</u></u> |

CITY OF CLAYTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2017

1. Summary Of Significant Accounting Policies

The financial statements of the City of Clayton, Missouri (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governments. The more significant of the City's accounting and reporting policies and practices are described below.

Reporting Entity

The financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and 34*. The requirements for inclusion as a component unit are based primarily upon whether the City is considered financially accountable for the potential component unit. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or because the potential component unit will provide a financial benefit or impose a financial burden on the City. The City does not have any component units.

Basis Of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been removed from these statements to minimize the duplication of internal activities, with the exception of interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds." The total fund balance for all governmental funds is reconciled to total net position for governmental activities as shown on the statement of net position. The net change in fund balance for all governmental funds is reconciled to the total change in net position as shown on the statement of activities in the government-wide financial statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are two categories of funds used by the City, governmental and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's governmental major funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Improvement Fund - The Capital Improvement Fund is a capital projects fund used to monitor the funding of special infrastructure improvements throughout the City. Revenues derived by this fund include a half-cent capital improvement sales tax, a half-cent parks and storm water sales tax, road and bridge taxes, and certain special assessment taxes.

Equipment Replacement Fund - The Equipment Replacement Fund is a capital projects fund used to account for funds set aside for capital asset replacement.

2014 G.O. Bond Issue Fund - The 2014 G.O. Bond Issue Fund is a debt service fund used to account for the proceeds for capital projects and debt service payments for the 2014 bonds.

The other governmental funds of the City are considered nonmajor. They include special revenue funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, and debt service funds that account for the accumulation of resources for the payment of long-term debt.

Fiduciary Fund Type - Pension Trust Funds - Pension Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The Pension Trust Funds are accounted for on the accrual basis of accounting.

Measurement Focus And Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting; fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and deferred inflows and outflows and in the presentation of expenses versus expenditures.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to insurance, compensated absences, maintenance, contracts, travel and training are recorded only when payment is due (i.e. matured).

Property taxes, intergovernmental, gross receipts taxes, franchise taxes, licenses, court fines, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Cash, Cash Equivalents And Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes and City policy authorize the City to invest in obligations of the United States or any agency thereof, time deposit certificates, and repurchase agreements. The Pension Trust Funds are also authorized to invest in corporate common or preferred stocks, bonds and mortgages, real or personal property, and other evidence of indebtedness or ownership (excluding any debt of the City itself), and individual insurance policies.

Allowance For Uncollectibles

Accounts receivable for ambulance and court are shown net of an allowance for uncollectibles of \$96,466 and \$69,443, respectively.

Inventories

Inventories are recorded at cost on the first-in, first-out basis. Governmental fund types use the consumption method for inventory which means it is recorded as an expenditure when it is used rather than when purchased.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items on the purchase method. Prepaid items are recorded as expenditures when purchased rather than when consumed. Prepaid items are recorded in the government-wide financial statements and in the fund financial statements if they expire within 30 days.

Special Assessments Receivable

Special assessments receivable represents the residents' portion of curb and sidewalk improvements which have been completed and billed. The City's portion of such improvements is expended as incurred. At the time of the levy, special assessments receivable in the amount of the levy and deferred inflows of resources equal to the amount that is not currently available are recognized in the fund that provides the resources.

Capital Assets

Capital assets, which include property, equipment and infrastructure (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 for general capital assets and \$25,000 for infrastructure 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 capital assets are recorded at estimated acquisition value at the date of donation.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The cost of normal maintenance and repairs that does 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>Asset</u> | <u>Years</u> |
|-----------------------------------|--------------|
| Building | 15 - 50 |
| Improvements other than buildings | 5 - 20 |
| Machinery and equipment | 3 - 15 |
| Infrastructure | 30 - 50 |

Compensated Absences

Under terms of the City's personnel policy, employees are granted vacation time based on length of service. Vacation is granted at the beginning of the calendar year, but it is earned on a proportionate basis over the course of the calendar year. A maximum of 80 hours may be carried over to a subsequent calendar year. Upon termination, the employee is paid for unused vacation. Sick leave, like vacation, is earned proportionally throughout the calendar year but is allotted at the beginning of the calendar year. Sick leave is available only to provide compensation during periods of illness. Upon termination, and only if the employee is vested, the employee is paid \$1 for each hour of sick leave balance. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two types of items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its acquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is pension-related deferred outflows reported in the government-wide statement of net position. These represent changes in assumptions, differences between expected and actual experience, and differences between expected and actual investment income related to the City's two defined benefit pension plans. These amounts are deferred and amortized over the remaining estimated service life for plan participants (for changes in assumptions and differences between expected and actual experience) or over a closed five year period (for differences between expected and actual investment income).

In addition to liabilities, the statement of net position and balance sheet-governmental funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has two types of items that qualify for reporting in this category. The first is pension-related deferred inflows reported in the government-wide statement of net position. These represent changes in assumptions, differences between expected and actual experience and differences between expected and actual investment income related to the City's two defined benefit pension plans. These amounts are deferred and amortized over the remaining estimated service life for plan participants (for changes in assumptions and differences between expected and actual experience) or over a closed five year period (for differences between expected and actual investment income). The second, which arises only under the modified accrual basis of accounting, is unavailable revenues, and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from various sources. These amounts are deferred and recognized as an inflow of resources in the period when the amounts become available.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two defined benefit pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis they are reported by the plans.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Net Position

In the government-wide financial statements, net position is displayed in three components as follows:

Net Investment in Capital Assets - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted - This consists of net position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

Fund Balance

The fund balance amounts are reported in the following applicable categories listed from the most restrictive to the least restrictive:

Nonspendable - The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted - The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed - The portion of fund balance with constraints or limitations by formal action (ordinance) of the Board of Aldermen, the highest level of decision-making authority.

Assigned - The portion of fund balance that the City intends to use for a specific purpose as determined by the City Manager through the City's purchasing policy or when authorized by the Board of Aldermen by motion. Assigned fund balance for purchases on order represents outstanding encumbrances.

Unassigned - Amounts that are available for any purpose; these positive amounts are reported only in the general fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted; that is, restricted, then committed, assigned and unassigned.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the governmental funds. Since appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent year's budget to provide for the liquidation of prior commitments. Encumbrances do not constitute current year expenditures or liabilities. Encumbrances outstanding at year-end were \$75,447 for the General Fund, \$2,574,688 for the Capital Improvement Fund, \$213,611 for the Equipment Replacement Fund, and \$3,400 for the Drug Forfeiture Fund. No other City funds had encumbrances outstanding at year-end.

Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

Transfers - Transfers of resources from a fund receiving revenue to the fund through which resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses).

Due To/From Other Funds - Current portions of long-term interfund loans receivable/payable are considered "available spendable resources" and are reported as assets and liabilities of the appropriate funds.

Advances To/From Other Funds - Future portions of long-term interfund loans receivable/payable are not considered to be available resources in the current fiscal year. The advancing fund shows the noncurrent portion of the interfund receivable as nonspendable fund balance.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

Property Taxes

Property taxes are levied in October of each year based on the assessed value as of the prior January 1 for all real and personal property located in the City. Property taxes attach as an enforceable lien on property as of January 1 and are due upon receipt of billing and become delinquent after December 31.

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

All property tax assessment, billing, and collection functions are handled by St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in property taxes receivable in the accompanying fund financial statements.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Use Of Estimates

The preparation of basic 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 basic financial statements and the accompanying notes. Actual results could differ from those estimates.

2. Deposits And Investments

Deposits

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's deposits not insured by the Federal Deposit Insurance Corporation (FDIC).

As of September 30, 2017, the City's bank balances were fully collateralized.

Investments

A summary of investments as of September 30, 2017 is as follows:

| Investments | Fair Value | No Maturity | Less Than One Year | 1 - 5 Years | 6 - 10 Years | More Than 10 Years | Credit Risk |
|--|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|-------------|
| Governmental Activities | | | | | | | |
| Certificates of deposit | \$ 25,987,698 | \$ — | \$ 12,397,329 | \$ 13,590,369 | \$ — | \$ — | Not rated |
| U.S. Agencies | 6,213,875 | — | 1,799,797 | 4,414,078 | — | — | AA + |
| Total Governmental Activities | 32,201,573 | — | 14,197,126 | 18,004,447 | — | — | |
| Fiduciary Funds | | | | | | | |
| U.S. government and agency securities: | | | | | | | |
| U.S. Treasuries | 616,303 | — | — | 418,067 | 198,236 | — | AA+ |
| U.S. Agencies | 1,374,542 | — | 2,958 | 227,115 | 27,115 | 1,117,354 | AA+ |
| Common stock | 6,094,588 | 6,094,588 | — | — | — | — | Not rated |
| Corporate bonds | 270,377 | — | — | 3,094 | 193,904 | 73,379 | AAA |
| Corporate bonds | 506,425 | — | — | 263,468 | 151,091 | 91,866 | AA |
| Corporate bonds | 2,525,866 | — | — | 934,425 | 737,030 | 854,411 | A |
| Corporate bonds | 733,613 | — | — | 146,535 | 394,443 | 192,635 | BBB |
| Corporate bonds | 2,489 | — | — | — | — | 2,489 | B |
| Corporate bonds | 33,601 | — | — | — | — | 33,601 | CCC |
| Corporate bonds | 85,277 | — | — | 19,269 | — | 66,008 | DDD |
| Corporate bonds | 186,774 | — | — | — | — | 186,774 | Not rated |
| Taxable municipal obligations | 205,726 | — | 40,644 | 83,448 | — | 81,634 | AA |
| Taxable municipal obligations | 263,651 | — | — | 68,896 | 194,755 | — | A |
| Taxable municipal obligations | 136,263 | — | 64,971 | — | — | 71,292 | Not rated |
| Mutual funds | 39,039,020 | 39,039,020 | — | — | — | — | Not rated |
| Property funds | 6,461,845 | 6,461,845 | — | — | — | — | Not rated |
| Total Fiduciary Funds | 58,536,360 | 51,595,453 | 108,573 | 2,164,317 | 1,896,574 | 2,771,443 | |
| Total Investments | \$ 90,737,933 | \$ 51,595,453 | \$ 14,305,699 | \$ 20,168,764 | \$ 1,896,574 | \$ 2,771,443 | |

Investment Policy

Governmental Activities

The objectives of the City's investment policy as adopted by the Board of Aldermen are the following:

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

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

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

Return on Investment: The City'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 City's investment risk constraints and the cash flow characteristics of the portfolio.

These objectives support the City'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.

Pension Trust Funds

The investment policy for both of the City's pension trust funds as adopted by each separate entity states that the primary fiduciary responsibility of the pension boards is to:

- 1) Ensure that the assets of the plans are responsibly and prudently managed in accordance with the actuarial needs of the plans while adhering to the sound and accepted financial investment procedures.
- 2) Diversify the portfolio to help ensure that adverse or unexpected activity will not have an excessively detrimental impact on the entire portfolio. Investment management will be delegated to external professional organizations for the sole benefit of the membership and their beneficiaries for the purpose of providing a retirement benefit.

Performance objectives, asset allocation guidelines and permissible investments are outlined in each policy. The Plans' total returns are expected to provide results, using a three-year moving average, of an absolute return equal or superior to each Plan's actuarial assumed rate of return.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The plans invest in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that material changes in the values of investment securities could occur.

Investment Types And Maturities

Governmental Activities

The City's investment policy governs all investment activity, except investments in the pension trust funds. The City's policy limits investments to bonds, bills or notes of the United States or an agency thereof; negotiable or non-negotiable 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 its policy, the City tries to maintain a high level of liquidity to allow the City to meet its operating requirements. The City will not invest in securities maturing more than five years from the date of purchase unless matched to a specific cash flow.

Credit Risk

Governmental Activities

The City's investment policy does not address credit quality standards. The City has an unrated money market account that is covered by excess deposit insurance for amounts above the FDIC.

Pension Trust Funds

The investment policies of the pension funds do not address credit quality standards. The above table reflects the credit ratings for the two retirement plans associated with the securities invested in the pension trust funds as of September 30, 2017, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government.

Concentration Of Risk

Governmental Activities

The City will diversify its investments by institution. With the exception of bonds, bills or notes of the United States government or any agency thereof, including authorized pools, it shall be the goal of the City that no more than 80% of the City's government-wide investment portfolio will be invested in a single institution.

Pension Trust Funds

The pension investment policies specify that the investment mix shall be in a range of 55-65% equity securities, 25-35% fixed income securities, and 5-15% real estate. Target allocation for the equity securities is 30% large cap, 15% small cap and 15% international; fixed income 30%; and real estate 10%. The trustees follow these guidelines for all investments while adhering to the list of permissible investments outlined in the policies. The funds in the plans are invested over the long term in keeping with the objective of providing retirement benefits for its members.

Custodial Credit Risk

Governmental Activities

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, the City 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 its policy, the City addresses custodial risk by pre-qualifying institutions with which the City places investments, diversifying the investment portfolio, and maintaining a standard of quality for investments.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation; by specific eligible securities pledged by the financial institution; by a single collateral pool established by the financial institution; or by separate insurance.

Pension Trusts

Custodial credit risk in the pension trust funds is the risk that in the event of the failure of the counterparty to a transaction, the pension funds will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The investment policies of the pension funds do not address custodial credit risk. At September 30, 2017, the City of Clayton Uniformed Employees' Pension Fund has \$6,941,456 in treasuries, agencies, municipal obligations, and corporate and foreign bonds that are held by the counterparty's trust department, but, not in the name of the Uniformed Employee's Pension Fund.

Fair Value

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

The City had the following recurring fair value measurements as of September 30, 2017:

| | Total Investments | Fair Value Measurements Using | | |
|---|----------------------|--|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments by fair value level: | | | | |
| Primary Government | | | | |
| Certificates of deposit | \$ 25,987,698 | \$ — | \$ 25,987,698 | \$ — |
| U.S. agency securities | 6,213,875 | — | 6,213,875 | — |
| Primary government investments at fair value level | 32,201,573 | — | 32,201,573 | — |
| Fiduciary Funds | | | | |
| U.S. government and agency securities | 1,990,845 | — | 1,990,845 | — |
| Common stocks | 6,094,588 | 6,094,588 | — | — |
| Corporate bonds | 4,344,422 | — | 4,344,422 | — |
| Taxable municipal obligations | 605,640 | — | 605,640 | — |
| Mutual funds | 33,686,402 | 33,686,402 | — | — |
| Fiduciary funds investments at fair value level | 46,721,897 | 39,780,990 | 6,940,907 | — |
| Total investments by fair value level | 78,923,470 | 39,780,990 | 39,142,480 | — |
| Investments measured at net asset value (NAV): | | | | |
| Fiduciary Funds | | | | |
| Closely held mutual fund | 5,352,618 | | | |
| Property fund | 6,461,845 | | | |
| Total assets measured at the NAV | 11,814,463 | | | |
| Total assets measured at fair value | \$ 90,737,933 | | | |

Common stocks and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Marketable certificates of deposit, debt securities and repurchase agreements secured by debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

| | Fair Value | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|-------------------|---------------|-------------------------|---|--------------------------------|
| Closely held | | | | |
| mutual fund {a} | \$ 5,352,618 | \$ — | Daily | 1 Day |
| Property fund {b} | 6,461,845 | — | Quarterly | 60 days notice |
| | \$ 11,814,463 | \$ — | | |

(a) *Closely held mutual fund.* The investment objective of this fund is to outperform the S&P 500 Index, over a full market cycle, within an expected tracking error range of 200-225 basis points. The NAV is calculated daily and reviewed by the third-party administrator, NRS.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

(b) *Property fund.* This fund invests in high-quality private commercial real estate with the financial objective of providing superior risk-adjusted returns across the real estate cycles. The investment objective of this fund is to outperform the NFI-ODCE index over a full market cycle. A third-party firm is engaged by the fund to calculate the NAV by administering the fund's valuation policies and procedures, including managing the fund's independent appraisal process and reviewing the fund's independent appraisals. The fund's real estate investments are generally appraised every quarter starting with the first full quarter after an investment is made. An independent appraisal of the underlying real estate for each investment is performed annually.

3. Capital Assets

Capital asset activity was as follows:

| | Balance - October 1, 2016 | Increases | Decreases | Balance - September 30, 2017 |
|--|---------------------------------|--------------|--------------|------------------------------------|
| Government Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 9,946,623 | \$ — | \$ — | \$ 9,946,623 |
| Construction in process | 3,290,233 | 8,229,571 | 3,473,322 | 8,046,482 |
| Total capital assets not being depreciated | 13,236,856 | 8,229,571 | 3,473,322 | 17,993,105 |
| Capital assets, being depreciated: | | | | |
| Buildings | 57,178,896 | 395,993 | — | 57,574,889 |
| Improvements other than buildings | 6,175,758 | 511,298 | — | 6,687,056 |
| Machinery and equipment | 11,162,034 | 1,103,426 | 668,193 | 11,597,267 |
| Infrastructure | 39,988,338 | 2,625,093 | — | 42,613,431 |
| Total capital assets being depreciated | 114,505,026 | 4,635,810 | 668,193 | 118,472,643 |
| Less accumulated depreciation for: | | | | |
| Buildings | 13,135,844 | 1,351,432 | — | 14,487,276 |
| Improvements other than buildings | 1,416,548 | 270,815 | — | 1,687,363 |
| Machinery and equipment | 6,495,766 | 877,404 | 611,239 | 6,761,931 |
| Infrastructure | 13,266,368 | 1,156,694 | — | 14,423,062 |
| Total accumulated depreciation | 34,314,526 | 3,656,345 | 611,239 | 37,359,632 |
| Total capital assets being depreciated, net | 80,190,500 | 979,465 | 56,954 | 81,113,011 |
| Governmental activities capital assets, net | \$ 93,427,356 | \$ 9,209,036 | \$ 3,530,276 | \$ 99,106,116 |

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Depreciation expense was charged to functions/programs of the primary government as follows:

| | For The Year Ended September 30, 2017 |
|--------------------------|--|
| Governmental activities: | |
| General government | \$ 663,984 |
| Public safety | 963,825 |
| Public works | 1,557,071 |
| Parks and recreation | 471,465 |
| | <u> </u> |
| | <u>\$ 3,656,345</u> |

4. Interfund Balances

Interfund balances are the result of an advance of funds from the General Fund to the Capital Improvement Fund to finance an energy efficiency project and also the purchase of investments which are pooled in the General Fund. Interfund balances are expected to be repaid during the fiscal year ended September 30, 2018.

Interfund receivable and payable balances at September 30, 2017 are as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|--------------------------|-------------------|
| General Fund | Capital Improvement Fund | <u>\$ 121,027</u> |

5. Interfund Transactions

Individual interfund transactions are as follows:

| <u>Transfer In</u> | <u>Transfer Out</u> | <u>For The Year Ended September 30, 2017</u> |
|---|-----------------------------------|--|
| General Fund | Special Taxing District Fund | \$ 424,952 |
| General Fund | Capital Improvement Fund | 1,033,685 |
| Equipment Replacement Fund | General Fund | 1,351,149 |
| 2014 Special Obligation Refunded Bonds Fund | General Fund | 112,193 |
| 2014 Special Obligation Refunded Bonds Fund | Capital Improvement Fund | 1,635,090 |
| Capital Improvement Fund | General Fund | 268,726 |
| Capital Improvement Fund | 2014 General Obligation Bond Fund | 2,294,046 |
| 2011 Bond Issue Fund | Capital Improvement Fund | 654,704 |
| | | <u> </u> |
| | | <u>\$ 7,774,545</u> |

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) provide unrestricted revenues collected in the General Fund to finance capital improvements and other activities in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

6. Long-Term Liabilities

A summary of changes in long-term liabilities was as follows:

| | Balance - October 1, 2016 | Additions | Reductions | Balance - September 30, 2017 | Amounts Due Within One Year |
|--|---------------------------------|-------------------|---------------------|------------------------------------|-----------------------------------|
| Governmental Activities | | | | | |
| General obligation bonds | \$ 14,450,000 | \$ — | \$ 560,000 | \$ 13,890,000 | \$ 580,000 |
| Special obligation capital improvement bonds | 23,445,000 | — | 2,870,000 | 20,575,000 | 2,535,000 |
| Unamortized premiums | 840,279 | — | 124,468 | 715,811 | — |
| Note payable | 350,633 | — | 218,214 | 132,419 | 132,419 |
| Capital lease payable | 503,984 | — | 93,329 | 410,655 | 95,308 |
| Compensated absences | 381,296 | 832,317 | 804,297 | 409,316 | 388,850 |
| Total Governmental Activities | <u>\$ 39,971,192</u> | <u>\$ 832,317</u> | <u>\$ 4,670,308</u> | <u>\$ 36,133,201</u> | <u>\$ 3,731,577</u> |

The liability for compensated absences is generally liquidated by the General Fund.

General Obligation Bonds, Series 2014 totaling \$15,000,000 were issued on October 7, 2014 with interest rates ranging from 2% to 3.25%, maturing March 15, 2034. The 2014 bonds were issued to finance the resurfacing and improving of neighborhood streets, sidewalks, alleys, street lighting and related infrastructure improvements. The balance at September 30, 2017 was \$13,890,000.

Special Obligation Refunding Bonds, Series 2014 totaling \$6,735,000 were issued on October 7, 2014 with interest rates ranging from 3% to 4%, maturing March 15, 2019. The 2014 bonds were issued to refund the Series 2005A and Series 2007 special obligation bonds. The refunding of the 2005A bonds and 2007 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$274,781. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through 2018 using the straight-line method. The balance of the Series 2014 bonds at September 30, 2017 was \$2,095,000.

Special Obligation Bonds, Series 2011 totaling \$9,845,000 were issued on November 8, 2011 with interest rates ranging from 2% to 3.25%, maturing December 1, 2031. The 2011 bonds were issued to finance various park projects, street improvements, and police building improvements. The balance at September 30, 2017 was \$7,810,000.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2009A and 2009B totaling \$6,420,000 and \$8,580,000, respectively, were issued on October 27, 2009 with interest rates ranging from 1% to 4.5% and 5% to 5.75%, respectively. Build America Bonds provide a federal subsidy of 35% of the interest paid by the issuer. Due to sequestration, subsidy payments have been reduced since 2013. The bonds were issued to acquire and renovate a facility for the police department. The bonds mature December 1, 2019 and December 1, 2029, respectively. The balance at September 30, 2017 was \$2,090,000 and \$8,580,000, respectively.

The City has an agreement with St. Louis County, Missouri (the County) to pay for a portion of the Shaw Park Parking Garage. The garage was completed in fiscal year 2005 and the City's portion of the garage to be repaid to the County is \$2,764,176. The note bears interest at rates similar to those found in the bonds the County issued, which range from 4.0% to 4.75%. Monthly payments of \$19,234 will continue through April 2018. The balance at September 30, 2017 was \$132,419.

Maturities

Aggregate maturities required on long-term debt for governmental activities are as follows:

| For The Year Ending September 30, | General Obligation Bonds | | |
|--------------------------------------|--------------------------|--------------|---------------|
| | Principal | Interest | Total |
| 2018 | \$ 580,000 | \$ 422,238 | \$ 1,002,238 |
| 2019 | 595,000 | 410,488 | 1,005,488 |
| 2020 | 620,000 | 392,138 | 1,012,138 |
| 2021 | 640,000 | 366,938 | 1,006,938 |
| 2022 | 670,000 | 340,738 | 1,010,738 |
| 2023-2027 | 3,780,000 | 1,394,288 | 5,174,288 |
| 2028-2032 | 4,770,000 | 754,600 | 5,524,600 |
| 2033-2034 | 2,235,000 | 73,531 | 2,308,531 |
| | \$ 13,890,000 | \$ 4,154,959 | \$ 18,044,959 |

| For The Year Ending September 30, | Special Obligation Bonds | | |
|--------------------------------------|--------------------------|--------------|---------------|
| | Principal | Interest | Total |
| 2018 | \$ 2,535,000 | \$ 803,505 | \$ 3,338,505 |
| 2019 | 1,805,000 | 727,114 | 2,532,114 |
| 2020 | 1,165,000 | 676,398 | 1,841,398 |
| 2021 | 1,200,000 | 630,998 | 1,830,998 |
| 2022 | 1,230,000 | 581,285 | 1,811,285 |
| 2023-2027 | 6,770,000 | 2,054,989 | 8,824,989 |
| 2028-2032 | 5,870,000 | 492,560 | 6,362,560 |
| | \$ 20,575,000 | \$ 5,966,849 | \$ 26,541,849 |

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

| For The Year Ending September 30, | Note Payable | | |
|--------------------------------------|--------------|----------|------------|
| | Principal | Interest | Total |
| 2018 | \$ 132,419 | \$ 2,219 | \$ 134,638 |

Capital Lease

On November 25, 2009, the City entered into a capital lease agreement to purchase a ladder truck for \$1,020,000. The lease matures November 2021. The original interest rate of 4.71% was lowered to 2.1% effective September 25, 2015, due to the lease amendment. The capitalized cost of the truck is \$1,028,386, and accumulated depreciation is \$531,333 at September 30, 2017.

The future minimum capital lease payments and the present value of the net minimum lease payments are as follows:

| For The Year Ending September 30, | |
|---|------------|
| 2018 | \$ 103,018 |
| 2019 | 103,018 |
| 2020 | 103,018 |
| 2021 | 103,018 |
| 2022 | 17,170 |
| | <hr/> |
| Total minimum lease payments | 429,242 |
| Less: Amount representing interest | (18,587) |
| | <hr/> |
| Present value of future minimum lease payments | \$ 410,655 |

Conduit Debt

The City of Clayton issued debt to provide financial assistance to private sector entities for the purpose of acquiring, constructing, and equipping industrial development projects deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City of Clayton is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

As of September 30, 2017, there were seven series of industrial revenue bonds outstanding.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

On May 12, 2009, the City approved the issuance of up to \$202,000,000 in Taxable Industrial Revenue Bonds to finance the acquisition of real property located at 7700-7736 Forsyth Boulevard related to the Centene Center project. At September 30, 2017, \$153,701,679 was issued and remains outstanding.

On May 12, 2009, the City approved the issuance of up to \$17,000,000 in Taxable Industrial Revenue Bonds to finance the purchase and installation of equipment related to the Centene Center project. At September 30, 2017, \$11,136 was issued and remains outstanding.

On May 12, 2009, the City approved the issuance of up to \$10,000,000 in Taxable Industrial Revenue Bonds to finance the acquisition of real property located at 21 South Hanley Road related to the Centene Center project. At September 30, 2017, \$2,860,717 was issued and remains outstanding.

On December 29, 2016, the City approved the issuance of up to \$338,315,073 in Taxable Industrial Revenue Bonds to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. At September 30, 2017, \$46,834,597 was issued and remains outstanding.

On December 29, 2016, the City approved the issuance of up to \$376,344,527 in Taxable Industrial Revenue Bonds to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. At September 30, 2017, \$9,110,329 was issued and remains outstanding.

On December 29, 2016, the City approved the issuance of up to \$21,680,900 in Taxable Industrial Revenue Bonds to finance the acquisition and installation of personal property within Centene's new corporate campus. At September 30, 2017, \$30,250 was issued and remains outstanding.

On December 29, 2016, the City approved the issuance of up to \$18,579,600 in Taxable Industrial Revenue Bonds to finance the acquisition and installation of personal property within Centene's new corporate campus. At September 30, 2017, \$30,250 was issued and remains outstanding.

7. Employee Retirement Benefit Plans

The City maintains two single-employer, defined benefit pension plans. Pension liabilities have historically been and are generally liquidated by the general fund.

City Of Clayton Non-Uniformed Employees' Retirement Fund (NUERF)

Plan Description And Provisions

Pension plan description

The City sponsors and administers a single-employer defined benefit pension plan, the City's NUERF, which covers substantially all full-time employees not covered under the City of Clayton Uniformed Employees' Pension Fund (UERF). The NUERF was created and is governed by City ordinance.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The NUERF does not issue a stand-alone financial report. The financial information is included as a pension trust fund in the City's basic financial statements. Information about the NUERF is provided in a summary plan description.

The financial statements of the NUERF are prepared using the accrual basis of accounting. NUERF member contributions are recognized in the period in which the contributions are due. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the NUERF.

Current membership in the Plan is as follows:

| | |
|--|-------------------|
| Inactive employees or beneficiaries currently receiving benefits | 49 |
| Inactive employees entitled to but not yet receiving benefits | 54 |
| Active employees | <u>87</u> |
| | <u><u>190</u></u> |

Benefits provided

All employees of the City, except police officers and firefighters, who have completed 6 months of employment, are eligible to participate as long as they continue to be employed by the City on a full-time, permanent basis. Employees attaining the age of 60 are entitled to annual benefits of 1.5% for each year of credited service times the average monthly compensation which is equal to the highest five consecutive years out of the last ten. All benefits are vested after 5 years of credited service. The NUERF permits early retirement at the completion of 10 years of credited service and attainment of age 55. The employee receives a retirement benefit, based on credited service and average monthly compensation at early retirement, reduced by 0.25% for each month that early retirement precedes normal retirement.

If an employee terminates his/her employment and is not eligible for any other benefits under the NUERF, the employee is entitled to the following:

- With less than five years of credited service, a refund of member contributions plus 4% interest.
- With five or more years of credited service, the pension accrued to date of termination, payable commencing at his/her normal retirement date, at early retirement date with reductions.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Contributions

Employees are required to contribute 3% of annual salary to the NUERF. However, contribution requirements were temporarily suspended from 1991 through September 30, 2011. Beginning October 1, 2011 employees were required to contribute 1.5% of annual salary, and beginning October 1, 2012 employees were required to contribute 3% of annual salary. The City appropriates annually such funds as are necessary which, together with employee contributions and investment income, will cover the costs and accrued liability of the Plan.

Contributions of \$538,890 were made by the City to the NUERF in plan year 2017. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at July 1, 2017. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2017, the City made a prepaid contribution of \$430,000 for the City's estimated 2018 contribution.

A condensed summary of financial information for the NUERF as of and for its fiscal year ended September 30, 2017 is as follows:

| | | |
|--------------------------------------|----|--------------------------|
| Assets | \$ | 17,933,269 |
| Liabilities | | <u>1,231</u> |
| Net position restricted for pensions | \$ | <u><u>17,932,038</u></u> |
| Contributions | \$ | 1,122,716 |
| Total Investment Income | | <u>1,915,117</u> |
| Total Additions | | 3,037,833 |
| Benefits | | <u>727,516</u> |
| Change In Net Assets | \$ | <u><u>2,310,317</u></u> |

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Net Pension Liability and Related Disclosures

The components of the net pension liability (NPL) are shown as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|--|--|--|
| Balance At June 30, 2016 | \$ 17,501,805 | \$ 15,260,104 | \$ 2,241,701 |
| Changes For The Year: | | | |
| Service cost | 500,005 | — | 500,005 |
| Interest | 1,235,787 | — | 1,235,787 |
| Differences between expected and actual experience | (269,014) | — | (269,014) |
| Changes of assumptions | — | — | — |
| Contributions - employer | — | 538,890 | (538,890) |
| Contributions - employee | — | 150,996 | (150,996) |
| Net investment income | — | 1,841,090 | (1,841,090) |
| Benefit payments | (707,375) | (707,375) | — |
| Administrative expense | — | (57,685) | 57,685 |
| Net changes | 759,403 | 1,765,916 | (1,006,513) |
| Balance At June 30, 2017 | \$ 18,261,208 | \$ 17,026,020 | \$ 1,235,188 |

Plan Fiduciary Net Position As A

Percentage Of The Total Pension Liability

93.24%

Actuarial assumptions used in the calculations of the NPL are as follows:

| | |
|---------------------------|--------------|
| Actuarial valuation date | July 1, 2017 |
| Inflation | 2.0% |
| Salary increases | 4.0% |
| Investment rate of return | 7.0% |

Mortality rates were based on the RP-2000 Combined Healthy Table Generational projection using Scale BB.

Actuarial valuations attempt to estimate costs associated with the pension system based on a number of demographic, economic, and retirement experience assumptions. To the extent assumptions are at a variance with experience, this can result in actuarial gains and losses ultimately impacting contribution rates and the development of the actuarially required contribution.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected real future rates of return (expected returns, net of pension plan 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 rate 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 pension plan's target allocation are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-Term Arithmetic Average Nominal Return (1)</u> | <u>Long-Term Arithmetic Average Real Return (2)</u> |
|-----------------------|--|--|---|
| Core bonds | 20% | 6.28% | 2.77% |
| Multi-sector bonds | 10% | 7.16% | 3.65% |
| U.S. large cap equity | 30% | 10.99% | 7.48% |
| U.S. small cap equity | 15% | 12.22% | 8.71% |
| Non-U.S. equity | 15% | 12.17% | 8.66% |
| Core real estate | 10% | 9.39% | 5.88% |
| | <u>100%</u> | | |

- 1) Long-term arithmetic average nominal return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.
- 2) Long-term arithmetic average real return is the long-term average nominal return minus an average annual inflation rate of 3.51%.

The above long-term expected real rates of return represent best estimates of geometric rates of return for each major asset class included.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to follow the current funding policy of contributing employer normal cost plus a 19-year amortization (on a closed basis) of unfunded liabilities. Based on this assumption, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Sensitivity Of The NPL To Changes In The Discount Rate

The following presents the NPL of the retirement system, calculated using the discount rate determined above, as well as what the system's NPL would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

| | <u>1% Decrease</u> | <u>Current</u> | <u>1% Increase</u> |
|-----------------------|--------------------|----------------|--------------------|
| Discount rate | 6.00% | 7.00% | 8.00% |
| Net pension liability | \$ 3,696,115 | \$ 1,235,188 | \$ (814,156) |

Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended September 30, 2017, the City recognized pension expense of \$473,845 related to the NUERF. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the NUERF from the following sources:

| | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows Of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | | \$ 514,917 |
| Changes of assumptions | \$ 194,503 | 82,060 |
| Differences between expected and actual investment income | 481,950 | 650,705 |
| Balance At September 30, 2017 | \$ 676,453 | \$ 1,247,682 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the NUERF will be recognized in pension expense as follows:

| <u>Year Ended September 30,</u> | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows Of Resources</u> |
|-------------------------------------|---|--|
| 2018 | \$ 233,553 | \$ 336,568 |
| 2019 | 233,553 | 336,568 |
| 2020 | 209,347 | 317,780 |
| 2021 | — | 248,428 |
| 2022 | — | 8,338 |
| | <u>\$ 676,453</u> | <u>\$ 1,247,682</u> |

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

City of Clayton Uniformed Employees' Pension Fund (UERF)

Plan Description And Provisions

Pension plan description

Under Ordinance No. 5028 as amended by Ordinance No. 5043, the City established a single-employer defined benefit plan, City of Clayton Uniformed Employees' Pension Fund (the UERF) that provides retirement, disability and death benefits. The UERF does not issue a stand-alone financial report.

Current membership in the Plan is as follows:

| | |
|--|-------------|
| Inactive employees or beneficiaries currently receiving benefits | 68 |
| Inactive employees entitled to but not yet receiving benefits | 9 |
| Active employees | 84 |
| | <hr/> |
| | 161 |
| | <hr/> <hr/> |

Benefits provided

Each full-time employee who is employed by the City as a police officer or firefighter shall be eligible to participate in the UERF on the date the employee becomes a police officer or firefighter. Employees are vested after ten years. If an employee terminates before ten years of service, they are entitled to a refund of the employee contribution plus interest earned at 5%.

Employees are eligible for normal retirement benefits at age 55 and completion of ten years of credited service or age 50 and completion of 25 years of credited service or age 65 with completion of five years of credited service. The monthly retirement benefit is based on the final average salary, which is calculated as the greater of the top pay range of a police officer/firefighter or of the actual highest five year average annual salary out of the last ten years. The actual benefit is based on two percent for each year of credited service to a maximum of 60% of the final average monthly salary. Disabled employees or their surviving spouse will receive benefits based upon the years of service and basic pay of the employee as of such date. Early retirement is available to vested employees, but benefits are not paid until age 55, the qualifying age and years of service are met.

Contributions

City ordinance requires each member to contribute 5% of basic pay during the first 30 years of credited service. The City appropriates annually such funds as are necessary which, together with employee contributions and investment income, will cover the costs and accrued liabilities of the Plan.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements *(Continued)*

Contributions of \$1,053,439 were made by the City to the UERF in plan year 2017. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at January 1, 2017. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2017, the City made a prepaid contribution of \$1,137,681 for the City's estimated 2018 contribution.

A condensed summary of financial information for the UERF as of and for its fiscal year ended September 30, 2017 is as follows:

| | |
|--------------------------------------|----------------------|
| Assets | \$ 43,222,270 |
| Liabilities | <u>1,990</u> |
| Net position restricted for pensions | <u>\$ 43,220,280</u> |
| Contributions | \$ 2,489,205 |
| Total Investment Income | <u>4,399,515</u> |
| Total Additions | 6,888,720 |
| Benefits | <u>2,011,513</u> |
| Change In Net Assets | <u>\$ 4,877,207</u> |

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Net Pension Liability And Related Disclosures

The components of the NPL are shown as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|--|--|--|
| Balance At December 31, 2015 | \$ 43,160,399 | \$ 36,906,312 | \$ 6,254,087 |
| Changes For The Year: | | | |
| Service cost | 888,793 | — | 888,793 |
| Interest | 3,013,562 | — | 3,013,562 |
| Differences between expected and actual experience | (92,530) | — | (92,530) |
| Contributions - employer | — | 1,053,439 | (1,053,439) |
| Contributions - employee | — | 277,605 | (277,605) |
| Net investment income | — | 3,405,344 | (3,405,344) |
| Benefit payments | (2,030,975) | (2,030,975) | — |
| Administrative expenses | — | (206,272) | 206,272 |
| Net Changes | 1,778,850 | 2,499,141 | (720,291) |
| Balance At Decemer 31, 2016 | \$ 44,939,249 | \$ 39,405,453 | \$ 5,533,796 |

Plan Fiduciary Net Position As A

Percentage Of The Total Pension Liability 87.69%

Actuarial assumptions used in the calculations of the NPL are as follows:

| | |
|---------------------------|-----------------|
| Actuarial valuation date | January 1, 2017 |
| Inflation | 2.0% |
| Salary increases | 3.5% |
| Investment rate of return | 7.0% |

Mortality rates were based on the RP-2000 Blue Collar Mortality Tables with generational improvements for mortality using scale BB.

Actuarial valuations attempt to estimate costs associated with the pension system based on a number of demographic, economic, and retirement experience assumptions. To the extent assumptions are at a variance with experience, this can result in actuarial gains and losses ultimately impacting contribution rates and the development of the actuarially required contribution.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected real future rates of return (expected returns, net of pension plan 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 rate 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 pension plan's target allocation are summarized in the following table:

| <u>Asset Class</u> | <u>Target Asset Allocation</u> | <u>Long-Term Arithmetic Average Nominal Return (1)</u> | <u>Long-Term Arithmetic Average Real Return (2)</u> |
|-----------------------|--|--|---|
| Core bonds | 20% | 6.28% | 2.77% |
| Multi-sector bonds | 10% | 7.16% | 3.65% |
| U.S. large cap equity | 30% | 10.99% | 7.48% |
| U.S. small cap equity | 15% | 12.22% | 8.71% |
| Non-U.S. equity | 15% | 12.17% | 8.66% |
| Core real estate | 10% | 9.39% | 5.88% |
| | <u>100%</u> | | |

- 1) Long-term arithmetic average nominal return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.
- 2) Long-term arithmetic average real return is the long-term average nominal return minus an average annual inflation rate of 3.51%.

The above long-term expected real rates of return represent best estimates of geometric rates of return for each major asset class included.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to follow the current funding policy of contributing employer normal cost plus a 17-year amortization (on a closed basis) of unfunded liabilities. Based on this assumption, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Sensitivity Of The NPL To Changes In The Discount Rate

The following presents the NPL (asset) of the retirement system, calculated using the discount rate determined above, as well as what the system's NPL (asset) would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

| | <u>1% Decrease</u> | <u>Current</u> | <u>1% Increase</u> |
|-------------------------------|--------------------|----------------|--------------------|
| Discount rate | 6.00% | 7.00% | 8.00% |
| Net pension liability (asset) | \$ 11,423,814 | \$ 5,533,796 | \$ 684,161 |

Pension Expense And Deferred Outflows Of Resources And Deferred Inflows Of Resources Related To Pensions

For the year ended September 30, 2017, the City recognized pension expense of \$1,707,022 related to the UERF. At September 30, 2017, the City reported deferred outflows of resources related to the UERF from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ 781,119 | \$ 75,948 |
| Differences between expected and actual investment income | 1,020,129 | 682,468 |
| Balance at September 30, 2017 | \$ 1,801,248 | \$ 758,416 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the UERF will be recognized in pension expense as follows:

| <u>Year Ended September 30,</u> | <u>Deferred Outflows Of Resources</u> | <u>Deferred Inflows Of Resources</u> |
|-------------------------------------|---|--|
| 2018 | \$ 615,460 | \$ 187,199 |
| 2019 | 615,460 | 187,199 |
| 2020 | 504,557 | 187,199 |
| 2021 | 65,771 | 187,199 |
| 2022 | — | 9,620 |
| | <u>\$ 1,801,248</u> | <u>\$ 758,416</u> |

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

8. Other Post Employment Benefits

The City sponsors and administers a single-employer other post employment benefit (OPEB) plan that does not issue a separate stand-alone financial report. The City provides medical and prescription drug benefits to eligible retirees. All employees who retire from the City and meet eligibility criteria may participate. Nonuniformed employees are eligible to retire once they have attained age 55 and have 10 years of service or age 60 and 5 years of service. Uniformed employees are eligible to retire once they have attained the age of 50 and have 25 years of service; age 55 and 10 years of service; or age 60 and 5 years of service. Retirees who elect to participate must pay the entire monthly premium. The City’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The City annual OPEB cost for the most recent actuarial valuation and the related information are as follows:

| | For The Year Ended September 30, 2017 |
|--|--|
| Annual required contribution | \$ 146,734 |
| Interest on OPEB obligation | 18,385 |
| Adjustment to annual required contribution | (33,819) |
| Annual OPEB cost | <u>131,300</u> |
| Contributions made | <u>61,310</u> |
| Increase in OPEB obligation | <u>69,990</u> |
| Net OPEB obligation - beginning of year | <u>459,613</u> |
| Net OPEB obligation - end of year | <u><u>\$ 529,603</u></u> |

The Plan, stated in the City’s Personnel policy, was established by City Ordinance, which assigned the authority to establish and amend benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City. The OPEB liability has historically been and is generally liquidated by the General Fund.

Contributions to the plan for the current year and two preceding years have been as follows:

| For The Years Ended September 30 | Annual OPEB Cost | Contribution Made | Percentage Of Annual OPEB Cost Contributed | Net OPEB Obligation |
|---|-----------------------------|------------------------------|---|------------------------------------|
| 2017 | \$ 131,300 | \$ 61,310 | 46.69% | \$ 529,603 |
| 2016 | 105,536 | 36,459 | 34.55% | 459,613 |
| 2015 | 105,536 | 35,475 | 33.61% | 390,536 |

Funded Status and Funding Progress

As of October 1, 2016, the most recent actuarial valuation date, the Plan has no assets since the City does not fund the Plan. The unfunded actuarial accrued liability (UAAL) for benefits was \$1.1 million. The covered payroll (annual payroll of active employees covered by the Plan) was \$10.4 million, and the ratio of the UAAL to covered payroll was 10.9%.

Actuarial Methods And Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern to that point.

In the October 1, 2016 actuarial valuation, the liabilities were computed using the Projected Unit Credit Method. The initial unfunded actuarial accrued liability is being amortized over 20 years. The actuarial assumptions utilized a 4% discount rate. The valuation assumes a 8% premium cost rate for fiscal year 2017, reduced by decrements to an ultimate 5% increase for 2030 and later years.

9. Deferred Compensation Plan

The City participates in a deferred compensation plan under Internal Revenue Code Section 457. The Plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

10. Risk Management

The City 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.

The City, along with various other local governments, participates in an insurance trust for workers' compensation, general liability, and health insurance (St. Louis Area Insurance Trust – SLAIT). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the trust; however, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. The trust has contracted with an administrator to process all claims.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

The City also purchases commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past 3 years.

11. Joint Venture

Pursuant to an agreement authorized by City ordinance, the City joined with the Clayton School District to construct and operate a recreational facility. The construction was funded by the City and the Clayton School District. Administration, accounting, repair, and maintenance of the facility will be shared in accordance with the agreement. The City has contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the Clayton City Hall. The City is liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$100,000 for its annual operational subsidy for the year ended September 30, 2017.

A condensed summary of financial information for the joint venture as of and for its fiscal year ended September 30, 2017 is as follows:

| | |
|----------------------------------|-----------------------------|
| Assets | <u>\$ 11,247,233</u> |
| Liabilities | <u>789,074</u> |
| Net Position | |
| Net investment in capital assets | 11,161,503 |
| Unrestricted | <u>(703,344)</u> |
| Total Net Position | <u><u>\$ 10,458,159</u></u> |
| Operating revenue | \$ 2,866,151 |
| Operating expenses | (3,943,889) |
| Nonoperating revenues (expenses) | 45,615 |
| Capital contributions | <u>200,000</u> |
| Change in net position | <u><u>\$ (832,123)</u></u> |

12. Commitments And Contingencies

Litigation

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

Federal Grants

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

13. Net Position/Fund Balance

The government-wide statement of net position reports \$1,634,551 of restricted net position, of which \$461,984 is restricted by enabling legislation.

14. Lease Agreement

The City entered into a lease agreement to rent part of the police building. The lease term is May 2013 through May 2033. The amount paid in advance of \$4,325,269 will be recognized over 20 years. At September 30, 2017, the unearned rent was \$3,369,578.

15. Traffic Violations

State legislation requires the City to annually calculate the percentage of its general revenue that comes from traffic violations and to report an accounting of that calculation. Any such revenues that exceed 20% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported Fines and Forfeitures of \$909,408 of which \$887,857 represent fines, forfeitures, court costs, and other related items for minor traffic violations. This amount is approximately 3.8% of total general revenues of \$23,205,459 and, accordingly, the City believes it is in compliance with the State requirements.

16. Tax Abatements

As of September 30, 2017, the City provides tax abatements through three arrangements under the State of Missouri's industrial development bond program, as discussed in Note 6. The City is authorized to issue industrial development bonds under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended. The bonds finance industrial development projects for private corporations, partnerships and individuals (the recipient). The recipient conveys to the City fee simple title to the site or improvements related to the industrial development project. At the same time, the City will lease the site or improvements back to the recipient pursuant to a lease agreement. The lease agreement requires the recipient to use the proceeds of the bonds to purchase and construct the project. The recipient is obligated to make lease payments in amounts that are sufficient to pay the principal and interest on the bonds as they become due. Thus, the City acts as a conduit for the financing. Because the City has ownership of the project, no real and/or personal property taxes are owed. The City's arrangements under this program resulted in tax abatements. The amount of property taxes abated by these arrangements during fiscal year 2017 was \$192,437.

Required Supplementary Information

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND

For The Year Ended September 30, 2017

| | Original Budget | Final Budget | Actual | Over (Under) Budget |
|---|--------------------|---------------------|----------------------|------------------------|
| Revenues | | | | |
| General property taxes | \$ 6,110,040 | \$ 6,385,040 | \$ 6,404,536 | \$ 19,496 |
| Sales taxes | 4,540,519 | 4,255,519 | 4,252,770 | (2,749) |
| Licenses and permits | 3,209,590 | 2,154,590 | 2,170,772 | 16,182 |
| Public utility licenses | 5,323,831 | 5,288,831 | 5,301,493 | 12,662 |
| Intergovernmental | 1,048,350 | 1,271,878 | 1,243,553 | (28,325) |
| Community programs | 1,994,804 | 1,950,832 | 1,910,456 | (40,376) |
| Parking facilities and meters | 2,009,555 | 2,243,455 | 2,256,024 | 12,569 |
| Fines and forfeitures | 965,000 | 925,000 | 909,408 | (15,592) |
| Donations and reimbursements | 36,850 | 36,850 | 35,849 | (1,001) |
| Investment income | 142,024 | 142,024 | 109,681 | (32,343) |
| Miscellaneous | 339,550 | 379,550 | 384,637 | 5,087 |
| Total Revenues | 25,720,113 | 25,033,569 | 24,979,179 | (54,389) |
| Expenditures | | | | |
| Current: | | | | |
| General government | | | | |
| Nondepartmental | 527,870 | 527,544 | 497,937 | (29,607) |
| Information systems | 980,166 | 971,239 | 924,125 | (47,114) |
| Finance | 803,479 | 747,827 | 709,004 | (38,823) |
| City manager's office | 612,232 | 585,169 | 560,838 | (24,331) |
| Municipal court | 353,594 | 397,476 | 388,646 | (8,830) |
| Board of aldermen and city clerk | 87,830 | 89,830 | 89,246 | (584) |
| Personnel administration | 246,461 | 215,989 | 204,540 | (11,449) |
| Public safety | 11,263,437 | 11,286,991 | 11,230,377 | (56,614) |
| Public works | 6,258,059 | 6,200,108 | 5,976,177 | (223,931) |
| Parks and recreation | 2,337,541 | 2,291,454 | 2,257,630 | (33,824) |
| Economic development | 613,891 | 581,615 | 536,541 | (45,074) |
| Community development | 1,071,412 | 1,063,955 | 1,055,687 | (8,268) |
| Debt service | | | | |
| Principal | 218,214 | 218,214 | 218,214 | — |
| Interest and fiscal charges | 12,594 | 12,594 | 12,594 | — |
| Total Expenditures | 25,386,780 | 25,190,005 | 24,661,556 | (528,449) |
| Revenues Over (Under) Expenditures | 333,333 | (156,436) | 317,623 | 474,060 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,458,637 | 1,458,637 | 1,458,637 | — |
| Transfers out | (1,507,068) | (1,732,068) | (1,732,068) | — |
| Total Other Financing Sources (Uses) | (48,431) | (273,431) | (273,431) | — |
| Net Change In Fund Balances | \$ 284,902 | \$ (429,867) | 44,192 | \$ 474,060 |
| Fund Balance - Beginning Of Year | | | 16,943,329 | |
| Fund Balance - End Of Year | | | \$ 16,987,521 | |

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION September 30, 2017

Explanation Of Budgetary Process

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

- a. Prior to August 1, the City Manager submits to the Board of Aldermen a proposed operating budget for all funds, except the Drug Forfeiture Fund for the fiscal year. The operating budget includes proposed expenditures and the means of financing them, except for police grant revenues and expenditures. Expenditures may not exceed appropriations at the department level for the General Fund and at the fund level for all other funds. For budgetary purposes, police and fire activities are budgeted as a single “public safety” department.
- b. Public hearings and open Board of Aldermen meetings are held to obtain taxpayer comments.
- c. Prior to October 1, the budget is adopted by the Board of Aldermen.
- d. Budgets are adopted on a basis generally consistent with accounting principles generally accepted in the United States of America except for certain accruals in the Flexible Spending Account Fund are not budgeted. Budgetary comparisons in the required supplementary information and other supplemental information are presented on this budgetary basis. Unencumbered appropriations lapse at fiscal year end.
- e. The current year budget includes amendments. Budget amendments between funds or departments, in the General Fund, must be approved by the Board of Aldermen.

Expenditures exceeded appropriations in the following funds and departments at September 30, 2017:

| <u>Fund</u> | <u>Amount</u> |
|--------------------------|---------------|
| Capital Improvement Fund | \$195,330 |

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS NONUNIFORMED EMPLOYEES' RETIREMENT FUND

| | Measurement Date | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | June 30, | | | |
| | 2017 | 2016 | 2015 | 2014 |
| Total pension liability | | | | |
| Service cost | \$ 500,005 | \$ 478,954 | \$ 478,857 | \$ 378,669 |
| Interest | 1,235,787 | 1,195,165 | 1,104,645 | 1,041,305 |
| Differences between expected and actual experience | (269,014) | (427,158) | (61,854) | 51,094 |
| Changes of assumptions | — | (130,351) | 413,213 | — |
| Benefit payments | (707,375) | (702,700) | (560,970) | (752,949) |
| Net change in total pension liability | 759,403 | 413,910 | 1,373,891 | 718,119 |
| Total pension liability - beginning | 17,501,805 | 17,087,895 | 15,714,004 | 14,995,885 |
| Total pension liability - ending | <u>\$ 18,261,208</u> | <u>\$ 17,501,805</u> | <u>\$ 17,087,895</u> | <u>\$ 15,714,004</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 538,890 | \$ 559,056 | \$ 544,097 | \$ 473,909 |
| Contributions - employee | 150,996 | 144,794 | 139,616 | 137,488 |
| Net investment income | 1,841,090 | 249,335 | 1,053,742 | 1,859,720 |
| Benefit payments | (707,375) | (702,700) | (560,970) | (752,949) |
| Administrative expense | (57,685) | (52,551) | (47,672) | (49,687) |
| Net change in fiduciary net position | 1,765,916 | 197,934 | 1,128,813 | 1,668,481 |
| Plan fiduciary net position - beginning | 15,260,104 | 15,062,170 | 13,933,357 | 12,264,876 |
| Plan fiduciary net position - ending | <u>\$ 17,026,020</u> | <u>\$ 15,260,104</u> | <u>\$ 15,062,170</u> | <u>\$ 13,933,357</u> |
| Net pension liability - ending | <u>\$ 1,235,188</u> | <u>\$ 2,241,701</u> | <u>\$ 2,025,725</u> | <u>\$ 1,780,647</u> |
| Plan fiduciary net position as a percentage of the total net pension liability | 93.24% | 87.19% | 88.15% | 88.67% |
| Covered employee payroll | \$ 5,196,464 | \$ 5,005,772 | \$ 4,793,040 | \$ 4,864,905 |
| Net pension liability as a percentage of covered employee payroll | 23.77% | 44.78% | 42.26% | 36.60% |

Note To Schedule:

The City implemented GASB Statement No. 67 in 2014. This schedule will ultimately include ten years of data once it becomes available. An actuarial valuation pursuant to GASB Statement No. 67 is not available for the year ended June 30, 2013.

Changes of assumptions. In 2016, amounts reported as changes in assumptions resulted primarily from an increase in the Discount Rate from 6.94% to 7.00%.

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Combined Healthy Table Generational projection using scale BB.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS NONUNIFORMED EMPLOYEES' RETIREMENT FUND

| | Fiscal Year Ended September 30, | | | | | | | | | |
|---|------------------------------------|--------------------|--------------------|-------------------|---------------------|------------------|-------------------|------------------|-------------------|-------------------|
| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Actuarially determined contribution | \$ 547,815 | \$ 531,691 | \$ 453,411 | \$ 582,958 | \$ 396,443 | \$ 423,850 | \$ 353,902 | \$ 251,507 | \$ 255,620 | \$ 256,078 |
| Contributions in relation to the actuarially determined contribution | 538,890 | 559,056 | 544,097 | 473,909 | 639,229 | 363,049 | 243,242 | 161,614 | — | — |
| Contribution deficiency (excess) | \$ 8,925 | \$ (27,365) | \$ (90,686) | \$ 109,049 | \$ (242,786) | \$ 60,801 | \$ 110,660 | \$ 89,893 | \$ 255,620 | \$ 256,078 |
| Covered employee payroll | \$ 5,341,921 | \$ 5,382,226 | \$ 4,914,959 | \$ 4,859,875 | \$ 4,787,179 | \$ 4,852,803 | \$ 4,968,938 | \$ 4,918,854 | \$ 4,670,711 | \$ 4,450,074 |
| Contributions as a percentage of covered employee payroll | 10.09% | 10.39% | 11.07% | 9.75% | 13.35% | 7.48% | 4.90% | 3.29% | 0.00% | 0.00% |

Valuation date: July 1, 2017

Actuarially determined contribution rates are calculated as of June 30, in the fiscal year prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percentage of payroll, open period |
| Remaining amortization period | 19 years |
| Asset valuation method | Assumed-yield method, with a 20% adjustment to market value |
| Inflation | 2% |
| Salary increases | 4% |
| Investment rate of return | 7%, net of expenses |
| Retirement age | Probabilities of retirement are assigned to ages between 55 and 69, with all employees assumed to retire by age 69 |
| Mortality | 2017 through 2015: RP-2000 Combined Healthy Table Generational projection using Scale BB 2014 and prior: RP-2000 Combined Healthy Table Generational projection using Scale AA |

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS NONUNIFORMED EMPLOYEES' RETIREMENT FUND

| | Measurement Date | | | |
|--|------------------|-------|-------|--------|
| | June 30, | | | |
| | 2017 | 2016 | 2015 | 2014 |
| Annual money-weighter rate of return, net of investment expense | 12.09% | 1.66% | 7.54% | 15.28% |

Note To Schedule:

The City implemented GASB Statement No. 67 in 2014. This schedule will ultimately include ten years of data once it becomes available.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS UNIFORMED EMPLOYEES' PENSION FUND

| | Measurement Date | | |
|---|------------------|---------------|---------------|
| | December 31, | | |
| | 2016 | 2015 | 2014 |
| Total pension liability | | | |
| Service cost | \$ 888,793 | \$ 838,618 | \$ 839,544 |
| Interest | 3,013,562 | 2,860,499 | 2,753,542 |
| Differences between expected and actual experience | (92,530) | 457,271 | 977,634 |
| Benefit payments | (2,030,975) | (2,009,305) | (3,094,899) |
| Net change in total pension liability | 1,778,850 | 2,147,083 | 1,475,821 |
| Total pension liability - beginning | 43,160,399 | 41,013,316 | 39,537,495 |
| Total pension liability - ending | \$ 44,939,249 | \$ 43,160,399 | \$ 41,013,316 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 1,053,439 | \$ 945,822 | \$ 857,131 |
| Contributions - employee | 277,605 | 264,381 | 249,647 |
| Net investment income | 3,405,344 | 1,152,431 | 1,876,874 |
| Benefit payments | (2,030,975) | (2,009,305) | (3,094,899) |
| Administrative expenses | (206,272) | (212,257) | — |
| Net change in fiduciary net position | 2,499,141 | 141,072 | (111,247) |
| Plan fiduciary net position - beginning | 36,906,312 | 36,765,240 | 36,876,487 |
| Plan fiduciary net position - ending | \$ 39,405,453 | \$ 36,906,312 | \$ 36,765,240 |
| Net pension liability - ending | \$ 5,533,796 | \$ 6,254,087 | \$ 4,248,076 |
| Plan fiduciary net position as a percentage of the total net pension liability | 87.69% | 85.51% | 89.64% |
| Covered employee payroll | \$ 5,643,996 | \$ 5,319,108 | \$ 5,493,694 |
| Net pension liability as a percentage of covered employee payroll | 98.05% | 117.58% | 77.33% |

Note To Schedule:

The City implemented GASB Statement No. 67 in 2014. This schedule will ultimately include ten years of data once it becomes available. An actuarial valuation pursuant to GASB Statement No. 67 is not available for the year ended December 31, 2013.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS UNIFORMED EMPLOYEES' PENSION FUND

| | Fiscal Year Ended September 30, | | | | | | | | | |
|---|------------------------------------|---------------------|-------------------|---------------------|----------------|----------------|------------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Actuarially determined contribution | \$ 1,000,892 | \$ 777,547 | \$ 1,004,082 | \$ 1,029,534 | \$ 965,627 | \$ 990,993 | \$ 1,125,201 | \$ 677,396 | \$ 733,009 | \$ 756,282 |
| Contributions in relation to the actuarially determined contribution | 1,053,439 | 945,822 | 857,131 | 1,333,906 | 965,627 | 990,993 | 1,125,201 | 677,396 | 733,009 | 756,282 |
| Contribution deficiency (excess) | \$ (52,547) | \$ (168,275) | \$ 146,951 | \$ (304,372) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — |
| Covered employee payroll | \$ 6,318,542 | \$ 5,984,753 | \$ 5,629,787 | \$ 5,519,943 | \$ 5,697,480 | \$ 5,667,849 | \$ 5,545,608 | \$ 5,473,347 | \$ 5,350,898 | \$ 5,196,213 |
| Contributions as a percentage of covered employee payroll | 16.67% | 15.80% | 15.22% | 24.17% | 16.95% | 17.48% | 20.29% | 12.38% | 13.70% | 14.55% |

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, 2016 in the fiscal year prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level dollar percentage of payroll, closed period |
| Remaining amortization period | 17 years |
| Asset valuation method | Smoothed method, market value reduced by 2/3 and 1/3 of loss in each of the prior years, respectively |
| Inflation | 2% |
| Salary increases | 3.5% |
| Investment rate of return | 7%, net of expenses |
| Retirement age | Probabilities of retirement are assigned to ages between 45 and 60, with all employees assumed to retire by age 60 |
| Mortality | 2017 through 2015: RP-2000 Blue Collar Table with Generational improvement using Scale BB 2014 and prior: RP-2000 Blue Collar Table with Generational improvement using Scale AA |

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF INVESTMENT RETURNS UNIFORMED EMPLOYEES' PENSION FUND

| | Measurement Date | | | |
|--|------------------|-------|-------|--------|
| | December 31, | | | |
| | 2017 | 2016 | 2015 | 2014 |
| Annual money-weighter rate of return, net of investment expense | 9.34% | 3.18% | 5.69% | 16.85% |

Note to Schedule:

The City implemented GASB Statement No. 67 in 2014. This schedule will ultimately include ten years of data once it becomes available.

CITY OF CLAYTON, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
OTHER POST-EMPLOYMENT BENEFIT PLAN
September 30, 2017**

| Actuarial Valuation Dated October 1 | Actuarial Value Of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b - a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL As A Percentage Of Covered Payroll ((b - a) / c) |
|--|--|---|--------------------------------------|--------------------------|-----------------------------|---|
| 2016 | \$ — | \$ 1,137,257 | \$ (1,137,257) | 0% | \$ 10,414,461 | 10.92% |
| 2014 | — | 816,449 | (816,449) | 0% | 9,427,076 | 8.66% |
| 2012 | — | 713,009 | (713,009) | 0% | 10,185,513 | 7.00% |

Other Supplementary Information

CITY OF CLAYTON, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted for expenditures for specific purposes.

Special Taxing District Fund - This fund is used to account for the ad valorem real estate tax assessed on the Special Business District, which funds are to be utilized for promotion, maintenance, and improvements of the district.

Sewer Lateral Fund - This fund is used to account for sewer lateral fees assessed on all residential property, which funds are to be utilized for the repair of sewer lateral service lines up to a maximum of \$3,000 per residence.

Drug Forfeiture Fund - This fund is used to account for the fines and forfeitures received, which funds are to be utilized for police assistance, police training and police equipment purchases.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, long-term debt, principal, interest, and related costs.

2009 Build America Bond Fund - This fund is used to account for the accumulation of resources for, and the payment of, special obligation refunding bond principal and interest.

2011 Bond Issue Fund - This fund is used to account for the proceeds for the project and debt service payments of the 2011 bonds.

2014 S.O. Bond Issue Fund - This fund is used to account for the accumulation of resources for, and the payment of, special obligation refunding bond principal and interest.

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

September 30, 2017

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Total</u> |
|---|-----------------------------|-----------------------------|-----------------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 168,410 | \$ 10,008 | \$ 178,418 |
| Investments | 315,696 | 115,296 | 430,992 |
| Property taxes receivable | 732 | 8,514 | 9,246 |
| Interest receivable | 220 | 80 | 300 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | <u>\$ 485,058</u> | <u>\$ 133,898</u> | <u>\$ 618,956</u> |
| | | | |
| Liabilities And Fund Balances | | | |
| Liabilities | | | |
| Accounts payable | \$ 22,815 | \$ 4,346 | \$ 27,161 |
| Accrued liabilities | 259 | — | 259 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities | <u>23,074</u> | <u>4,346</u> | <u>27,420</u> |
| | | | |
| Deferred Inflows Of Resources | | | |
| Unavailable revenues: | | | |
| Special assessments | — | 7,743 | 7,743 |
| | <u> </u> | <u> </u> | <u> </u> |
| | <u>—</u> | <u>7,743</u> | <u>7,743</u> |
| | | | |
| Fund Balances | | | |
| Restricted for: | | | |
| Economic development | 231,580 | — | 231,580 |
| Debt service | — | 121,809 | 121,809 |
| Public safety | 136,584 | — | 136,584 |
| Sewer lateral | 93,820 | — | 93,820 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total Fund Balances | <u>461,984</u> | <u>121,809</u> | <u>583,793</u> |
| | | | |
| Total Liabilities, Deferred Inflows, And Fund Balances | <u>\$ 485,058</u> | <u>\$ 133,898</u> | <u>\$ 618,956</u> |

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS September 30, 2017

| | Special Taxing District | Sewer Lateral | Drug Forfeiture | Total |
|--|--|--------------------------|----------------------------|-------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 19,285 | \$ 8,111 | \$ 141,014 | \$ 168,410 |
| Investments | 222,239 | 93,457 | — | 315,696 |
| Property tax receivable | — | 732 | — | 732 |
| Interest receivable | 155 | 65 | — | 220 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | 241,679 | 102,365 | 141,014 | 485,058 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Liabilities And Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | 9,840 | 8,545 | 4,430 | 22,815 |
| Accrued liabilities | 259 | — | — | 259 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | 10,099 | 8,545 | 4,430 | 23,074 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Fund Balances | | | | |
| Restricted for: | | | | |
| Economic development | 231,580 | — | — | 231,580 |
| Public safety | — | — | 136,584 | 136,584 |
| Sewer lateral | — | 93,820 | — | 93,820 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Fund Balances | 231,580 | 93,820 | 136,584 | 461,984 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities And Fund Balances | \$ 241,679 | \$ 102,365 | \$ 141,014 | \$ 485,058 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2017**

| | 2009 Build America Bond Fund | 2011 Bond Issue Fund | 2014 Special Obligation Bond Fund | Total |
|---|---|-------------------------------------|--|-------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 7,607 | \$ 668 | \$ 1,733 | \$ 10,008 |
| Investments - restricted | 87,662 | 7,696 | 19,938 | 115,296 |
| Property tax receivable | — | — | 8,514 | 8,514 |
| Interest receivable | 61 | 5 | 14 | 80 |
| Total Assets | \$ 95,330 | \$ 8,369 | \$ 30,199 | \$ 133,898 |
| Liabilities, Deferred Inflows Of Resources And Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 4,346 | \$ — | \$ — | \$ 4,346 |
| Deferred Inflows Of Resources | | | | |
| Unavailable revenues: | | | | |
| Special assessments | — | — | 7,743 | 7,743 |
| Fund Balances | | | | |
| Restricted for: | | | | |
| Debt service | 90,984 | 8,369 | 22,456 | 121,809 |
| Total Fund Balances | 90,984 | 8,369 | 22,456 | 121,809 |
| Total Liabilities And Fund Balances | \$ 95,330 | \$ 8,369 | \$ 30,199 | \$ 133,898 |

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended September 30, 2017

| | Special Revenue | Debt Service Fund | Total |
|---|--------------------|-------------------------|--------------------|
| Revenues | | | |
| General property taxes | \$ 519,513 | \$ 1,072,504 | \$ 1,592,017 |
| Assessment income | 93,012 | 9,517 | 102,529 |
| Intergovernmental | — | 183,866 | 183,866 |
| Fines and forfeitures | 39,244 | — | 39,244 |
| Investment income | 3,445 | 1,360 | 4,805 |
| Total Revenues | 655,214 | 1,267,247 | 1,922,461 |
| Expenditures | | | |
| Current: | | | |
| Public safety | 16,785 | — | 16,785 |
| Capital outlay | 125,721 | — | 125,721 |
| Debt service: | | | |
| Principal | — | 2,870,000 | 2,870,000 |
| Interest and fiscal charges | — | 908,415 | 908,415 |
| Total Expenditures | 142,506 | 3,778,415 | 3,920,921 |
| Revenues Over (Under) Expenditures | 512,708 | (2,511,168) | (1,998,460) |
| Other Financing Sources (Uses) | | | |
| Transfers in | — | 2,401,987 | 2,401,987 |
| Transfers out | (424,952) | — | (424,952) |
| Total Other Financing Sources (Uses) | (424,952) | 2,401,987 | 1,977,035 |
| Net Change In Fund Balances | 87,756 | (109,181) | (21,425) |
| Fund Balances | | | |
| Beginning of year | 374,228 | 230,990 | 605,218 |
| End of year | \$ 461,984 | \$ 121,809 | \$ 583,793 |

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2017

| | Special Taxing District | Sewer Lateral | Drug Forfeiture | Total |
|---------------------------------------|-------------------------------|------------------|--------------------|----------------|
| Revenues | | | | |
| General property taxes | \$ 519,513 | \$ — | \$ — | \$ 519,513 |
| Assessment income | — | 93,012 | — | 93,012 |
| Fines and forfeitures | — | — | 39,244 | 39,244 |
| Investment income | 1,737 | 905 | 803 | 3,445 |
| Total Revenues | 521,250 | 93,917 | 40,047 | 655,214 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | — | — | 16,785 | 16,785 |
| Capital outlay | — | 125,721 | — | 125,721 |
| Total Expenditures | — | 125,721 | 16,785 | 142,506 |
| Revenues Over (Under) | | | | |
| Expenditures | 521,250 | (31,804) | 23,262 | 512,708 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (424,952) | — | — | (424,952) |
| Net Change In Fund Balances | 96,298 | (31,804) | 23,262 | 87,756 |
| Fund Balances | | | | |
| Beginning of year | 135,282 | 125,624 | 113,322 | 374,228 |
| End of year | \$ 231,580 | \$ 93,820 | \$ 136,584 | \$ 461,984 |

CITY OF CLAYTON, MISSOURI

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended September 30, 2017**

| | 2009 Build America Bond Fund | 2011 Bond Issue Fund | 2014 Special Obligation Bond Fund | Total |
|---|---|---|--|--------------------|
| Revenues | | | | |
| General property taxes | \$ 1,072,504 | \$ — | \$ — | \$ 1,072,504 |
| Assessment income | — | — | 9,517 | 9,517 |
| Intergovernmental | 183,866 | — | — | 183,866 |
| Investment income | 751 | 21 | 588 | 1,360 |
| Total Revenues | 1,257,121 | 21 | 10,105 | 1,267,247 |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 660,000 | 425,000 | 1,785,000 | 2,870,000 |
| Interest and fiscal charges | 565,433 | 229,704 | 113,278 | 908,415 |
| Total Expenditures | 1,225,433 | 654,704 | 1,898,278 | 3,778,415 |
| Revenues Over (Under) Expenditures | 31,688 | (654,683) | (1,888,173) | (2,511,168) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | — | 654,704 | 1,747,283 | 2,401,987 |
| Net Change In Fund Balances | 31,688 | 21 | (140,890) | (109,181) |
| Fund Balances | | | | |
| Beginning of year | 59,296 | 8,348 | 163,346 | 230,990 |
| End of year | \$ 90,984 | \$ 8,369 | \$ 22,456 | \$ 121,809 |

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL TAXING
DISTRICT SPECIAL REVENUE FUND – BUDGET BASIS
For The Year Ended September 30, 2017**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|---------------------------------------|----------------------------|-------------------------|-------------------|------------------------------------|
| Revenues | | | | |
| General property taxes | \$ 423,977 | \$ 522,977 | \$ 519,513 | \$ (3,464) |
| Investment income | 975 | 975 | 1,737 | 762 |
| Total Revenues | 424,952 | 523,952 | 521,250 | (2,702) |
| Expenditures | | | | |
| Economic development | — | — | — | — |
| Revenues Over Expenditures | 424,952 | 523,952 | 521,250 | (2,702) |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (424,952) | (424,952) | (424,952) | — |
| Net Change In Fund Balances | <u>\$ —</u> | <u>\$ 99,000</u> | <u>96,298</u> | <u>\$ (2,702)</u> |
| Fund Balances | | | | |
| Beginning of year | | | <u>135,282</u> | |
| End of year | | | <u>\$ 231,580</u> | |

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SEWER LATERAL SPECIAL REVENUE FUND - BUDGET BASIS For The Year Ended September 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|-----------------------------------|----------------------------|-------------------------|------------------|------------------------------------|
| Revenues | | | | |
| Assessment income | \$ 91,500 | \$ 91,500 | \$ 93,012 | \$ 1,512 |
| Investment income | 560 | 560 | 905 | 345 |
| Total Revenues | <u>92,060</u> | <u>92,060</u> | <u>93,917</u> | <u>1,857</u> |
| Expenditures | | | | |
| Capital outlay | <u>105,000</u> | <u>125,800</u> | <u>125,721</u> | <u>(79)</u> |
| Net Change In Fund Balance | <u>\$ (12,940)</u> | <u>\$ (33,740)</u> | <u>(31,804)</u> | <u>\$ 1,936</u> |
| Fund Balances | | | | |
| Beginning of year | | | <u>125,624</u> | |
| End of year | | | <u>\$ 93,820</u> | |

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – 2009 BUILD AMERICA BOND DEBT SERVICE FUND – BUDGET BASIS For The Year Ended September 30, 2017

| | Original Budget | Final Budget | Actual | Over (Under) Budget |
|------------------------------------|--------------------|------------------|------------------|---------------------------|
| Revenues | | | | |
| General property taxes | \$ 1,057,307 | \$ 1,057,307 | \$ 1,072,504 | \$ 15,197 |
| Intergovernmental | 184,064 | 184,064 | 183,866 | (198) |
| Investment income | 860 | 860 | 751 | (109) |
| Total Revenues | 1,242,231 | 1,242,231 | 1,257,121 | 14,890 |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 660,000 | 660,000 | 660,000 | — |
| Interest and fiscal charges | 567,768 | 567,768 | 565,433 | (2,335) |
| Total Expenditures | 1,227,768 | 1,227,768 | 1,225,433 | (2,335) |
| Net Change In Fund Balances | \$ 14,463 | \$ 14,463 | 31,688 | \$ (17,225) |
| Fund Balances | | | | |
| Beginning of year | | | 59,296 | |
| End of year | | | <u>\$ 90,984</u> | |

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL –
2011 BOND ISSUE DEBT SERVICE FUND – BUDGET BASIS
For The Year Ended September 30, 2017**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|---------------------------------------|----------------------------|-------------------------|-----------------|------------------------------------|
| Revenues | | | | |
| Investment income | \$ — | \$ — | \$ 21 | \$ 21 |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 425,000 | 425,000 | 425,000 | — |
| Interest and fiscal charges | 229,913 | 229,913 | 229,704 | (209) |
| Total Expenditures | <u>654,913</u> | <u>654,913</u> | <u>654,704</u> | <u>(209)</u> |
| Revenues Under Expenditures | (654,913) | (654,913) | (654,683) | (230) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 654,913 | 654,913 | 654,704 | (209) |
| Net Change In Fund Balances | <u>\$ —</u> | <u>\$ —</u> | 21 | <u>\$ (21)</u> |
| Fund Balances | | | | |
| Beginning of year | | | <u>8,348</u> | |
| End of year | | | <u>\$ 8,369</u> | |

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – 2014 S.O. BOND ISSUE DEBT SERVICE FUND – BUDGET BASIS For The Year Ended September 30, 2017

| | Original Budget | Final Budget | Actual | Over (Under) Budget |
|---------------------------------------|---------------------|---------------------|--------------------|---------------------------|
| Revenues | | | | |
| Assessment income | \$ 9,609 | \$ 9,609 | \$ 9,517 | \$ (92) |
| Investment income | — | — | 588 | 588 |
| Total Revenues | 9,609 | 9,609 | 10,105 | 496 |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 1,785,000 | 1,785,000 | 1,785,000 | — |
| Interest and fiscal charges | 116,300 | 116,300 | 113,278 | (3,022) |
| Total Expenditures | 1,901,300 | 1,901,300 | 1,898,278 | (3,022) |
| Revenues Under Expenditures | (1,891,691) | (1,891,691) | (1,888,173) | (3,518) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,747,283 | 1,747,283 | 1,747,283 | — |
| Net Change In Fund Balances | \$ (144,408) | \$ (144,408) | (140,890) | \$ (3,518) |
| Fund Balances | | | | |
| Beginning of year | | | 163,346 | |
| End of year | | | \$ 22,456 | |

CITY OF CLAYTON, MISSOURI

MAJOR GOVERNMENTAL FUNDS – BUDGETARY INFORMATION

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Capital Improvement Fund - This fund is used to monitor the funding of special infrastructure improvements throughout the City. Revenues derived by this fund include a half-cent capital improvement sales tax, a half-cent parks and stormwater sales tax, road and bridge taxes, and certain special assessment taxes.

Equipment Replacements Fund - This fund is used to account for the accumulation of funds, which are to be utilized for equipment replacement needs.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the repayment of, long-term debt, principal, interest, and related costs.

2014 G.O. Bond Issue Fund - This fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest.

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND - BUDGET BASIS For The Year Ended September 30, 2017

| | Original Budget | Final Budget | Actual | Over (Under) Budget |
|---|-----------------------|-----------------------|--------------------|---------------------------|
| Revenues | | | | |
| Assessment income | \$ 7,602 | \$ 7,602 | \$ 5,192 | \$ (2,410) |
| Sales tax | 3,025,526 | 2,850,526 | 2,848,597 | (1,929) |
| Intergovernmental | 1,293,900 | 922,900 | 913,761 | (9,139) |
| Donations and reimbursements | 3,492,396 | 3,542,396 | 3,951,389 | 408,993 |
| Investment income | 33,260 | 33,260 | 35,365 | 2,105 |
| Total Revenues | 7,852,684 | 7,356,684 | 7,754,304 | 397,620 |
| Expenditures | | | | |
| Capital outlay | 10,445,236 | 8,229,786 | 8,425,115 | 195,329 |
| Debt service: | | | | |
| Interest and fiscal charges | 2,239 | 2,239 | 2,240 | 1 |
| Total Expenditures | 10,447,475 | 8,232,025 | 8,427,355 | 195,330 |
| Revenues Over (Under) Expenditures | (2,594,791) | (875,341) | (673,051) | 202,290 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 4,448,726 | 2,562,772 | 2,562,772 | — |
| Transfers out | (3,323,688) | (3,323,688) | (3,323,479) | 209 |
| Total Other Financing Sources (Uses) | 1,125,038 | (760,916) | (760,707) | 209 |
| Net Change In Fund Balances | \$ (1,469,753) | \$ (1,636,257) | (1,433,758) | \$ 202,499 |
| Fund Balances | | | | |
| Beginning of year | | | 1,668,682 | |
| End of year | | | \$ 234,924 | |

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL -
EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND -
BUDGET BASIS**

For The Year Ended September 30, 2017

| | Original Budget | Final Budget | Actual | Over (Under) Budget |
|---|----------------------------|-------------------------|---------------------|------------------------------------|
| Revenues | | | | |
| Donations and reimbursements | \$ — | \$ 26,400 | \$ 29,721 | \$ 3,321 |
| Investment income | 37,806 | 37,806 | 33,127 | (4,679) |
| Miscellaneous | — | — | 32,774 | 32,774 |
| Total Revenues | 37,806 | 64,206 | 95,622 | 31,416 |
| Expenditures | | | | |
| Capital outlay | 1,831,774 | 1,471,629 | 1,263,588 | (208,041) |
| Debt service: | | | | |
| Interest and fiscal charges | 103,018 | 103,018 | 103,018 | — |
| Total Expenditures | 1,934,792 | 1,574,647 | 1,366,606 | (208,041) |
| Revenues Over (Under) Expenditures | (1,896,986) | (1,510,441) | (1,270,984) | 239,457 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,351,149 | 1,351,149 | 1,351,149 | — |
| Sale of capital assets | 129,842 | 95,982 | 106,699 | 10,717 |
| Total Other Financing Sources (Uses) | 1,480,991 | 1,447,131 | 1,457,848 | 10,717 |
| Net Change In Fund Balances | \$ (415,995) | \$ (63,310) | 186,864 | \$ (250,174) |
| Fund Balances | | | | |
| Beginning of year | | | <u>5,049,806</u> | |
| End of year | | | <u>\$ 5,236,670</u> | |

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL -
2014 G.O. BOND ISSUE FUND -
BUDGET BASIS**

For The Year Ended September 30, 2017

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Over (Under) Budget</u> |
|---------------------------------------|----------------------------|-------------------------|---------------------|------------------------------------|
| Revenues | | | | |
| General property taxes | \$ 1,116,351 | \$ 1,076,351 | \$ 1,054,474 | \$ (21,877) |
| Investment income | 56,230 | 56,230 | 100,971 | 44,741 |
| Total Revenues | <u>1,172,581</u> | <u>1,132,581</u> | <u>1,155,445</u> | <u>22,864</u> |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal | 560,000 | 560,000 | 560,000 | — |
| Interest and fiscal charges | 437,138 | 437,138 | 434,115 | (3,023) |
| Total Expenditures | <u>997,138</u> | <u>997,138</u> | <u>994,115</u> | <u>(3,023)</u> |
| Revenues Over Expenditures | 175,443 | 135,443 | 161,330 | 25,887 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (4,405,000) | (2,294,046) | (2,294,046) | — |
| Net Change In Fund Balances | <u>\$ (4,229,557)</u> | <u>\$ (2,158,603)</u> | <u>(2,132,716)</u> | <u>\$ (25,887)</u> |
| Fund Balances | | | | |
| Beginning of year | | | <u>10,639,999</u> | |
| End of year | | | <u>\$ 8,507,283</u> | |

CITY OF CLAYTON, MISSOURI

FIDUCIARY FUND TYPES

Trust Funds are used to account for assets held by the City in a trustee capacity.

PENSION TRUST FUNDS

Non-Uniformed Employees' Retirement Fund - This fund is used to account for assets held in a trustee capacity for the City's non-uniformed employees.

Uniformed Employees' Pension Fund - This fund is used to account for assets held in a trustee capacity for the City's police officers and firefighters.

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUNDS September 30, 2017

| | Clayton Non- Uniformed Employees' Retirement Fund | Clayton Uniformed Employees' Pension Fund | Total |
|---------------------------------------|--|--|-------------------|
| Assets | | | |
| Cash and cash equivalents | \$ 170,415 | \$ 2,370,609 | \$ 2,541,024 |
| Investments: | | | |
| U.S. government and agency securities | — | 1,990,845 | 1,990,845 |
| Common stocks | — | 6,094,588 | 6,094,588 |
| Corporate bonds | — | 4,344,422 | 4,344,422 |
| Taxable municipal obligations | — | 605,640 | 605,640 |
| Mutual funds | 15,908,028 | 23,130,992 | 39,039,020 |
| Property funds | 1,840,376 | 4,621,469 | 6,461,845 |
| Interest receivable | 14,450 | 63,705 | 78,155 |
| Total Assets | 17,933,269 | 43,222,270 | 61,155,539 |
| Liabilities | | | |
| Accrued investment expenses | 1,231 | 1,990 | 3,221 |
| Net Position | | | |
| Net position restricted for pensions | \$ 17,932,038 | \$ 43,220,280 | \$ 61,152,318 |

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUNDS

For The Year Ended September 30, 2017

| | City Of Clayton Non- Uniformed Employees' Retirement Fund | City Of Clayton Uniformed Employees' Pension Fund | Total |
|---|--|--|----------------------|
| Additions | | | |
| Contributions: | | | |
| Participant contributions | \$ 153,826 | \$ 298,085 | \$ 451,911 |
| Employer contributions | 968,890 | 2,191,120 | 3,160,010 |
| Total Contributions | 1,122,716 | 2,489,205 | 3,611,921 |
| Investment Income (Loss): | | | |
| Net appreciation (depreciation) in fair value of investments and interest and dividends | 1,966,618 | 4,607,986 | 6,574,604 |
| Investment expense | (51,502) | (208,471) | (259,973) |
| Total Investment Income (Loss) | 1,915,116 | 4,399,515 | 6,314,631 |
| Total Additions | 3,037,832 | 6,888,720 | 9,926,552 |
| Deductions | | | |
| Benefits | 727,516 | 2,011,513 | 2,739,029 |
| Change In Net Assets | 2,310,316 | 4,877,207 | 7,187,523 |
| Net Position Restricted For Pensions, Beginning Of Year | 15,621,722 | 38,343,073 | 53,964,795 |
| Net Position Restricted For Pensions, End Of Year | \$ 17,932,038 | \$ 43,220,280 | \$ 61,152,318 |

STATISTICAL SECTION

CITY OF CLAYTON, MISSOURI

STATISTICAL SECTION (Unaudited)

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends - These six (6) schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity - These four (4) schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity - These four (4) schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic And Economic Information - These two (2) schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information - These three (3) schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF CLAYTON, MISSOURI

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

| Functions/Programs | September 30, | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 (1) | 2009 | 2008 |
| Governmental activities: | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ 71,073,997 | \$ 63,730,611 | \$ 59,213,835 | \$ 57,476,317 | \$ 54,149,471 | \$ 47,823,828 | \$ 37,682,326 | \$ 26,675,814 | \$ 15,329,996 | \$ 12,335,368 |
| Restricted | 1,634,234 | 3,020,748 | 2,049,796 | 2,615,467 | 2,769,794 | 3,133,907 | 4,723,377 | 3,717,214 | 3,782,799 | 3,636,576 |
| Unrestricted | 15,305,096 | 15,857,391 | 14,542,546 | 16,239,618 | 16,558,707 | 18,799,802 | 20,789,148 | 26,909,957 | 18,326,512 | 19,131,152 |
| Total governmental activities net assets | \$ 88,013,327 | \$ 82,608,750 | \$ 75,806,177 | \$ 76,331,402 | \$ 73,477,972 | \$ 69,757,537 | \$ 63,194,851 | \$ 57,302,985 | \$ 37,439,307 | \$ 35,103,096 |
| Business-type activities: | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 9,397,875 | \$ 9,404,409 |
| Restricted | — | — | — | — | — | — | — | — | 265,500 | 265,500 |
| Unrestricted | — | — | — | — | — | — | — | — | 10,203,839 | 10,221,756 |
| Total business-type activities net assets | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ 19,867,214 | \$ 19,891,665 |
| Primary government: | | | | | | | | | | |
| Net investment in | | | | | | | | | | |
| capital assets | \$ 71,073,997 | \$ 63,730,611 | \$ 59,213,835 | \$ 57,476,317 | \$ 54,149,471 | \$ 47,823,828 | \$ 37,682,326 | \$ 26,675,814 | \$ 24,727,871 | \$ 21,739,777 |
| Restricted | 1,634,234 | 3,020,748 | 2,049,796 | 2,615,467 | 2,769,794 | 3,133,907 | 4,723,377 | 3,717,214 | 4,048,299 | 3,902,076 |
| Unrestricted | 15,305,096 | 15,857,391 | 14,542,546 | 16,239,618 | 16,558,707 | 18,799,802 | 20,789,148 | 26,909,957 | 28,530,351 | 29,352,908 |
| Total primary government net assets | \$ 88,013,327 | \$ 82,608,750 | \$ 75,806,177 | \$ 76,331,402 | \$ 73,477,972 | \$ 69,757,537 | \$ 63,194,851 | \$ 57,302,985 | \$ 57,306,521 | \$ 54,994,761 |

Notes:

(1) Business-type Activities were combined with Governmental Activities

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

CHANGES IN NET POSITION LAST TEN FISCAL YEARS Page 1 Of 2

| | For The Years Ended September 30, | | | | | | | | | |
|---|-----------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 (1) | 2009 | 2008 |
| EXPENSES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General government | \$ 4,814,472 | \$ 4,965,846 | \$ 4,462,401 | \$ 5,015,781 | \$ 5,009,171 | \$ 5,050,212 | \$ 5,006,261 | \$ 6,066,181 | \$ 5,184,518 | \$ 5,286,324 |
| Public safety | 12,255,940 | 11,240,555 | 11,243,156 | 11,133,094 | 11,980,104 | 10,148,499 | 10,240,914 | 9,784,707 | 9,153,714 | 8,495,262 |
| Public works | 7,763,038 | 6,897,265 | 6,747,391 | 6,297,163 | 6,472,311 | 5,968,351 | 6,060,451 | 6,847,543 | 7,133,404 | 5,411,338 |
| Parks and recreation | 2,914,876 | 2,747,973 | 2,834,322 | 2,778,702 | 3,038,435 | 2,990,170 | 2,808,620 | 2,938,071 | 2,135,837 | 2,079,965 |
| Economic development | 535,756 | 595,984 | 486,341 | — | — | — | — | — | — | — |
| Community development | 1,058,584 | 917,979 | 832,718 | 311,973 | 274,020 | 298,989 | 318,787 | 432,432 | 199,035 | 173,316 |
| Interest and fiscal charges | 1,355,310 | 1,472,979 | 1,437,162 | 1,525,218 | 1,485,657 | 1,799,671 | 1,525,947 | 1,571,301 | 779,891 | 963,747 |
| Total Governmental Activities Expenses | 30,697,976 | 28,838,581 | 28,043,491 | 27,061,931 | 28,259,698 | 26,255,892 | 25,960,980 | 27,640,235 | 24,586,399 | 22,409,952 |
| Business-type Activities | | | | | | | | | | |
| Parking facility | — | — | — | — | — | — | — | — | 1,081,979 | 1,210,118 |
| Total Primary Government Expenses | 30,697,976 | 28,838,581 | 28,043,491 | 27,061,931 | 28,259,698 | 26,255,892 | 25,960,980 | 27,640,235 | 25,668,378 | 21,199,834 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 2,228,732 | 1,952,455 | 1,819,017 | 1,667,576 | 1,618,158 | 1,462,385 | 1,549,918 | 1,773,196 | 662,163 | 867,722 |
| Public safety | 2,832,013 | 2,374,798 | 2,493,473 | 2,449,170 | 3,334,775 | 2,367,393 | 2,481,302 | 2,125,691 | 1,295,680 | 1,286,279 |
| Public works | 1,511,207 | 1,354,173 | 1,323,109 | 1,223,177 | 1,238,118 | 1,161,444 | 1,174,765 | 1,068,315 | 233,699 | 187,215 |
| Parks and recreation | 1,050,064 | 1,042,643 | 1,024,886 | 1,038,084 | 982,734 | 881,990 | 917,628 | 885,857 | 850,860 | 824,989 |
| Economic development | — | — | — | — | — | — | — | — | 1,354,083 | 1,398,448 |
| Operating grants and contributions | 1,174,849 | 1,143,239 | 1,966,370 | 1,895,184 | 1,828,807 | 1,859,222 | 2,010,033 | 1,865,220 | 1,098,553 | 1,270,321 |
| Capital grants and contributions | 4,888,546 | 1,983,200 | 1,230,820 | 2,441,406 | 3,923,903 | 5,285,025 | 5,997,466 | 372,500 | 1,024,386 | 569,600 |
| Total Governmental Activities Program Revenues | 13,685,411 | 9,850,508 | 9,857,675 | 10,714,597 | 12,926,495 | 13,017,459 | 14,131,112 | 8,090,779 | 6,519,424 | 6,404,574 |
| Business-type Activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Parking facility | — | — | — | — | — | — | — | — | 1,521,683 | 1,420,803 |
| Total Primary Government Program Revenues | 13,685,411 | 9,850,508 | 9,857,675 | 10,714,597 | 12,926,495 | 13,017,459 | 14,131,112 | 8,090,779 | 8,041,107 | 7,825,377 |
| Net Revenues (Expenses) | | | | | | | | | | |
| Governmental activities | (17,012,565) | (18,988,073) | (18,185,816) | (16,347,334) | (15,333,203) | (13,238,433) | (11,829,868) | (19,549,456) | (18,066,975) | (16,005,378) |
| Business-type activities | — | — | — | — | — | — | — | — | 439,704 | 210,685 |
| Total Primary Government Net Revenues (Expenses) | \$ (17,012,565) | \$ (18,988,073) | \$ (18,185,816) | \$ (16,347,334) | \$ (15,333,203) | \$ (13,238,433) | \$ (11,829,868) | \$ (19,549,456) | \$ (17,627,271) | \$ (15,794,693) |

CITY OF CLAYTON, MISSOURI

CHANGES IN NET POSITION LAST TEN FISCAL YEARS Page 2 Of 2

| | For The Years Ended September 30, | | | | | | | | | |
|--|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 (1) | 2009 | 2008 |
| GENERAL REVENUES AND OTHER | | | | | | | | | | |
| CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | \$ 9,051,027 | \$ 8,326,593 | \$ 8,055,653 | \$ 7,051,113 | \$ 7,340,797 | \$ 6,707,168 | \$ 6,665,628 | \$ 6,388,623 | \$ 6,886,241 | \$ 6,643,277 |
| Sales | 7,101,367 | 7,257,356 | 7,085,858 | 6,186,273 | 5,723,220 | 5,650,981 | 5,486,472 | 5,260,745 | 5,541,603 | 6,043,834 |
| Utility | 5,301,493 | 5,235,918 | 5,434,842 | 5,452,949 | 5,364,645 | 5,206,297 | 5,450,458 | 6,172,511 | 4,894,278 | 5,701,276 |
| Other | 240,183 | 236,529 | 100,488 | 100,488 | 100,489 | 100,489 | 100,488 | 100,488 | 538,881 | 556,272 |
| Grants and contributions not restricted to specific programs | 183,866 | 192,157 | 198,215 | 202,533 | 214,458 | 1,797,555 | 309,426 | — | — | — |
| Investment income | 283,949 | 331,992 | 246,181 | 138,456 | 122,293 | 167,766 | 320,728 | 667,936 | 659,833 | 771,380 |
| Gain (loss) on sale of capital assets | 41,001 | 4,024,986 | — | 6,323 | — | 12,554 | — | 264,774 | 4,887 | — |
| Miscellaneous | 214,256 | 185,115 | 245,587 | 62,629 | 187,736 | 158,309 | 349,838 | 652,450 | 1,092,730 | 1,022,818 |
| Transfers | — | — | — | — | — | — | — | — | 784,733 | 754,000 |
| Total Governmental Activities General Revenues And Other Changes in Net Position | <u>22,417,142</u> | <u>25,790,646</u> | <u>21,366,824</u> | <u>19,200,764</u> | <u>19,053,638</u> | <u>19,801,119</u> | <u>18,683,038</u> | <u>19,507,527</u> | <u>20,403,186</u> | <u>21,492,857</u> |
| Business-type Activities | | | | | | | | | | |
| Investment income | — | — | — | — | — | — | — | — | 320,578 | 427,878 |
| Gain (loss) on sale of capital assets | — | — | — | — | — | — | — | — | — | — |
| Transfers | — | — | — | — | — | — | — | — | (784,733) | (754,000) |
| Total Business-type Activities General Revenues And Other Changes in Net Position | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(464,155)</u> | <u>(326,122)</u> |
| Total Primary Government General Revenues And Other Changes in Net Position | <u>22,417,142</u> | <u>25,790,646</u> | <u>21,366,824</u> | <u>19,200,764</u> | <u>19,053,638</u> | <u>19,801,119</u> | <u>18,683,038</u> | <u>19,507,527</u> | <u>19,939,031</u> | <u>21,166,735</u> |
| CHANGES IN NET POSITION BEFORE RESTATEMENT | | | | | | | | | | |
| Governmental activities | 5,404,577 | 6,802,573 | 3,181,008 | 2,853,430 | 3,720,435 | 6,562,686 | 6,853,170 | (41,929) | 2,336,211 | 5,487,479 |
| Business-type activities | — | — | — | — | — | — | — | — | (24,451) | (115,437) |
| Total Primary Government Changes in Net Position Before Restatement | <u>5,404,577</u> | <u>6,802,573</u> | <u>3,181,008</u> | <u>2,853,430</u> | <u>3,720,435</u> | <u>6,562,686</u> | <u>6,853,170</u> | <u>(41,929)</u> | <u>2,311,760</u> | <u>5,372,042</u> |
| RESTATEMENT | | | | | | | | | | |
| Governmental activities | — | — | (3,706,233) | — | — | — | (961,304) | — | — | — |
| CHANGES IN NET POSITION | | | | | | | | | | |
| Governmental activities | 5,404,577 | 6,802,573 | (525,225) | 2,853,430 | 3,720,435 | 6,562,686 | 5,891,866 | (41,929) | 2,336,211 | 5,487,479 |
| Business-type activities | — | — | — | — | — | — | — | — | (24,451) | (115,437) |
| Total Primary Government Change In Net Position | <u>\$ 5,404,577</u> | <u>\$ 6,802,573</u> | <u>\$ (525,225)</u> | <u>\$ 2,853,430</u> | <u>\$ 3,720,435</u> | <u>\$ 6,562,686</u> | <u>\$ 5,891,866</u> | <u>\$ (41,929)</u> | <u>\$ 2,311,760</u> | <u>\$ 5,372,042</u> |

Notes:

(1) Business-type Activities were combined with Governmental Activities.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

| | September 30, | | | | | | | | | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 (1) | 2010 | 2009 |
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ 137,521 | \$ 133,928 | \$ 196,165 | \$ 24,339 | \$ 17,715 | \$ — | \$ — | \$ — | \$ — | \$ — |
| Assigned | 75,447 | 151,333 | 162,249 | 107,705 | 1,030,039 | 3,663,374 | 2,838,638 | — | — | — |
| Unassigned | 16,774,553 | 16,658,068 | 16,004,710 | 16,207,104 | 15,389,726 | 14,673,064 | 17,927,718 | — | — | — |
| Reserved | — | — | — | — | — | — | — | 434,493 | 46,246 | 50,748 |
| Unreserved | — | — | — | — | — | — | — | 22,623,263 | 12,590,092 | 11,816,465 |
| Total General Fund | <u>\$ 16,987,521</u> | <u>\$ 16,943,329</u> | <u>\$ 16,363,124</u> | <u>\$ 16,339,148</u> | <u>\$ 16,437,480</u> | <u>\$ 18,336,438</u> | <u>\$ 20,766,356</u> | <u>\$ 23,057,756</u> | <u>\$ 12,636,338</u> | <u>\$ 11,867,213</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | \$ 9,326,000 | \$ 12,913,899 | \$ 15,807,553 | \$ 3,328,388 | \$ 5,017,628 | \$ 7,914,614 | \$ 9,733,471 | \$ — | \$ — | \$ — |
| Committed | 5,236,670 | 5,049,806 | 3,458,922 | 2,621,045 | 2,167,454 | 2,349,061 | 1,974,198 | — | — | — |
| Unassigned | — | — | (268,271) | (1,636,835) | (913,659) | (555,647) | — | — | — | — |
| Reserved: | | | | | | | | | | |
| Capital Improvement Fund | — | — | — | — | — | — | — | 2,266,413 | 601,000 | 1,074,715 |
| Equipment Replacement Fund | — | — | — | — | — | — | — | 2,887 | 1,433 | 76,455 |
| 1997-98 Bond Debt Service Fund | — | — | — | — | — | — | — | — | — | — |
| 2009 Build America Bond Fund | — | — | — | — | — | — | — | 7,149,194 | — | — |
| Other Governmental Funds | — | — | — | — | — | — | — | 2,953,109 | 3,626,688 | 2,333,652 |
| Unreserved, reported in: | | | | | | | | | | |
| Capital Improvement Fund | — | — | — | — | — | — | — | 398,512 | 1,689,633 | 2,358,173 |
| Equipment Replacement Fund: | — | — | — | — | — | — | — | 2,355,125 | 2,272,303 | 2,551,415 |
| Other governmental funds: | | | | | | | | | | |
| Special Revenue Funds | — | — | — | — | — | — | — | 386,822 | 570,813 | 559,631 |
| Capital Projects Funds | — | — | — | — | — | — | — | — | 581,651 | 1,755,975 |
| Total All Other Governmental Funds | <u>\$ 14,562,670</u> | <u>\$ 17,963,705</u> | <u>\$ 18,998,204</u> | <u>\$ 4,312,598</u> | <u>\$ 6,271,423</u> | <u>\$ 9,708,028</u> | <u>\$ 11,707,669</u> | <u>\$ 15,512,062</u> | <u>\$ 9,343,521</u> | <u>\$ 10,710,016</u> |

Note:
(1) Enterprise and Internal Service Funds Combined with General Fund and Capital Improvement Project Fund Combined with Revolving Public Improvement Fund.

Source: Basic financial statements

GASB 54 was implemented in 2011.

CITY OF CLAYTON, MISSOURI

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

| | For The Years Ended September 30 | | | | | | | | | |
|---|----------------------------------|---------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 (1) | 2009 | 2008 |
| Revenues | | | | | | | | | | |
| General property taxes | \$ 9,051,027 | \$ 8,411,302 | \$ 8,058,411 | \$ 7,095,591 | \$ 7,403,480 | \$ 6,717,939 | \$ 6,619,357 | \$ 6,374,580 | \$ 6,846,052 | \$ 6,693,072 |
| Assessment income | 107,721 | 128,334 | 151,706 | 131,814 | 180,111 | 222,394 | 172,250 | 162,842 | 201,676 | 177,136 |
| Sales taxes | 7,101,367 | 7,257,356 | 6,954,159 | 6,065,100 | 5,620,069 | 5,554,236 | 5,389,764 | 5,173,479 | 5,458,802 | 5,945,807 |
| Licenses and permits | 2,170,772 | 1,934,515 | 1,793,424 | 1,617,546 | 1,577,390 | 1,387,155 | 1,523,861 | 1,780,141 | 1,671,897 | 1,644,961 |
| Public utility licenses | 5,301,493 | 5,235,918 | 5,434,842 | 5,452,949 | 5,364,645 | 5,206,297 | 5,450,458 | 6,172,511 | 4,894,278 | 5,701,276 |
| Intergovernmental | 2,498,143 | 2,670,657 | 2,547,724 | 4,242,718 | 4,030,845 | 5,106,728 | 7,696,966 | 2,428,712 | 2,822,037 | 2,545,061 |
| Community programs | 1,910,456 | 1,814,190 | 1,853,324 | 1,806,270 | 1,713,754 | 1,549,301 | 1,460,533 | 1,413,736 | 1,193,102 | 1,281,421 |
| Parking facilities and meters | 2,256,024 | 1,997,499 | 1,928,908 | 1,790,473 | 1,707,401 | 1,587,248 | 1,653,514 | 1,474,297 | — | — |
| Fines and forfeitures | 948,652 | 864,913 | 1,200,721 | 1,067,415 | 2,012,156 | 1,111,217 | 1,302,852 | 1,078,799 | 1,097,872 | 1,189,598 |
| Donations and reimbursements | 4,016,959 | 694,944 | 559,030 | 470,190 | 2,008,212 | 3,879,251 | — | — | — | — |
| Investment income | 283,949 | 331,992 | 246,181 | 138,456 | 122,293 | 167,766 | 320,728 | 667,936 | 659,833 | 771,380 |
| Miscellaneous | 417,411 | 388,766 | 513,165 | 151,949 | 305,347 | 305,778 | 346,602 | 653,957 | 1,278,934 | 1,349,506 |
| Total Revenues | 36,063,974 | 31,730,386 | 31,241,595 | 30,030,471 | 32,045,703 | 32,795,310 | 31,936,885 | 27,380,990 | 26,124,483 | 27,299,218 |
| Expenditures | | | | | | | | | | |
| General government | 3,374,336 | 3,148,997 | 3,112,501 | 4,424,982 | 4,438,505 | 4,494,963 | 4,430,545 | 4,828,548 | 4,794,723 | 4,752,688 |
| Parks and recreation | 2,257,630 | 2,131,223 | 2,140,523 | 4,850,023 | 4,992,413 | 4,827,147 | 2,322,392 | 1,991,742 | 1,878,493 | 1,839,134 |
| Public safety | 11,404,125 | 10,434,097 | 10,459,971 | 2,255,175 | 2,451,301 | 2,330,063 | 9,678,202 | 9,458,242 | 8,658,593 | 8,362,366 |
| Public works | 5,976,177 | 5,637,166 | 5,652,642 | 10,231,631 | 11,331,936 | 9,760,295 | 4,801,188 | 4,636,808 | 3,888,910 | 3,822,033 |
| Economic development | 536,541 | 598,487 | 484,908 | — | — | — | — | — | — | — |
| Community development | 1,055,687 | 920,584 | 828,552 | 314,959 | 275,160 | 299,774 | 314,280 | 432,432 | 199,035 | 173,316 |
| Capital outlay | 9,814,424 | 8,178,107 | 3,049,893 | 5,625,574 | 8,089,679 | 20,061,767 | 11,477,048 | 12,094,749 | 5,004,207 | 2,585,407 |
| Debt service: | | | | | | | | | | |
| Principal | 3,648,214 | 3,582,579 | 3,013,765 | 2,900,407 | 4,397,690 | 3,764,825 | 3,586,804 | 2,924,263 | 2,345,000 | 8,960,000 |
| Interest and fiscal charges | 1,460,382 | 1,585,645 | 1,587,457 | 1,505,084 | 1,487,881 | 1,490,748 | 1,492,390 | 1,289,215 | 786,175 | 894,912 |
| Bond issuance costs | — | — | 16,647 | — | — | 217,195 | — | 271,353 | 56,446 | 76,239 |
| Total Expenditures | 39,527,516 | 36,216,885 | 30,346,859 | 32,107,835 | 37,464,565 | 47,246,777 | 38,102,849 | 37,927,352 | 27,611,582 | 31,466,095 |
| Excess Of Expenditures Over Revenues | (3,463,542) | (4,486,499) | 894,736 | (2,077,364) | (5,418,862) | (14,451,467) | (6,165,964) | (10,546,362) | (1,487,099) | (4,166,877) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Bond proceeds | — | — | 21,735,000 | — | — | 9,845,000 | — | 15,000,000 | 3,950,000 | 8,175,000 |
| Premium on issuance of debt | — | — | 920,519 | — | — | 150,600 | — | 40,020 | 134,548 | 73,266 |
| Payments to refunding escrow agent | — | — | (8,904,781) | — | — | — | — | — | (4,025,342) | — |
| Proceeds from capital lease | — | — | — | — | — | — | — | 1,020,000 | — | — |
| Special item | — | — | — | — | — | — | — | — | — | — |
| Sale of capital assets | 106,699 | 4,032,205 | 64,108 | 20,207 | 34,106 | 26,308 | 70,171 | 228,577 | 45,790 | 36,783 |
| Transfers in | 7,774,545 | 9,933,507 | 8,252,504 | 7,205,701 | 8,914,942 | 16,099,102 | 5,630,967 | 11,580,668 | 3,073,696 | 2,303,079 |
| Transfers out | (7,774,545) | (9,933,507) | (8,252,504) | (7,205,701) | (8,914,942) | (16,099,102) | (5,630,967) | (11,580,688) | (2,288,963) | (1,549,079) |
| Total Other Financing Sources (Uses) | 106,699 | 4,032,205 | 13,814,846 | 20,207 | 34,106 | 10,021,908 | 70,171 | 16,288,577 | 889,729 | 9,039,049 |
| Net Change In Fund Balances | \$ (3,356,843) | \$ (454,294) | \$ 14,709,582 | \$ (2,057,157) | \$ (5,384,756) | \$ (4,429,559) | \$ (6,095,793) | \$ 5,742,215 | \$ (597,370) | \$ 4,872,172 |
| Debt service as a percentage of noncapital expenditures | 16.95% | 18.43% | 16.92% | 17.80% | 19.50% | 19.00% | 15.70% | 15.10% | 12.50% | 33.40% |
| Fines and forfeitures as a percentage of general revenues (2) | 3.80% | 3.70% | 4.10% | 4.90% | 4.90% | N/A | N/A | N/A | N/A | N/A |

Note:

- (1) Enterprise and Internal Service Funds combined with General Fund and Capital Improvement Project Fund combined with Revolving Public Improvement Fund.
- (2) Beginning in 2013 Missouri House Bill (HB) 103 requires cities to report the percentage of fines and forfeitures for traffic violations to the annual general operating revenue. For 2017 total fines and forfeitures of all types were \$887,857 and general operating revenues were \$23,203,245.

CITY OF CLAYTON, MISSOURI

SALES TAX COLLECTION BY YEAR LAST TEN YEARS

| Fiscal Year | General Fund | | | Capital Improvement Fund | | Total |
|-------------|--|--|----------------------------------|---|--|--------------|
| | 1 Cent County- Wide Sales Tax | 1/4 Cent Local Option Sales Tax * | 1/4 Cent Fire Sales Tax ** | 1/2 Cent Capital Improve- ment Sales Tax | 1/2 Cent Parks & Storm Water Sales Tax | |
| 2017 | \$ 2,823,079 | \$ 662,365 | \$ 767,326 | \$ 1,308,815 | \$ 1,539,782 | \$ 7,101,367 |
| 2016 | 2,863,801 | 678,838 | 788,109 | 1,344,658 | 1,581,950 | 7,257,356 |
| 2015 | 2,664,119 | 668,865 | 744,481 | 1,321,725 | 1,554,970 | 6,954,159 |
| 2014 | 2,647,827 | 643,165 | — | 1,274,591 | 1,499,517 | 6,065,100 |
| 2013 | 2,416,650 | 605,126 | — | 1,193,810 | 1,404,482 | 5,620,069 |
| 2012 | 2,519,937 | 572,259 | — | 1,131,208 | 1,330,832 | 5,554,236 |
| 2011 | 2,330,356 | 570,792 | — | 1,143,419 | 1,345,197 | 5,389,764 |
| 2010 | 2,769,622 | — | — | 1,104,475 | 1,299,382 | 5,173,479 |
| 2009 | 3,040,054 | — | — | 1,114,641 | 1,304,107 | 5,458,802 |
| 2008 | 3,192,985 | — | — | 1,261,486 | 1,491,336 | 5,945,807 |

* The One Cent City Sales Tax and 1/4 Cent Local Option Sales Tax are shown together until FY 2011.

** The Fire Sales Tax was approved in April 2014, and the City began collection in FY 2015.

CITY OF CLAYTON, MISSOURI

UTILITY TAX AND FRANCHISE FEES LAST TEN FISCAL YEARS

| Fiscal Year | Utility Tax | | | | Franchise Fee | Total |
|-------------|--------------|------------|------------|--------------|---------------|--------------|
| | Electric | Gas | Water | Telephone | Cable T.V. | |
| 2017 | \$ 2,662,297 | \$ 656,203 | \$ 354,063 | \$ 1,628,930 | \$ 260,866 | \$ 5,562,359 |
| 2016 | 2,716,761 | 609,240 | 356,242 | 1,553,676 | 262,049 | 5,497,968 |
| 2015 | 2,792,032 | 811,152 | 312,802 | 1,518,856 | 267,938 | 5,702,780 |
| 2014 | 2,750,215 | 847,509 | 314,708 | 1,540,517 | 262,125 | 5,715,074 |
| 2013 | 2,683,072 | 784,469 | 302,916 | 1,594,188 | 234,154 | 5,598,800 |
| 2012 | 2,516,075 | 702,112 | 347,365 | 1,617,257 | 219,568 | 5,402,376 |
| 2011 | 2,548,213 | 884,411 | 311,286 | 1,684,442 | 205,914 | 5,634,265 |
| 2010 | 2,228,739 | 908,190 | 273,305 | 2,755,674 * | 178,766 | 6,344,675 |
| 2009 | 1,983,434 | 1,076,986 | 271,053 | 1,558,743 * | 173,837 | 5,064,053 |
| 2008 | 1,950,700 | 1,070,077 | 226,079 | 2,450,800 * | 170,009 | 5,867,665 |
| (Decrease) | 136% | 61% | 157% | 66% | 153% | 95% |

* The City received large telecommunications settlements in FY 2008 and FY 2010, and a small settlement in FY 2009.

CITY OF CLAYTON, MISSOURI

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (Dollars In Thousands)

| Fiscal Year | Real Property | | Personal Property | Railroads And Utilities | Total Taxable Assessed Value | Estimated Actual Value | Total Direct Tax Rate |
|----------------|-------------------------|------------------------|----------------------|-------------------------------|---------------------------------------|------------------------------|--------------------------------|
| | Residential Property | Commercial Property | | | | | |
| 2017 | \$ 482,559 | \$ 338,832 | \$ 88,829 | \$ 2,952 | \$ 902,172 | \$ 3,840,662 | 0.873 |
| 2016 | 478,102 | 337,307 | 79,323 | 3,153 | 897,886 | 3,818,176 | 0.865 |
| 2015 | 450,190 | 335,444 | 79,252 | 2,841 | 867,727 | 3,664,286 | 0.898 |
| 2014 | 450,536 | 336,201 | 77,352 | 2,794 | 866,883 | 3,662,604 | 0.787 |
| 2013 | 457,137 | 325,844 | 74,813 | 2,727 | 860,522 | 3,657,151 | 0.789 |
| 2012 | 455,763 | 326,175 | 75,590 | 3,042 | 860,570 | 3,654,239 | 0.717 |
| 2011 | 472,317 | 335,399 | 75,385 | 2,959 | 886,060 | 3,769,305 | 0.692 |
| 2010 | 470,815 | 335,157 | 84,470 | 2,986 | 893,428 | 3,787,977 | 0.673 |
| 2009 | 480,595 | 347,077 | 83,620 | 2,795 | 914,087 | 3,873,569 | 0.689 |
| 2008 | 459,370 | 346,326 | 84,556 | 2,881 | 893,133 | 3,762,594 | 0.691 |

Source - St. Louis County Assessor determines assessments as of January 1.

CITY OF CLAYTON, MISSOURI

DIRECT AND OVERLAPPING PROPERTY TAX RATES (RESIDENTIAL ONLY) PER \$100 OF ASSESSED VALUE LAST TEN FISCAL YEARS

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| City of Clayton: | | | | | | | | | | |
| General | \$ 0.629 | \$ 0.614 | \$ 0.646 | \$ 0.659 | \$ 0.659 | \$ 0.626 | \$ 0.601 | \$ 0.582 | \$ 0.568 | \$ 0.566 |
| General Obligation Debt | 0.244 | 0.251 | 0.252 | 0.128 | 0.130 | 0.091 | 0.091 | 0.091 | 0.122 | 0.125 |
| Total City of Clayton | <u>0.873</u> | <u>0.865</u> | <u>0.898</u> | <u>0.787</u> | <u>0.789</u> | <u>0.717</u> | <u>0.692</u> | <u>0.673</u> | <u>0.690</u> | <u>0.691</u> |
| Overlapping Governments: | | | | | | | | | | |
| State of Missouri | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 | 0.030 |
| St. Louis County | 0.515 | 0.515 | 0.523 | 0.523 | 0.523 | 0.523 | 0.523 | 0.523 | 0.558 | 0.558 |
| St. Louis County Library | 0.246 | 0.246 | 0.250 | 0.250 | 0.173 | 0.163 | 0.157 | 0.140 | 0.140 | 0.140 |
| Special School District | 1.241 | 1.235 | 1.261 | 1.240 | 1.012 | 1.013 | 0.995 | 0.938 | 0.918 | 0.908 |
| St. Louis Community College | 0.219 | 0.218 | 0.220 | 0.220 | 0.220 | 0.220 | 0.218 | 0.214 | 0.201 | 0.200 |
| Metropolitan St. Louis Sewer District (Extension) | 0.120 | 0.088 | 0.088 | 0.107 | 0.082 | 0.082 | 0.079 | — | — | 0.067 |
| Metropolitan Zoological Park and Museum District | 0.280 | 0.278 | 0.280 | 0.280 | 0.268 | 0.267 | 0.255 | 0.249 | 0.234 | 0.233 |
| Sheltered Workshop | 0.088 | 0.088 | 0.090 | 0.089 | 0.084 | 0.084 | 0.079 | 0.074 | 0.069 | 0.070 |
| Clayton School District | 3.842 | 3.849 | 4.103 | 4.017 | 3.743 | 3.899 | 3.743 | 3.628 | 3.230 | 3.254 |
| Deer Creek Sewer District | — | 0.083 | 0.086 | 0.086 | 0.840 | 0.840 | 0.081 | — | — | 0.060 |
| U. City Storm Sewer District | — | 0.093 | 0.093 | — | — | — | 0.092 | — | — | 0.060 |
| Total Overlapping Governments | <u>6.580</u> | <u>6.722</u> | <u>7.024</u> | <u>6.842</u> | <u>6.976</u> | <u>7.121</u> | <u>6.251</u> | <u>5.796</u> | <u>5.380</u> | <u>5.580</u> |
| Total | <u>\$ 7.453</u> | <u>\$ 7.587</u> | <u>\$ 7.922</u> | <u>\$ 7.629</u> | <u>\$ 7.765</u> | <u>\$ 7.838</u> | <u>\$ 6.943</u> | <u>\$ 6.469</u> | <u>\$ 6.070</u> | <u>\$ 6.271</u> |

Source - St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PRINCIPAL PROPERTY TAXPAYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

| Taxpayer | 2017 | | | 2008 | | |
|------------------------------------|------------------------|----------|---|------------------------|----------|---|
| | Taxable Assessed Value | Rank | Percentage Of Total City Taxable Assessed Value (1) | Taxable Assessed Value | Rank | Percentage Of Total City Taxable Assessed Value (2) |
| KBSII Pierre Laclede Center LLC | \$ 22,290,720 | 1 | 2.47% | \$ — | — | — |
| KBS Clayton Plaza LLC | 21,984,410 | 2 | 2.44% | 22,497,600 | 2 | 2.52% |
| Clayton Corporate Park Mgmt. Co. | 20,160,000 | 3 | 2.23% | 28,504,000 | 1 | 3.19% |
| Clayton St Louis Property LLC | 16,079,590 | 4 | 1.78% | — | — | — |
| Chapter 100 City of Clayton | 15,938,430 | 5 | 1.77% | — | — | — |
| KBSIII 101 South Hanley LLC | 15,356,550 | 6 | 1.70% | — | — | — |
| Clayton Central Owner LLC | 12,350,810 | 7 | 1.37% | — | — | — |
| MEPT Shaw Park Plaza LLC | 11,875,330 | 8 | 1.32% | — | — | — |
| 8182 Maryland Associates | 9,312,770 | 9 | 1.03% | 10,138,530 | 8 | 1.14% |
| Forsyth Centre Associates LLC | 8,126,430 | 10 | 0.90% | — | — | — |
| Pierre Laclede LLC | — | — | — | 22,438,620 | 3 | 2.51% |
| Duke Realty Limited Partnership | — | — | — | 15,040,000 | 4 | 1.68% |
| HEF 1 - StL No. 1 LLC | — | — | — | 11,520,000 | 6 | 1.29% |
| Realty Associates Funds VI and VII | — | — | — | 9,600,000 | 9 | 1.07% |
| Riggs & Company Trustee | — | — | — | 12,980,800 | 5 | 1.45% |
| Realty Associates Funds V | — | — | — | 10,944,000 | 7 | 1.23% |
| COP Investment Group, LLC | — | — | — | 8,550,090 | 10 | 0.96% |
| Total | \$ 153,475,040 | — | 17.01% | \$ 152,213,640 | — | 17.04% |

Source - St. Louis County Assessor

Notes:

- (1) Total assessed value of the City was \$902,171,680 as of January 1, 2016
- (2) Total assessed value of the City was \$893,133,344 as of January 1, 2007

CITY OF CLAYTON, MISSOURI

PROPERTY TAX LEVIES AND COLLECTIONS (1) LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Tax Levied For The Fiscal Year (1) | Collected Within The Fiscal Year Of The Levy | | Collections In Subsequent Years | Total Collections To Date (2) (3) | |
|---------------------------------------|--|--|-----------------------|---------------------------------------|-----------------------------------|-----------------------|
| | | Amount | Percentage Of Levy | | Amount | Percentage Of Levy |
| 2017 | \$ 8,439,729 | \$ 8,422,469 | 99.8 | \$ (76,554) | \$ 8,345,915 | 99.0% |
| 2016 | 7,906,598 | 8,064,432 | 102.0 | (134,913) | 7,929,519 | 100.3 |
| 2015 | 7,919,542 | 7,882,414 | 99.5 | (162,741) | 7,719,673 | 97.5 |
| 2014 | 6,960,444 | 6,866,868 | 98.7 | (152,247) | 6,714,622 | 96.5 |
| 2013 | 7,104,828 | 6,941,019 | 97.7 | 70,521 | 7,011,541 | 98.7 |
| 2012 | 6,406,061 | 6,285,537 | 98.1 | (44,170) | 6,241,367 | 97.4 |
| 2011 | 6,452,891 | 6,319,990 | 97.9 | 84,864 | 6,404,854 | 99.3 |
| 2010 | 6,255,287 | 6,162,067 | 98.5 | 62,071 | 6,224,138 | 99.5 |
| 2009 | 6,664,208 | 6,592,851 | 98.9 | 108,933 | 6,701,784 | 100.6 |
| 2008 | 6,566,784 | 6,458,568 | 98.4 | 70,990 | 6,529,558 | 99.4 |

Notes:

(1) Originally adjusted for strikeouts and additions by St. Louis Board of Equalization after 1978.

(2) St. Louis County Collectors Office charges a collection fee of 1.5%.

(3) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year. St. Louis County will need more time to make system updates to track this information

Source: St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

RATIOS OF OUTSTANDING DEBT BY TYPE (1) LAST TEN FISCAL YEARS (Dollars In Thousands, Except Per Capita)

| Fiscal Year | Governmental Activities | | | | Business-Type Activities | | | Total Primary Government | Percentage Of Personal Income (2) | Per Capita (2) |
|-------------|---------------------------|--------------------------|--------------|----------------|---------------------------|--------------|-----------|--------------------------|-----------------------------------|----------------|
| | Capital Improvement Bonds | General Obligation Bonds | Note Payable | Capital Leases | Capital Improvement Bonds | Note Payable | — | | | |
| 2017 | \$ 20,902 | \$ 14,279 | \$ 132 | \$ 411 | \$ — | \$ — | \$ 35,724 | 4.07 | \$ 2,241 | |
| 2016 | 23,874 | 14,861 | 351 | 504 | — | — | 39,590 | 2.67 | 2,484 | |
| 2015 (7) | 26,800 | 15,434 | 558 | 595 | — | — | 43,387 | 2.85 | 2,722 | |
| 2014 | 31,092 | — | 756 | 677 | — | — | 32,525 | 2.28 | 2,041 | |
| 2013 | 33,743 | — | 944 | 754 | — | — | 35,441 | 2.51 | 2,224 | |
| 2012 (6) | 36,966 | 945 | 1,122 | 829 | — | — | 39,862 | 2.85 | 2,501 | |
| 2011 | 29,525 | 1,960 | 1,292 | 893 | — | — | 33,670 | 2.52 | 2,112 | |
| 2010 (5) | 31,958 | 2,955 | 1,431 | 961 | — | — | 37,305 | 3.65 | 2,341 | |
| 2009 (4) | 16,680 | 3,950 | — | — | 1,835 | 1,576 | 24,041 | 2.35 | 1,509 | |
| 2008 (3) | 18,110 | 4,885 | — | — | 2,040 | 1,716 | 26,751 | 2.62 | 1,679 | |

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) See "Demographic and Economic Statistics" table for personal income and population data.
- (3) In fiscal year 2008, capital improvement bonds of \$8,175,000 were issued to refund \$7,375,000 of the Series 2002 capital improvement bonds.
- (4) In fiscal year 2009, general obligation refunding bonds, series 2009 in the amount of \$3,950,000 were issued to refund \$3,970,000 of the Series 1999 bond issuance.
- (5) In fiscal year 2010, capital improvement bonds of \$15,000,000 were issued to finance the purchase and renovation of the new Police Station. Also in fiscal year 2010, Business-type activities were combined with Governmental Activities.
- (6) In fiscal year 2012, capital improvement bonds of \$9,845,000 were issued. \$5,000,000 was issued to finance the construction of the new Police Station. The \$4,845,000 balance was issued to finance Public Works and Parks and Recreation projects in fiscal years 2012 and 2013.
- (7) In fiscal year 2015, general obligation bonds of \$15,000,000 were issued to resurface and repave neighborhood streets and update street lights. Also in fiscal year 2015, capital improvement bonds of \$6,735,000 were issued to refinance the 2007 and 2005A bond series. The debt service reserves of \$1,216,500 from the 2005A Bond Series and \$571,000 from the 2007 Bond Series were used as a source of funds in the refinancing.

CITY OF CLAYTON, MISSOURI

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS (Dollars In Thousands, Except Per Capita)

| Fiscal Year | Net General Obligation Bonds (1) | Percentage Of Actual Taxable Value Of Property (2) | Per Capita (3) |
|--------------------|---|---|---------------------------|
| 2017 | \$ 13,463 | 1.58 | \$ 896 |
| 2016 | 14,115 | 1.66 | 932 |
| 2015 | 14,807 | 1.78 | 941 |
| 2014 | — | — | — |
| 2013 | — | — | — |
| 2012 | 910 | 0.11 | 59 |
| 2011 | 1,678 | 0.22 | 123 |
| 2010 | 2,383 | 0.33 | 185 |
| 2009 | 3,092 | 0.43 | 249 |
| 2008 | 4,097 | 0.55 | 307 |

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) See "Assessed Value and Actual Value of Taxable Property" table for property value data.
- (3) See "Demographic and Economic Statistics" table for population data.

Source: Basic financial statements and Assessor of St. Louis County

CITY OF CLAYTON, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Dollars In Thousands)

| <u>Name Of Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Percentage Applicable To City Of Clayton</u> | <u>Amount Applicable To City Of Clayton</u> |
|----------------------------------|-----------------------------|---|---|
| St. Louis County | \$ 107,254,715 | 3.95 % | \$ 4,236,561 |
| Clayton School District | 80,927,000 | 87.10 % | 70,487,417 |
| Subtotal | <u>188,181,715</u> | | <u>74,723,978</u> |
| City of Clayton | <u>35,723,884</u> | 100.00 % | <u>35,723,884</u> |
| Total | <u>\$ 223,905,599</u> | | <u>\$ 110,447,862</u> |

Note: Percentage applicable to City of Clayton is the total assessed value of the City of Clayton as a percentage of the total assessed value of the taxable property of the governmental unit.

Sources:

City of Clayton Financial Report

St. Louis County

Clayton School District

CITY OF CLAYTON, MISSOURI

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (Dollars In Thousands)

| | City Purposes | | | | | | | | | |
|---|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Basic Limit | | | | | | | | | |
| Assessed Valuation | \$ 902,172 | | | | | | | | | |
| Debt Limit - 10% of assessed valuation | 90,217 | | | | | | | | | |
| Amount of debt applicable to debt limit | | | | | | | | | | |
| Total general obligation debt | 14,279 | | | | | | | | | |
| Less: Amount available in debt service fund | 816 | | | | | | | | | |
| Net bond indebtedness applicable to debt limit | 13,463 | | | | | | | | | |
| Legal Debt margin | 76,754 | | | | | | | | | |
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Debt Limit (1) | \$ 90,217 | \$ 89,789 | \$ 86,773 | \$ 86,688 | \$ 86,052 | \$ 86,057 | \$ 88,606 | \$ 89,343 | \$ 91,409 | \$ 89,313 |
| Total net debt applicable to Debt Limit | 13,463 | 14,115 | 14,807 | — | — | 910 | 1,678 | 2,383 | 3,092 | 4,097 |
| Legal debt margin | \$ 76,754 | \$ 75,674 | \$ 71,966 | \$ 86,688 | \$ 86,052 | \$ 85,147 | \$ 86,928 | \$ 86,960 | \$ 88,317 | \$ 85,216 |
| Total net debt applicable to the limit as a percentage of debt limit | 14.92% | 15.72% | 17.06% | 0.00% | 0.00% | 1.06% | 1.89% | 2.67% | 3.38% | 4.59% |

Note:

(1) Debt limit is 10% of the assessed value, which can be found in the "Assessed Value and Actual Value of Taxable Property" table. Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property. This does not include an additional debt limit of 10% of the assessed valuation for purposes of street improvements, sanitary or storm sewer systems and utility plants.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

| Year | Population (1) | Personal Income* (Thousands Of Dollars) | Median Household Income* (2) | Clayton School District Enrollment (3) | Unemployment Rate (4) |
|-------------|-----------------------|--|---|---|----------------------------------|
| 2017 | 15,939 | \$ 877,171 | \$ 55,033 | 2,683 | 1.4 % |
| 2016 | 15,939 | 877,171 | 55,033 | 2,522 | 2.1 % |
| 2015 | 15,939 | 901,032 | 56,530 | 2,485 | 2.0 % |
| 2014 | 15,939 | 936,129 | 58,732 | 2,549 | 3.4 % |
| 2013 | 15,939 | 888,344 | 55,734 | 2,588 | 3.8 % |
| 2012 | 15,939 | 941,899 | 59,094 | 2,504 | 3.4 % |
| 2011 | 15,939 | 919,728 | 57,703 | 2,455 | 4.6 % |
| 2010 | 15,935 | 946,491 | 59,397 | 2,509 | 5.2 % |
| 2009 | 15,935 | 802,726 | 50,375 | 2,478 | 5.4 % |
| 2008 | 15,935 | 802,726 | 50,375 | 2,490 | 3.5 % |

*Personal income restated to be population per capita income (previously median income)

- (1) Source - Data for 2008-2010 from 2000 revised census from the U.S. Bureau of Census dated December 7, 2001.
Source Data for 2011-2017 from 2010 U.S. Census Bureau
- (2) Sources of data from 2008 to 2010 from 2000 U.S. Bureau of Census. Sources of data for 2011 - 2017 from American Community Survey Estimates.
- (3) Source - Administrative Office - School District of Clayton.
- (4) Source: 2008 through 2015 - Missouri Department of Economic Development. 2016 and 2017 - Missouri Economic Research & Information Center

CITY OF CLAYTON, MISSOURI

PRINCIPAL EMPLOYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

| Employer | 2017 | | | 2008 | | |
|---|--------------|------|---|--------------|------|---|
| | Employees | Rank | Percentage Of Total City Employment (1) | Employees | Rank | Percentage Of Total City Employment (2) |
| St. Louis County | 1,604 | 1 | 3.49 | 1,850 | 1 | 5.29 |
| Centene Corporation | 1,464 | 2 | 3.18 | 475 | 7 | 1.36 |
| Enterprise Holdings, Inc. | 1,181 | 3 | 2.57 | 769 | 2 | 2.20 |
| Washington University | 683 | 4 | 1.48 | — | | 0.00 |
| Caleres (Brown Shoe Co., Inc.) | 646 | 5 | 1.40 | 633 | 4 | 1.81 |
| Commerce Bank NA | 517 | 6 | 1.12 | 537 | 5 | 1.53 |
| Clayton School District | 449 | 7 | 0.98 | 485 | 6 | 1.39 |
| Husch Blackwell | 421 | 8 | 0.92 | — | | — |
| Ernest & Young U.S. LLP | 358 | 9 | 0.78 | — | | — |
| Armstrong Teasdale | 350 | 10 | 0.76 | — | | — |
| RubinBrown, LLP | 316 | 11 | 0.69 | — | | — |
| Ritz Carlton | 300 | 12 | 0.65 | 301 | 9 | 0.86 |
| Moneta Group, LLC | 266 | 13 | 0.58 | — | | — |
| Sheraton Clayton Plaza Hotel/Restaurant | 259 | 14 | 0.56 | — | | — |
| Crowne Plaza St. Louis - Clayton Hotel | 238 | 15 | 0.52 | — | | — |
| Clayton Corporate Management | — | | — | 675 | 3 | 1.93 |
| Restaurant at Ritz Carlton | — | | — | 365 | 8 | 1.04 |
| Rehab Care Group Inc. | — | | — | 288 | 10 | 0.82 |
| | <u>9,052</u> | | <u>19.68</u> | <u>6,378</u> | | <u>18.23</u> |

Notes:

(1) Percentage for 2017 based on estimate of 46,000 total daytime employees in the Downtown area.

(2) Percentage for 2008 based on estimate of 35,000 total daytime employees in the Downtown Area.

Source: Business License Database from City of Clayton Finance Division, St. Louis County Human Resources Division, Washington University Education Division, Clayton School District, Husch Blackwell Human Resources Division, Armstrong Teasdale Human Resources Division and Rubin Brown Human Resources Division.

St. Louis County
Clayton Corporate Management
Enterprise Rent-A Car
Brown Group
Commerce Bank
Centene Management Company
Clayton School District
Restaurant at Ritz Carlton
Ritz Carlton
Rehab Care Group Inc.
The Earthgrains Company
Graybar Electric

CITY OF CLAYTON, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| Function/Program | Full-Time Equivalent Employees As Of September 30, | | | | | | | | | |
|---------------------------------------|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| General government: | | | | | | | | | | |
| City Manager (9) | 2.50 | 2.50 | 2.50 | 2.60 | 2.75 | 3.00 | 4.00 | 4.00 | 5.00 | 5.00 |
| Economic Development (9) | 1.50 | 1.50 | 1.50 | 1.65 | 1.75 | 1.75 | 1.75 | 1.00 | — | — |
| Events (10) | 1.00 | 1.00 | 1.00 | — | — | — | — | — | — | — |
| Human resources | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Finance (11) | 7.00 | 7.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 7.00 | 7.00 | 7.00 |
| Municipal court (13) | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Information systems (14) | 3.75 | 3.75 | 3.75 | 3.75 | 3.50 | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| Planning and development (4)(16) | 10.00 | 9.00 | 9.00 | 9.00 | 10.00 | 10.00 | 11.00 | 11.00 | 10.00 | 10.00 |
| Police: | | | | | | | | | | |
| Officers (5) | 49.00 | 49.00 | 49.00 | 49.00 | 52.00 | 52.00 | 52.00 | 52.00 | 52.00 | 52.00 |
| Civilians (15) | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 7.00 | 7.00 |
| Fire: | | | | | | | | | | |
| Firefighters and officers | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 | 35.00 |
| Civilians | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Public Works: | | | | | | | | | | |
| Engineering (2) | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 5.00 |
| Street maintenance (3) | 14.00 | 14.00 | 14.00 | 14.00 | 15.00 | 16.00 | 16.00 | 16.00 | 16.00 | 16.00 |
| Vehicle maintenance (6) | 3.00 | 3.00 | 3.00 | 3.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Building maintenance (7) | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Parking maintenance | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Parks and Recreation: | | | | | | | | | | |
| Administration/recreation (1)(10)(17) | 6.75 | 5.75 | 5.75 | 6.50 | 7.50 | 7.50 | 7.50 | 7.50 | 9.00 | 9.00 |
| Parks maintenance (8) | 7.00 | 7.00 | 7.00 | 7.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Total | 163.50 | 161.50 | 160.50 | 160.50 | 168.50 | 170.25 | 173.25 | 173.50 | 172.00 | 171.00 |

Notes:

- (1) Recreation Assistant Supervisor position eliminated in 2014.
- (2) Civil Engineer 1 position added in 2009.
- (3) Laborer position eliminated in 2013, and Assistant Forester position eliminated in 2014.
- (4) Deputy Building Official position eliminated in 2014 and Planner/Sustainability Coordinator added in 2010 and eliminated in 2012.
- (5) Staffing positions reduced in 2014 due to retirements.
- (6) Fleet and Building Manager position eliminated in 2014.
- (7) Facilities Maintenance Supervisor position transferred from Park Maintenance in 2014.
- (8) Staffing for Parks Supervisor transferred to Building Maintenance and one laborer position eliminated in 2014.
- (9) Transfer of Director of Economic Development position to Economic Development (new program) from City Manager's office in 2010, and Deputy City Manager position eliminated in 2012.
- (10) Transfer of Event Specialist position to Events (new program) from Parks and Recreation Administration & Recreation in 2015.
- (11) Temporary staffing increase of Senior Accountant in 2016, and Accounts Supervisor reduced in 2011.
- (12) All Positions restated beginning 2010 as Full Time Equivalents
- (13) One full-time Court Assistant was replaced with part-time positions in 2012
- (14) Technology Specialist added in 2010.
- (15) An Administrative Secretary was added in 2010.
- (16) New Administrative Specialist position added in 2017.
- (17) New Inclusion Services Coordinator position added in 2017.
- (17) New Inclusion Services Coordinator position added in 2017.

Source: City of Clayton Annual Budgets - (2008-2017)

CITY OF CLAYTON, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| Function/Program | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|
| Police: | | | | | | | | | | |
| Arrests | 719 | 898 | 894 | 1,281 | 1,540 | 1,253 | 1,217 | 1,334 | 1,127 | 959 |
| Parking violations | 931 | 3,221 | 3,269 | 1,400 | 1,846 | 1,654 | 2,182 | 2,046 | 2,448 | 2,890 |
| Traffic violations | 2,095 | 3,221 | 3,576 | 5,892 | 6,171 | 6,583 | 7,061 | 6,831 | 7,248 | 7,053 |
| Parking tickets * | 35,585 | 47,103 | 49,684 | 37,905 | 28,944 | 29,888 | 37,198 | 41,366 | 41,624 | 44,200 |
| Fire: | | | | | | | | | | |
| Emergency response ambulance | 1,592 | 1,597 | 1,655 | 1,619 | 1,577 | 1,639 | 1,524 | 1,474 | 1,511 | 1,648 |
| Emergency response- fire | 1,598 | 1,440 | 1,747 | 1,904 | 1,378 | 1,661 | 1,639 | 1,763 | 1,863 | 1,739 |
| Inspections | 661 | 569 | 656 | 683 | 709 | 640 | 787 | 660 | 691 | 717 |
| Parks and recreation: | | | | | | | | | | |
| Shaw Park Pool - Passes | 785 | 804 | 809 | 915 | 1,006 | 1,281 | 1,189 | 1,145 | 913 | 1,025 |
| Shaw Park Ice Rink - Passes | 29 | 28 | 34 | 36 | 55 | 42 | 53 | 38 | 17 | 15 |
| Platinum Passes | 447 | 463 | 449 | 448 | 452 | 420 | 525 | 402 | 348 | 267 |
| Tennis Court - Passes | 52 | 54 | 89 | 120 | 157 | — | 43 | 40 | 13 | 17 |
| Pool/Tennis - Passes | NA | NA | NA | NA | NA | NA | NA | NA | 44 | 56 |
| Tri Passes (pool/rink/tennis) | NA | NA | NA | NA | NA | NA | NA | NA | — | 4 |
| Shelter Rentals (including picnic pads) | 305 | 302 | 313 | 322 | 177 | 302 | 305 | 282 | 245 | 269 |
| Community development: | | | | | | | | | | |
| Residential permits issued | 278 | 348 | 310 | 325 | 324 | 278 | 308 | 273 | 219 | 299 |
| Estimated cost of construction | | | | | | | | | | |
| for residential permits | \$ 15,417,999 | \$ 56,122,533 | \$ 56,085,206 | \$ 31,818,681 | \$ 22,738,220 | \$ 15,533,472 | \$ 22,374,538 | \$ 16,600,417 | \$ 15,892,142 | \$ 26,602,257 |
| Commercial permits issued | 133 | 133 | 138 | 122 | 134 | 142 | 153 | 150 | 147 | 183 |
| Est. cost of construction | | | | | | | | | | |
| for commercial permits | \$ 78,297,903 | \$ 20,635,084 | \$ 30,080,212 | \$ 38,585,373 | \$ 26,620,710 | \$ 33,232,912 | \$ 52,113,313 | \$ 71,793,104 | \$ 123,209,999 | \$ 71,511,966 |
| Finance and administration: | | | | | | | | | | |
| Business licenses issued | 883 | 813 | 873 | 936 | 942 | 935 | 805 | 816 | 807 | 787 |
| Liquor licenses issued | 71 | 69 | 71 | 70 | 65 | 59 | 60 | 62 | 56 | 63 |

Notes:

* Parking tickets not included in parking violations.

No operating indicators by function/program are available for the Administration or Public Works Departments

Sources: City of Clayton Annual Reports (2008-2017), various City departments

CITY OF CLAYTON, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

| Function/Program | Fiscal Year | | | | | | | | | |
|-------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 23 | 23 | 23 | 23 | 23 | 25 | 25 | 26 | 26 | 26 |
| Parking Control* | 4 | 4 | — | — | — | — | — | — | — | — |
| Fire: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles: | | | | | | | | | | |
| Ladder Trucks | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Pumpers | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Rescue Trucks (7) | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Ambulances | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Command Vehicles | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public Works: | | | | | | | | | | |
| Miles of streets - paved (1) | 98.8 | 98.7 | 98.7 | 98.7 | 98.7 | 98.7 | 98.7 | 98.7 | 99.1 | 38.0 |
| Miles of alleys (2) | 6.4 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 5.3 |
| Miles of sidewalks (4) | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 54 | 39 | 39 |
| Number of street lights (6) | 2,036 | 2,035 | 2,024 | 2,024 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 | 2,200 |
| Number of traffic signals (3) | 22 | 22 | 22 | 22 | 22 | 22 | 24 | 24 | 24 | 28 |
| Parks and recreation: | | | | | | | | | | |
| Acres of Parks (5) (8) | 78.4 | 74.2 | 74.2 | 89.0 | 89.0 | 89.0 | 84.4 | 84.4 | 84.4 | 84.4 |
| Number of Parks (5) | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 10 |
| Athletic Complex | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Aquatic Center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

*Parking Control is under direct control of the Police Department.

Notes:

- (1) In 2008, survey taken by public works resulted in new figures. Miles include private subdivisions located in and maintained by the City.
In 2009, based on lane mile unit of measure (unit is more consistent with standards) where 1 mile of pavement 12 ft. wide equals one lane mile.
- (2) In 2009, based on lane mile unit of measure (Unit is more consistent with standards) where 1 mile of pavement 12 ft. wide equals one lane mile.
In 2010, based on lane mile unit of measure where 1 mile of pavement 15 ft. wide equals one lane mile. (15ft. Represents a standard residential alley width).
- (3) An inventory of the existing street light fixtures was completed in 2014.
- (4) Quantity represents paved linear miles of sidewalk.
- (5) In 2012 added Anderson Park - size 4.6 acres.
- (6) In 2009, changed to number of signalized intersections owned and maintained by the City.
- (7) In 2015, transfer of truck from City of Ladue.
- (8) In 2015, The Center of Clayton transferred ownership of Stuber Gymnasium to Clayton School District (property boundaries were adjusted accordingly) - reduce by 15.02 acres.
In 2015, added property to Hanley Park - additional 0.25 acres.