

Clayton, Missouri



Comprehensive Annual Financial Report
For the year ended September 30, 2019

About the Cover Art

The Saint Louis Art Fair is a juried, nationally recognized and award winning art fair in downtown Clayton, drawing more than 130,000 patrons and artists from around the globe. Each year, the Saint Louis Art Fair selects a piece of work by one of its talented exhibiting artists to feature on the Commemorative Print, which becomes the cover of the program guide, and the print is available for sale during the Saint Louis Art Fair and online. The 2018 Saint Louis Art Fair Commemorative Print, *Village Reflection*, is the work of artist John Chehak. *Village Reflection* is a part of Chehak's *Reflection Series* that utilizes dry acrylic paint on heavy watercolor paper. The inspiration for Chehak's art comes from objects that catch his eye and his experiences, such as a hillside in the Mediterranean covered in small houses that influenced some of his architectural-based pieces. Chehak strives to paint pieces that will fit as easily on the walls of a building in New York as they would in California.

***CITY OF CLAYTON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT***
For The Fiscal Year Ended September 30, 2019

*Report prepared and submitted by the
Finance Department*

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INTRODUCTORY SECTION



March 27, 2020

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, 2019, 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, 2019, 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, 2019, 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 and enhanced business district. 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 quick and easy 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 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 economic development in its history. Centene Corporation just completed a 660,000, 27-story office building that began receiving tenants late in 2019. The building currently has a 95% occupancy. A developer is in the process of constructing a new downtown hotel on the site of the former Clayton Police Station. Ryan Companies is in the early stages of construction of a 15-story senior community comprised of 281 units. Other large mixed-use, residential and commercial projects are in the proposal process. Clayton remains the region's premiere dining destination, with restaurants ranging from Capital Grill to Starbucks. In addition, the St. Louis region saw its first DGX, a new urban market concept from Dollar General, open recently in downtown Clayton.

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 plan have been completed which were a comprehensive signage and wayfinding system; and Chapman Plaza which was 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 and plans to update the City's comprehensive plan, including the downtown area, this next year.

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, continuing with the highest 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 Partner*. The City's police facility is certified at the LEED Platinum level, and the facility also includes an installation which was the largest non-utility owned solar array in the State of Missouri when built.

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 nearly \$23 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 budget for the fiscal year 2020 General Fund with a projected deficit of \$292,000. Previous budgets have resulted in a year-end surpluses for the last five years. The City plans to maintain the strong General Fund balance of 61% of annual expenditures. Also, long-term revenue from the substantial recent economic development activity is being received and has been invested in enhanced services.

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, 2018. 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 and the City has received this award for the last 32 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 has awarded the Popular Financial Reporting Award (PAFR) to the City for the fiscal year ended September 30, 2018. This award is for the City's production of a high quality annual financial report using an extraction of information from their CAFR. This report is designed to be readily accessible and easily understood by the general public and other non-financial parties. This award is also valid for a period of one year and the City has received this award for four consecutive years. The City intends to also prepare a PAFR to conform with the

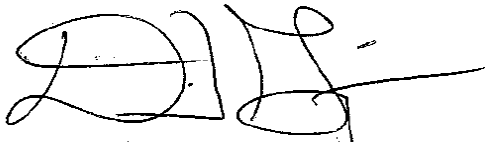
award requirements for the fiscal year ending September 30, 2019 and will submit this document to GFOA for award consideration.

The GFOA has also awarded the Distinguished Budget Award to the City for fiscal year 2019. This was the City's twelfth 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 2020 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,

A handwritten signature in black ink, appearing to read 'D. Gipson', with a long horizontal line extending to the right.

David Gipson
City Manager

A handwritten signature in black ink, reading 'Janet K. Watson', written in a cursive style.

Janet Watson
Director of Finance and Administration

CITY OF CLAYTON, MISSOURI

PRINCIPAL OFFICIALS

Mayor Michelle Harris

Aldermen:

Ward I Joanne Boulton

Ward I Richard Lintz

Ward II Susan Buse

Ward II Ira Berkowitz

Ward III Mark Winings

Ward III Bridget McAndrew

Interim City Manager Janet Watson

Department Directors:

..... Kayla Pacanowski, Finance and Administration (Interim)

..... Gary Carter, Economic Development

..... Susan Istenes, Planning and Development

..... Mark Smith, Police (Interim)

..... John Paul Jones, Fire

..... Matthew Malick, Public Works (Interim)

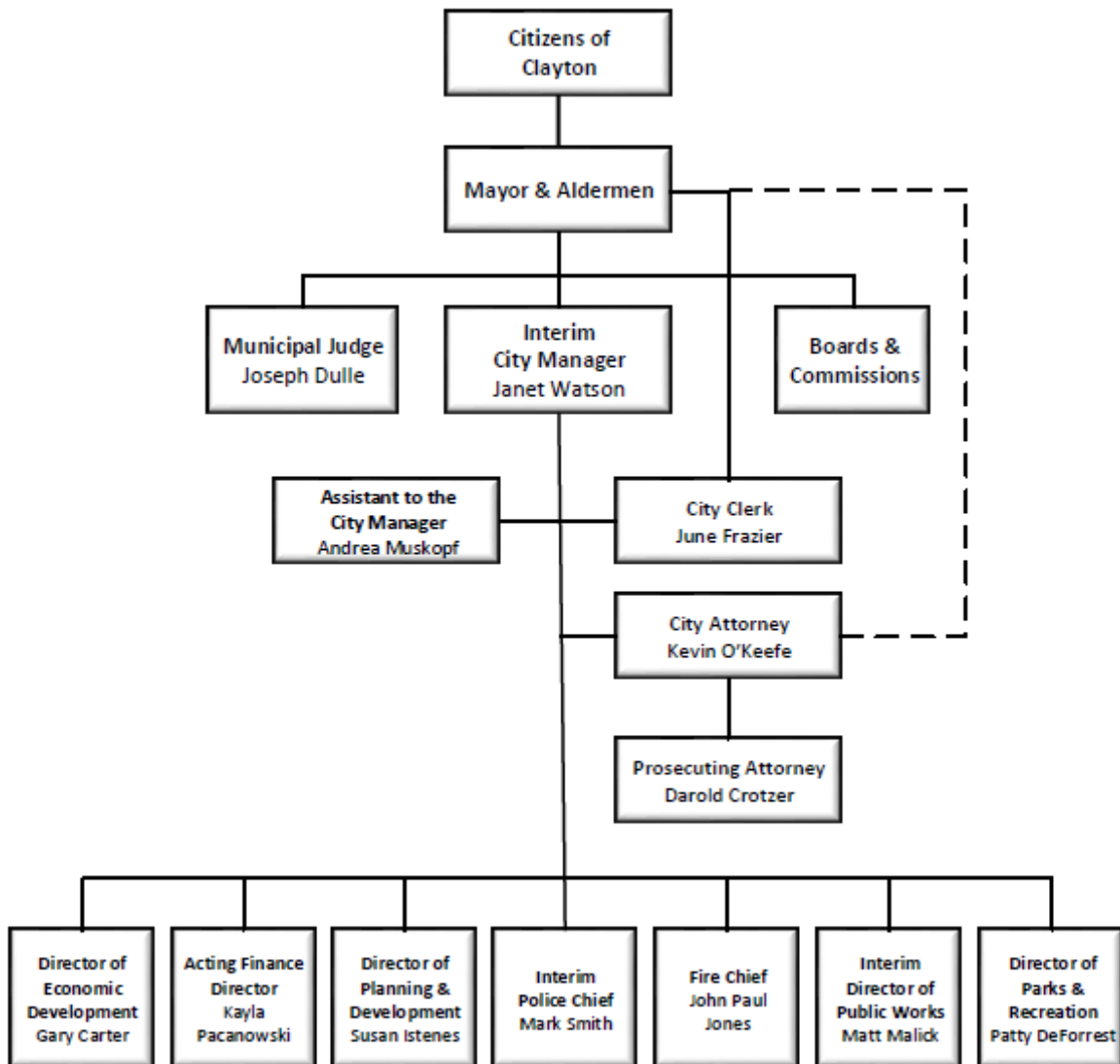
..... Patty DeForrest, Parks and Recreation

..... 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, 2018

Christopher P. Morill

FINANCIAL SECTION



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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, 2019, 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, 2019, 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 Schedules of Selected Other Post-Employment Benefit Plan Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 March 27, 2020 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

March 27, 2020

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, 2019. 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 \$94,867,444. Of this amount, \$14,150,279 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,284,127 due to revenues exceeding expenses.
- At the close of fiscal year 2019, the City's governmental funds reported an ending fund balance of \$32,028,410, a decrease of \$258,373 in comparison to the prior year balance of \$32,286,783 due to the addition of public safety positions. Approximately 45% of the ending fund balance, or \$14,375,192, is unassigned and available for spending at the City's discretion.
- At the end of fiscal year 2019, unassigned fund balance for the general fund was \$16,393,207 or 61% 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.

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.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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
- Capital Project Fund

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.

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.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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 \$94,867,444 at the close of the most recent fiscal year, an increase of \$2,284,127.

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), totaling \$76,799,222 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 \$14,150,279 is another major portion of the City's net position (15%) 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, 2019 and 2018:

	September 30		2019 Change	
	2019	2018	Amount	Percent
Assets				
Current and other assets	\$ 39,975,169	\$ 39,096,043	\$ 879,126	2.2%
Capital assets, net	100,547,634	99,972,532	575,102	0.6%
Total assets	140,522,803	139,068,575	1,454,228	1.0%
Deferred Outflows of Resources				
Deferred charges on refunding	—	54,956	(54,956)	-100.0%
Deferred amounts related to OPEB	57,907	—	57,907	100.0%
Deferred amounts related to pensions	4,940,451	1,628,689	3,311,762	203.3%
Total deferred outflows of resources	4,998,358	1,683,645	3,314,713	196.9%
Liabilities				
Current liabilities	7,647,928	6,579,307	1,068,621	16.2%
Long-term liabilities	39,742,457	37,214,050	2,528,407	6.8%
Total liabilities	47,390,385	43,793,357	3,597,028	8.2%
Deferred Inflows of Resources				
Deferred amounts related to other post-employment benefits	34,164	31,834	2,330	100.0%
Deferred amounts related to pensions	3,229,168	4,343,712	(1,114,544)	-25.7%
Total deferred inflows of resources	3,263,332	4,375,546	(1,114,544)	-25.5%
Net Position				
Net investment in capital assets	76,799,222	74,739,550	2,059,672	2.8%
Restricted	3,917,943	2,381,252	1,536,691	64.5%
Unrestricted	14,150,279	15,462,515	(1,312,236)	-8.5%
Total net position	\$ 94,867,444	\$ 92,583,317	\$ 2,284,127	2.5%

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		2019 Change	
	2019	2018	Amount	Percent
Revenues				
Program revenues:				
Charges for services	\$ 7,719,214	\$ 8,483,269	\$ (764,055)	-9.0%
Operating grants and contributions	1,987,207	1,718,667	268,540	15.6%
Capital grants and contributions	1,465,069	1,997,673	(532,604)	-26.7%
General revenues:				
Property tax	9,006,455	9,088,794	(82,339)	-0.9%
Sales tax	8,421,580	8,148,321	273,259	3.4%
Utility tax	5,070,234	5,744,718	(674,484)	-11.7%
Other taxes	242,728	246,369	(3,641)	-1.5%
Investment income	790,982	560,330	230,652	41.2%
Grants and contributions not restricted to specific programs	167,192	175,559	(8,367)	-4.8%
Gain on sale of capital assets	2,387,857	(50,851)	2,438,708	100.0%
Miscellaneous	119,030	408,926	(289,896)	-70.9%
Total revenues	37,377,548	36,521,775	855,773	2.3%
Program Expenses				
General government	5,443,152	4,481,815	961,337	21.4%
Public safety	13,594,413	12,696,321	898,092	7.1%
Public works	8,236,305	7,995,173	241,132	3.0%
Parks and recreation	5,172,004	3,360,390	1,811,614	53.9%
Economic development	577,677	508,248	69,429	13.7%
Community development	1,006,341	1,040,674	(34,333)	-3.3%
Interest on long-term debt	1,063,529	1,157,963	(94,434)	-8.2%
Program expenses	35,093,421	31,240,584	3,852,837	12.3%
Change in net position	2,284,127	5,281,191	(2,997,064)	-56.7%
Beginning of year net position				
As previously stated	92,583,317	88,013,327	2,997,064	3.4%
Restatement of net position - other				
post-employment benefit obligations	—	(711,201)	711,201	100.0%
Beginning of year net position	92,583,317	87,302,126	3,708,265	4.2%
End of year net position	\$ 94,867,444	\$ 92,583,317	\$ 711,201	0.8%

The City's overall net position of \$94,867,444 increased \$2,284,127 during the current fiscal year. Fiscal year 2019 revenues totaling \$37,377,548 are \$855,773 more than fiscal year 2018. Program revenue totaling \$11,171,490 are \$1,028,119 less than fiscal year 2018 due to less charges for services and utility. Fiscal year 2018 included higher levels of building permit fees and capital project donations.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

General revenue from property, sales, and utility taxes total \$22,498,269, a decrease of \$483,564 from fiscal year 2018 and 86% of total general revenues of \$26,206,058. Property tax revenue decreased \$82,339 to \$9,006,455 due to normal growth. Sales tax increased by \$273,259 to \$8,421,580 due to a newly approved use tax. Utility tax decreased by \$674,484 to \$5,070,234 partially due to mild weather and less telecommunications utility taxes. This is a trend seen throughout the state regarding telecommunications utility taxes. The City expects expanding growth in property tax related to new developments and stable growth in sales tax.

Program expenses totaling \$35,093,421 were \$3,852,837 greater than fiscal year 2018. The increase is primarily due to salary and benefit increases, added firefighter staffing, and most significantly, the city's contribution to the renovation of the Center of Clayton recreation center.

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 \$32,028,410, a decrease of \$258,373 in comparison with the prior year. Approximately 45% of this total amount (\$14,375,192) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances consists of nonspendable funds of \$1,506,780 for inventory and prepaid items; restricted funds of \$9,804,423 for capital projects, economic development, debt service, public safety, and sewer lateral; committed funds of \$6,229,291 for capital projects; and assigned funds of \$112,724 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 \$16,393,207 while total fund balance is \$18,012,711. Unassigned fund balance represents 61% 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 2019 General Fund balance increased \$545,216. Fiscal year 2019 revenue totaled \$26,717,411 and is \$875,627 less than fiscal year 2018. Most of this change is related less building permit receipts than the prior year, and decreases in revenue from public utility licenses and fines.

The Capital Improvement Fund balance of \$2,125,850 is restricted for capital projects. The increase in fund balance of \$1,483,242 is mostly due to the sale of a City building previously used for a police station. Transfers in of \$1,325,830 are from the 2014 general obligation bond issue for construction. Transfers out of \$3,294,302 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 City has established a new fund for the City's contribution for the renovation of the Center of Clayton recreation center and for the construction of a replacement Ice Rink with year-round multi-purpose uses. This fund experienced expenditures of \$2,018,015 prior to the issuance of the related bonds in the next fiscal year.

The Equipment Replacement Fund has a total fund balance of \$6,229,291, 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 \$7,261,717. This represents the remainder of the proceeds of the 2014 General Obligation bonds which are restricted for expenditure on various capital improvements, and property tax and investment proceeds which are restricted 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 \$26,364,934 and \$1,854,600 lower than the original budget mostly due to the delayed payment of building permit fees on economic development projects and less utility taxes. The final budget for expenditures totaled \$27,326,288 and was \$1,084,935 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 61%.

Overall, the net change in fund balance on the budget basis was an increase of \$545,216. Actual General Fund revenue totaling \$26,548,107 was \$183,174 more than the final budget due to increased parking revenue and additional staff reimbursements. Actual General Fund expenditures totaling \$26,637,467 were \$688,821 less than the final budget due to staff vacancies, cost savings and projects moved to the next fiscal year.

In fiscal year 2019 the City did not transfer a portion of the year-end surplus to the Capital Improvement Fund as it did in 2018.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of September 30, 2019 totaled \$100,547,634 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvement 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 \$575,102 with capital assets increasing \$3,453,147, construction in progress increasing \$2,030,037 and offset by an increase in accumulated depreciation of \$2,878,045.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

The following table details the net capital assets:

	September 30		2019 Change	
	2019	2018	Amount	Percent
Land	\$ 11,092,919	\$ 9,946,623	\$ 1,146,296	11.5%
Buildings	40,690,613	42,064,264	(1,373,651)	-3.3%
Improvements other than building	10,031,672	10,269,635	(237,963)	-2.3%
Machinery and equipment	5,431,644	5,190,261	241,383	4.7%
Infrastructure	29,796,604	31,027,604	(1,231,000)	-4.0%
Construction in progress	3,504,182	1,474,145	2,030,037	137.7%
Total capital assets, net	\$ 100,547,634	\$ 99,972,532	\$ 575,102	0.6%

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 \$29,168,017 at the end of the current fiscal year. Of this amount, \$12,715,000 is general obligation debt backed by the full faith and credit of the City, \$16,235,000 is special obligation debt, and \$218,017 represents a capital lease.

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

	September 30		2019 Change	
	2019	2018	Amount	Percent
General obligation Series 2014	\$ 12,715,000	\$ 13,310,000	\$ (595,000)	-4.5%
Special obligation Series 2009 A&B	9,295,000	9,990,000	(695,000)	-7.0%
Special obligation Series 2011	6,940,000	7,380,000	(440,000)	-6.0%
Special obligation Series 2014	—	670,000	(670,000)	-100.0%
Capital lease payable	218,017	315,346	(97,329)	-30.9%
Total long-term debt	\$ 29,168,017	\$ 31,665,346	\$ (2,497,329)	-7.9%

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

A small budgeted deficit is planned in fiscal year 2020 in the General Fund due to some flattened revenue areas and the City will monitor expenditures for reductions and savings. The fiscal year 2020 budget continues to maintain the high level of General Fund services and fee increases that come close to full cost recovery for certain services. The City plans to undertake comprehensive planning, to include the downtown, as well as various master planning processes. Economic development activity in the City is historically high, which will result in long-term revenue gains.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Highlights of the fiscal year 2020 budget are as follows:

- For all funds, revenue is \$37,327,617 and expenditures are \$51,519,146, excluding transfers. Expenditures remain high due to the continuing expenditure of the proceeds of the general obligation bonds for construction projects and for the proceeds of two planned bond issues for the City's portion of the renovation cost of the Center of Clayton recreation center and for the building of a replacement ice rink which will also provide year-round multi-uses.
- For the General Fund, revenue and transfers in total \$30,760,804, and expenditures and transfers out are \$31,053,701 with the resulting expectations of a small budget deficit of \$292,897 for the year.
- Capital Improvement expenditures are budgeted to be \$16,308,448 and include various infrastructure, facilities and parks improvements. The total capital improvement budget for fiscal year 2021 - fiscal year 2023 totals \$20,168,627.

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, 2019

Page 1 Of 2

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 774,118
Investments	33,897,633
Receivables:	
Property taxes	85,204
Intergovernmental	1,570,099
Public utility licenses	567,097
Special assessments	38,344
Ambulance, net	234,670
Court, net	73,615
Interest	315,310
Staff reimbursements	262,106
Other	432,398
Prepaid items	1,720,242
Inventory	4,333
Capital assets:	
Land and construction in progress	14,597,101
Other capital assets, net	85,950,533
Total Assets	<u>140,522,803</u>
 Deferred Outflows Of Resources	
Deferred amounts related to pensions	4,940,451
Deferred amounts related to OPEB	57,907
Total Deferred Outflows Of Resources	<u>4,998,358</u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION *(Continued)* September 30, 2019 Page 2 Of 2

	Governmental Activities
Liabilities	
Accounts payable	\$ 2,598,365
Accrued interest payable	232,516
Accrued liabilities	770,453
Unearned revenues	3,080,651
Deposits	965,943
Noncurrent liabilities:	
Due within one year	2,262,357
Due in more than one year	27,770,392
Net pension liability	8,363,312
Other post-employment benefit liability	1,346,396
Total Liabilities	47,390,385
Deferred Inflows Of Resources	
Deferred amounts related to other post-employment benefits	34,164
Deferred amounts related to pensions	3,229,168
Total Deferred Inflows Of Resources	3,263,332
Net Position	
Net investment in capital assets	76,799,222
Restricted for:	
Economic development	66,828
Debt service	1,612,539
Public safety	82,562
Sewer lateral projects	30,164
Capital projects	2,125,850
Unrestricted	14,150,279
Total Net Position	\$ 94,867,444

CITY OF CLAYTON, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended September 30, 2019

Functions	Expenses	Program Revenues			Net Revenues (Expenses) And Changes In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities					
General government	\$ 5,443,152	\$ 2,667,635	\$ 489,450	\$ —	\$ (2,286,067)
Public safety	13,594,413	2,444,973	816,557	28,818	(10,304,065)
Public works	8,236,305	1,615,737	475,582	957,829	(5,187,157)
Parks and recreation	5,172,004	971,692	205,618	478,422	(3,516,272)
Economic development	577,677	19,177	—	—	(558,500)
Community development	1,006,341	—	—	—	(1,006,341)
Interest and fiscal charges	1,063,529	—	—	—	(1,063,529)
Total Governmental Activities	\$ 35,093,421	\$ 7,719,214	\$ 1,987,207	\$ 1,465,069	(23,921,931)
General Revenues					
Taxes:					
Property					9,006,455
Sales					8,421,580
Utility					5,070,234
Other					242,728
Investment income					790,982
Grants and contributions not restricted to specific programs					167,192
Gain on sale of capital assets					2,387,857
Miscellaneous					119,030
Total General Revenues					26,206,058
Change In Net Position					2,284,127
Net Position - Beginning Of Year					92,583,317
Net Position - End Of Year					\$ 94,867,444

CITY OF CLAYTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS September 30, 2019

	General Fund	Capital Improvement Fund	Equipment Replacement Fund	2014 General Obligation Bond Issue Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 221,855	\$ 49,333	\$ 43,906	\$ 403,403	\$ 52,770	\$ 2,851	\$ 774,118
Investments	16,403,612	3,862,782	6,293,717	6,762,041	147,230	428,251	33,897,633
Receivables:							
Property taxes	43,221	28,115	—	6,835	—	7,473	85,644
Intergovernmental	989,049	563,840	—	—	—	—	1,552,889
Public utility licenses	567,097	—	—	—	—	—	567,097
Special assessments	—	38,344	—	—	—	—	38,344
Ambulance	234,670	—	—	—	—	—	234,670
Court	73,615	—	—	—	—	—	73,615
Interest	135,993	32,952	47,283	95,178	—	3,904	315,310
Staff reimbursements	262,106	—	—	—	—	—	262,106
Other	444,590	4,578	—	—	—	—	449,168
Prepaid items	1,502,447	—	—	—	—	—	1,502,447
Inventory	4,333	—	—	—	—	—	4,333
Cash and cash equivalents - restricted	—	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—	—
Advances to other funds	33,575	2,018,015	—	—	—	—	2,051,590
Total Assets	\$ 20,916,163	\$ 6,597,959	\$ 6,384,906	\$ 7,267,457	\$ 200,000	\$ 442,479	\$ 41,808,964
Liabilities And Fund Balances							
Liabilities							
Accounts payable	\$ 1,062,665	\$ 1,413,288	\$ 152,146	\$ 318	\$ —	\$ 19,948	\$ 2,648,365
Accrued liabilities	770,453	—	—	—	—	—	770,453
Due to other funds	—	—	—	—	—	—	—
Unearned revenue	140,063	2,937,119	3,469	—	—	—	3,080,651
Deposits	691,121	24,822	—	—	200,000	—	915,943
Advances from other funds	—	33,575	—	—	2,018,015	—	2,051,590
Total Liabilities	2,664,302	4,408,804	155,615	318	2,218,015	19,948	9,467,002
Deferred Inflows of Resources							
Unavailable revenues:							
Property taxes	35,629	24,961	—	5,422	—	5,675	71,687
Special assessments	—	38,344	—	—	—	—	38,344
Ambulance	130,665	—	—	—	—	—	130,665
Court	72,856	—	—	—	—	—	72,856
Total Deferred Inflows of Resources	239,150	63,305	—	5,422	—	5,675	313,552
Fund Balances (Deficit)							
Nonspendable:							
Inventory	4,333	—	—	—	—	—	4,333
Advances	—	—	—	—	—	—	—
Prepaid items	1,502,447	—	—	—	—	—	1,502,447
Restricted for:							
Capital projects	—	2,125,850	—	5,886,480	—	—	8,012,330
Economic development	—	—	—	—	—	66,828	66,828
Debt service	—	—	—	1,375,237	—	237,302	1,612,539
Public safety	—	—	—	—	—	82,562	82,562
Sewer lateral	—	—	—	—	—	30,164	30,164
Committed for:							
Capital projects	—	—	6,229,291	—	—	—	6,229,291
Assigned to:							
Purchases on order	112,724	—	—	—	—	—	112,724
Unassigned	16,393,207	—	—	—	(2,018,015)	—	14,375,192
Total Fund Balances	18,012,711	2,125,850	6,229,291	7,261,717	(2,018,015)	416,856	32,028,410
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	\$ 20,916,163	\$ 6,597,959	\$ 6,384,906	\$ 7,267,457	\$ 200,000	\$ 442,479	\$ 41,808,964

CITY OF CLAYTON, MISSOURI

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

September 30, 2019

Total Fund Balance - Governmental Funds \$ 32,028,410

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 \$144,031,242 and the accumulated depreciation is \$43,483,608. 100,547,634

Certain changes in the net pension liability are amortized over time and are not reported in the funds. 1,711,283

Certain changes in the net OPEB liability are amortized over time and are not reported in the funds. 23,743

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. 313,552

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. 217,795

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	(232,516)
Net pension liability	(8,363,312)
Other post-employment benefit liability	(1,346,396)
Compensated absences	(397,857)
Bonds payable and capital leases	(29,168,017)
Unamortized bond premium	(466,875)

Total Net Position - Governmental Activities \$ 94,867,444

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended September 30, 2019

	General	Capital Improvement Fund	Equipment Replacement Fund	2014 General Obligation Bond Issue Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
General property taxes	\$ 6,203,177	\$ —	\$ —	\$ 1,174,080	\$ —	\$ 1,582,472	\$ 8,959,729
Special assessments	—	5,192	—	—	—	94,142	99,334
Sales taxes	5,221,765	3,199,815	—	—	—	—	8,421,580
Licenses and permits	2,614,950	—	—	—	—	—	2,614,950
Public utility licenses	5,070,234	—	—	—	—	—	5,070,234
Intergovernmental	1,974,574	1,004,943	—	—	—	167,192	3,146,709
Community programs	1,900,666	—	—	—	—	—	1,900,666
Parking facilities and meters	2,320,134	—	—	—	—	—	2,320,134
Fines and forfeitures	664,096	—	—	—	—	765	664,861
Donations and reimbursements	—	478,422	50,598	—	—	—	529,020
Investment income	395,908	98,284	140,667	144,531	—	11,592	790,982
Miscellaneous	351,907	40,002	112	—	—	—	392,021
Total Revenues	26,717,411	4,826,658	191,377	1,318,611	—	1,856,163	34,910,220
Expenditures							
Current:							
General government	3,903,764	—	—	—	—	—	3,903,764
Parks and recreation	2,472,162	—	—	—	2,018,015	—	4,490,177
Public safety	12,682,862	—	—	—	—	41,318	12,724,180
Public works	6,173,166	—	—	—	—	—	6,173,166
Economic development	575,607	—	—	—	—	—	575,607
Community development	999,210	—	—	—	—	—	999,210
Capital outlay	—	3,748,678	1,276,928	—	—	146,140	5,171,746
Debt service:							
Principal	—	—	103,018	595,000	—	1,805,000	2,503,018
Interest and fiscal charges	—	773	—	410,808	—	728,781	1,140,362
Bond issuance costs	—	—	—	—	—	—	—
Total Expenditures	26,806,771	3,749,451	1,379,946	1,005,808	2,018,015	2,721,239	37,681,230
Revenues Over (Under) Expenditures	(89,360)	1,077,207	(1,188,569)	312,803	(2,018,015)	(865,076)	(2,771,010)
Other Financing Sources (Uses)							
Issuance of debt	—	—	—	—	—	—	—
Premium on issuance of debt	—	—	—	—	—	—	—
Payments to refunding escrow agent	—	—	—	—	—	—	—
Transfers in	2,543,703	1,325,830	1,865,401	—	—	1,286,310	7,021,244
Transfers out	(1,909,127)	(3,294,302)	—	(1,282,104)	—	(535,711)	(7,021,244)
Sale of capital assets	—	2,374,507	138,130	—	—	—	2,512,637
Total Other Financing Sources (Uses)	634,576	406,035	2,003,531	(1,282,104)	—	750,599	2,512,637
Net Change In Fund Balances	545,216	1,483,242	814,962	(969,301)	(2,018,015)	(114,477)	(258,373)
Fund Balances - Beginning Of Year	17,467,495	642,608	5,414,329	8,231,018	—	531,333	32,286,783
Fund Balances - End Of Year	\$ 18,012,711	\$ 2,125,850	\$ 6,229,291	\$ 7,261,717	\$ (2,018,015)	\$ 416,856	\$ 32,028,410

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, 2019

Net Change In Fund Balances - Total Governmental Funds \$ (258,373)

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 \$4,951,940 over the capitalization threshold exceeded depreciation of \$4,249,249 in the current period. 702,691

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. (127,589)

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 \$51,584. 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 assessments and court cases decreased this fiscal year by \$6,061 and \$1,332, respectively. Deferred inflows related to ambulance taxes decreased this fiscal year by \$3,228. 40,963

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 and note principal 2,497,329
Amortization of premiums and deferred amounts on refunding 69,511

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 13,015
Prepaid items 14,903
Compensated absences (15,105)
Pension expense (616,173)
Other post-employment benefits expense (37,045)

Change In Net Position Of Governmental Activities \$ 2,284,127

CITY OF CLAYTON, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2019**

	Pension Trust Funds
	<u> </u>
Assets	
Cash and cash equivalents	\$ 1,413,549
Investments:	
U.S. government and agency securities	2,678,945
Common stocks	6,407,371
Corporate bonds	4,689,687
Taxable municipal obligations	742,816
Mutual funds	43,520,156
Property funds	6,770,654
Interest receivable	92,506
Total Assets	<u>66,315,684</u>
 Liabilities	
Accrued investment expenses	<u>18,866</u>
 Net Position	
Net position restricted for pensions	<u><u>\$ 66,296,818</u></u>

CITY OF CLAYTON, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For The Year Ended September 30, 2019**

	Pension Trust Funds
Additions	
Contributions:	
Participant contributions	\$ 499,735
Employer contributions	1,623,185
Total Contributions	<u>2,122,920</u>
Investment Income:	
Net appreciation in fair value of investments and interest and dividends	1,679,647
Less: Investment expenses	<u>(279,964)</u>
Total Investment Income	<u>1,399,683</u>
Total Additions	3,522,603
Deductions	
Benefits paid	<u>3,085,833</u>
Change In Net Position	436,770
Net Position Restricted For Pensions - Beginning Of Year	<u>65,860,048</u>
Net Position Restricted For Pensions - End Of Year	<u><u>\$ 66,296,818</u></u>

CITY OF CLAYTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2019

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, a use tax, 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.

Capital Projects Fund - The Capital Projects Fund is a capital projects fund used to support the funding of capital improvements throughout the City. The expenditures of this fund will be funded by bond proceeds received in future fiscal years. Refer to Note 17 for further information.

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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 compensated absences, 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 \$111,805 and \$68,733, 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 and an estimated useful life in excess of two years for general capital assets, and an initial cost of more than \$25,000 and an estimated useful life in excess of five years for infrastructure. 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, full-time 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. This deferred charge has been fully amortized as of September, 30, 2019. 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 average expected remaining estimated service lives 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 and other post-employment benefit (OPEB) 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 and OPEB plan. These amounts are deferred and amortized over the average remaining estimated service lives 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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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 is 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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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 \$112,724 for the General Fund, \$2,334,593 for the Capital Improvement Fund, and \$452,863 for the Equipment Replacement 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).

Advances To/From Other Funds - Interfund loans receivable/payable are not considered to be available resources in the current fiscal year.

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, 2019, the City's bank balances were fully insured or collateralized.

Investments

A summary of investments as of September 30, 2019 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	\$ 27,515,666	\$ —	\$ 14,108,322	\$ 13,407,344	\$ —	\$ —	Not rated
Repurchase agreements	3,504,604	—	3,504,604	—	—	—	Not rated
U.S. Agencies	2,877,363	—	1,147,045	1,730,318	—	—	AA +
Total Governmental Activities	33,897,633	—	18,759,971	15,137,662	—	—	
Fiduciary Funds							
U.S. government and agency securities:							
U.S. Treasuries	1,076,911	—	100,666	769,313	75,043	131,889	AA+
U.S. Agencies	1,602,032	—	28	128,305	105,746	1,367,953	AA+
Common stock	6,387,057	6,387,057	—	—	—	—	Not rated
Corporate bonds	97,165	—	—	22,408	—	74,757	AAA
Corporate bonds	457,236	—	—	230,687	164,293	62,256	AA
Corporate bonds	2,760,337	—	70,361	1,140,107	698,548	851,321	A
Corporate bonds	1,116,890	—	—	305,356	469,992	341,542	BBB
Corporate bonds	13,274	—	—	—	—	13,274	CCC
Corporate bonds	244,785	—	3,263	77,380	—	164,142	Not rated
Taxable municipal obligations	70,102	—	—	70,102	—	—	AAA
Taxable municipal obligations	174,581	—	—	—	82,160	92,421	AA
Taxable municipal obligations	271,070	—	—	86,394	184,676	—	A
Taxable municipal obligations	227,063	—	69,743	—	79,033	78,287	Not rated
Mutual funds	43,520,156	43,520,156	—	—	—	—	Not rated
Property funds	6,790,970	6,790,970	—	—	—	—	Not rated
Total Fiduciary Funds	64,809,629	56,698,183	244,061	2,830,052	1,859,491	3,177,842	
Total Investments	\$ 98,707,262	\$ 56,698,183	\$ 19,004,032	\$ 17,967,714	\$ 1,859,491	\$ 3,177,842	

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 policy. 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 three years from the date of purchase unless matched to a specific cash flow.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

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, 2019, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. 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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 Trust Funds

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, 2019, the City of Clayton Uniformed Employees' Pension Fund has \$8,111,446 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, 2019:

	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	\$ 27,515,666	\$ —	\$ 27,515,666	\$ —
Repurchase agreements	3,504,604	—	3,504,604	—
U.S. agency securities	2,877,363	—	2,877,363	—
Primary government investments at fair value level	33,897,633	—	33,897,633	—
Fiduciary Funds				
U.S. government and agency securities	2,678,943	—	2,678,943	—
Common stocks	6,387,057	6,387,057	—	—
Corporate bonds	4,689,687	—	4,689,687	—
Taxable municipal obligations	742,816	—	742,816	—
Mutual funds	37,167,783	37,167,783	—	—
Fiduciary funds investments at fair value level	51,666,286	43,554,840	8,111,446	—
Total investments by fair value level	85,563,919	43,554,840	42,009,079	—
Investments measured at net asset value (NAV):				
Fiduciary Funds				
Closely held mutual fund	6,352,373			
Property fund	6,790,970			
Total assets measured at the NAV	13,143,343			
Total assets measured at fair value	\$ 98,707,262			

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}	\$ 6,352,373	\$ —	Daily	1 Day
Property fund {b}	6,790,970	—	Quarterly	60 days notice
	\$ 13,143,343	\$ —		

(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, 2018	Increases	Decreases	Balance - September 30, 2019
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 9,946,623	\$ 1,248,996	\$ 102,700	\$ 11,092,919
Construction in process	1,474,145	2,434,350	404,313	3,504,182
Total capital assets not being depreciated	11,420,768	3,683,346	507,013	14,597,101
Capital assets, being depreciated:				
Buildings	57,921,354	—	940,517	56,980,837
Improvements other than buildings	12,237,643	217,736	—	12,455,379
Machinery and equipment	12,199,464	1,280,232	455,576	13,024,120
Infrastructure	46,798,866	174,939	—	46,973,805
Total capital assets being depreciated	129,157,327	1,672,907	1,396,093	129,434,141
Less accumulated depreciation for:				
Buildings	15,857,090	1,369,293	936,159	16,290,224
Improvements other than buildings	1,968,008	455,699	—	2,423,707
Machinery and equipment	7,009,203	1,018,318	435,045	7,592,476
Infrastructure	15,771,262	1,405,939	—	17,177,201
Total accumulated depreciation	40,605,563	4,249,249	1,371,204	43,483,608
Total capital assets being depreciated, net	88,551,764	(2,576,342)	24,889	85,950,533
Governmental activities capital assets, net	\$ 99,972,532	\$ 1,107,004	\$ 531,902	\$ 100,547,634

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, 2019
Governmental activities:	
General government	\$ 704,073
Public safety	1,000,866
Public works	1,910,480
Parks and recreation	633,830
	<u>4,249,249</u>
	<u>\$ 4,249,249</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. Interfund balances are expected to be repaid during the fiscal year ended September 30, 2020.

Interfund receivable and payable balances at September 30, 2019 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 33,575
Capital Improvement Fund	Capital Projects Fund	2,018,015
		<u>\$ 2,051,590</u>

5. Interfund Transactions

Individual interfund transactions are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	For The Year Ended September 30, 2019
General Fund	Special Business District	\$ 535,711
General Fund	Capital Improvement Project Fund	1,446,274
General Fund	Capital Improvement Project Fund	561,718
Equipment Replacement Fund	General Fund	1,865,401
2014 Special Obligation Refunded Bonds Fund	Capital Improvement Fund	637,147
Capital Improvement Fund	2014 General Obligation Bond Fund	1,282,104
2011 Bond Fund	Capital Improvement Fund	649,163
Capital Improvement Fund	General Fund	43,726
		<u>7,021,244</u>
		<u>\$ 7,021,244</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, 2018	Additions	Reductions	Balance - September 30, 2019	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	\$ 13,310,000	\$ —	\$ 595,000	\$ 12,715,000	\$ 620,000
Special obligation capital improvement bonds	18,040,000	—	1,805,000	16,235,000	1,165,000
Unamortized premiums	591,343	—	124,468	466,875	—
Capital lease payable	315,346	—	97,329	218,017	99,393
Compensated absences	382,753	881,675	866,571	397,857	377,964
Total Governmental Activities	\$ 32,639,442	\$ 881,675	\$ 3,488,368	\$ 30,032,749	\$ 2,262,357

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, 2019 was \$12,715,000.

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 through 2019 using the straight-line method. The balance of the Series 2014 bonds at September 30, 2019 was paid in full.

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, 2019 was \$6,940,000.

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, 2019 was \$715,000 and \$8,580,000, respectively.

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
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	690,000	320,438	1,010,438
2024	725,000	302,663	1,027,663
2025-2029	4,140,000	1,160,138	5,300,138
2030-2034	5,230,000	439,181	5,669,181
	\$ 12,715,000	\$ 3,322,234	\$ 16,037,234

For The Year Ending September 30,	Special Obligation Bonds		
	Principal	Interest	Total
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	1,270,000	528,334	1,798,334
2024	1,310,000	472,286	1,782,286
2025-2029	7,220,000	1,427,988	8,647,988
2030-2032	2,840,000	118,943	2,958,943
	\$ 16,235,000	\$ 4,436,232	\$ 20,671,232

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 \$668,451 at September 30, 2019.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

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,	Amount
2020	\$ 103,018
2021	103,018
2022	17,170
<hr/>	
Total minimum lease payments	223,206
Less: Amount representing interest	(5,188)
<hr/>	
Present value of future minimum lease payments	\$ 218,018

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, 2019, there were eight series of industrial revenue bonds outstanding.

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, 2019, \$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, 2019, \$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, 2019, \$2,860,717 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 (Series 2016C) to finance the acquisition and installation of personal property within Centene's new corporate campus. At September 30, 2019, \$30,520 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 (Series 2016D) to finance the acquisition and installation of personal property within Centene's new corporate campus. At September 30, 2019, \$30,520 was issued and remains outstanding.

On October 6, 2017, the City approved the issuance of up to \$355,133,220 in Taxable Industrial Revenue Bonds (Series 2017A) to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. Series 2017A, Series 2017B and Series 2017C replaced Series 2016A and Series 2016B. At September 30, 2019, \$54,131,045 was issued and remains outstanding.

On October 6, 2017, the City approved the issuance of up to \$103,200,000 in Taxable Industrial Revenue Bonds (Series 2017B) to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. Series 2017A, Series 2017B and Series 2017C replaced Series 2016A and Series 2016B. At September 30, 2019, \$6,765,924 was issued and remains outstanding.

On October 6, 2017, the City approved the issuance of up to \$256,326,380 in Taxable Industrial Revenue Bonds (Series 2017C) to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. Series 2017A, Series 2017B and Series 2017C replaced Series 2016A and Series 2016B. At September 30, 2019, \$9,110,329 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.

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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Current membership in the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	53
Active employees	<u>88</u>
	<u>200</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.

Contributions

Employees are required to contribute 3% of annual salary to the NUERF. However, contribution requirements were temporarily suspended from January 1, 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 \$481,932 were made by the City to the NUERF in plan year 2019. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at July 1, 2018. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2019, the City made a prepaid contribution of \$400,000 for the City's estimated contribution for the subsequent plan year.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

A condensed summary of financial information for the NUERF as of and for its fiscal year ended September 30, 2019 is as follows:

Assets	\$ 19,610,495
Liabilities	<u>6,796</u>
Net position restricted for pensions	<u><u>\$ 19,603,699</u></u>
Contributions	\$ 651,942
Total Investment Income	<u>595,063</u>
Total Additions	1,247,005
Benefits	<u>843,438</u>
Change In Net Position	<u><u>\$ 403,567</u></u>

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, 2018	\$ 19,213,904	\$ 18,393,251	\$ 820,653
Changes For The Year:			
Service cost	504,137	—	504,137
Interest	1,351,398	—	1,351,398
Differences between expected and actual experience	145,765	—	145,765
Changes of assumptions	—	—	—
Contributions - employer	—	481,932	(481,932)
Contributions - employee	—	169,259	(169,259)
Net investment income	—	728,198	(728,198)
Benefit payments	(838,896)	(838,896)	—
Administrative expense	—	(66,685)	66,685
Net changes	<u>1,162,404</u>	<u>473,808</u>	<u>688,596</u>
Balance At June 30, 2019	<u><u>\$ 20,376,308</u></u>	<u><u>\$ 18,867,059</u></u>	<u><u>\$ 1,509,249</u></u>
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability			92.59%

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Actuarial valuation date	July 1, 2019
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.

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	15%	5.37%	2.62%
Multi-sector bonds	15%	6.24%	3.49%
U.S. large cap equity	30%	9.95%	7.20%
U.S. small cap equity	15%	11.16%	8.41%
Non-U.S. equity	15%	11.10%	8.35%
Core real estate	10%	9.54%	6.79%
	<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 2.75%.

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

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 an 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.

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	\$ 4,224,679	\$ 1,509,249	\$ (747,696)

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

For the year ended September 30, 2019, the City recognized pension expense of \$(55,734) related to the NUERF. At September 30, 2019, 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>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
Differences between expected and actual experience	\$ 118,443	\$ 336,043	\$ (217,600)
Changes of assumptions	48,699	33,775	14,924
Differences between expected and actual investment income	601,111	459,867	141,244
Balance At September 30, 2019	\$ 768,253	\$ 829,685	\$ (61,432)

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Fiscal Year Ending September 30:	Net Deferred Outflows (Inflows) Of Resources
2020	\$ (53,405)
2021	(193,402)
2022	46,684
2023	129,536
2024	9,155
	<hr/>
	\$ (61,432)

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	69
Inactive employees entitled to but not yet receiving benefits	6
Active employees	<hr/>
	83
	<hr/>
	158

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%.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

Contributions of \$1,109,879 were made by the City to the UERF in plan year 2018. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at January 1, 2019. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2019, the City made a prepaid contribution of \$1,141,253 for the City's estimated contribution for the subsequent plan year.

A condensed summary of financial information for the UERF as of and for the City's fiscal year ended September 30, 2019 is as follows:

Assets	\$ 46,705,189
Liabilities	<u>12,070</u>
Net position restricted for pensions	<u>\$ 46,693,119</u>
Contributions	\$ 1,470,978
Total Investment Income	<u>804,620</u>
Total Additions	2,275,598
Benefits	<u>2,242,395</u>
Change In Net Position	<u>\$ 33,203</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, 2017	\$ 46,716,721	\$ 44,216,540	\$ 2,500,181
Changes For The Year:			
Service cost	994,484	—	994,484
Interest	3,258,781	—	3,258,781
Differences between expected and actual experience	(143,420)	—	(143,420)
Contributions - employer	—	1,109,879	(1,109,879)
Contributions - employee	—	327,813	(327,813)
Net investment income	—	(1,446,798)	1,446,798
Benefit payments	(2,354,204)	(2,354,204)	—
Administrative expenses	—	(234,931)	234,931
Net Changes	1,755,641	(2,598,241)	4,353,882
Balance At December 31, 2018	\$ 48,472,362	\$ 41,618,299	\$ 6,854,063

Plan Fiduciary Net Position As A

Percentage Of The Total Pension Liability

85.86%

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

Actuarial valuation date	January 1, 2019
Inflation	2.0%
Salary increases	3.5%
Investment rate of return	7.0%

Mortality rates were based on the RP-2000 Blue Collar Mortality Table with generational improvement 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%	5.37%	2.62%
Multi-sector bonds	10%	6.24%	3.49%
U.S. large cap equity	30%	9.95%	7.20%
U.S. small cap equity	15%	11.16%	8.41%
Non-U.S. equity	15%	11.10%	8.35%
Core real estate	10%	9.54%	6.79%
	<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 2.75%.

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 15-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)	\$ 13,295,802	\$ 6,854,063	\$ 1,550,985

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

For the year ended September 30, 2019, the City recognized pension expense of \$671,907 related to the UERF. At September 30, 2019, 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>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
Differences between expected and actual experience	\$ 293,061	\$ 337,484	\$ (44,423)
Differences between expected and actual investment income	3,879,137	2,061,999	1,817,138
Balance at September 30, 2019	\$ 4,172,198	\$ 2,399,483	\$ 1,772,715

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

Amortization Schedule	
<u>Fiscal Year Ending September 30:</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
2020	\$ 566,040
2021	127,253
2022	239,059
2023	843,478
2024	(3,115)
	<u>\$ 1,772,715</u>

8. Other Post-Employment Benefits

Plan Description:

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 age 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.

Effective October 1, 2017, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on an actuarial valuation prepared in accordance with the parameters of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees Covered by Benefit Terms. As of September 30, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	12
Active employees	182
	194
	194

Net OPEB Liability. The City's net OPEB liability of \$1,346,396 was measured as of September 30, 2019 and was determined by an actuarial valuation as of October 1, 2019.

Actuarial Assumptions and Methods. The net OPEB liability in the October 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.58%
Annual Wage Increases	3.5% for Uniformed; 4.0% for Non-Uniformed
Healthcare cost trend rates	7% for 2020, decreasing to an ultimate rate of 5% for 2022 and later years

Discount Rate. The City's plan is pay as you go and there is not a trust set up to hold plan assets, therefore the long-term expected rate of return is not a factor in determining the discount rate. The discount rate reflects the yield or index rate for 20-year municipal bonds rate, to the extent that the conditions for use of the long-term expected rate of return are not met. The source of the index rate used for the actuarial valuation is the S&P Municipal Bond 20 Year High Grade Rate Index.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Mortality rates were based on the RP-2000 Mortality Table Fully Generational projection using Scale BB for Non-Uniformed and RP-2000 Mortality Blue Collar Fully Generational projection using Scale BB for Uniformed.

Changes in the Net OPEB Liability:

Balance At September 30, 2018	<u>\$ 1,253,774</u>
Service cost	72,392
Interest	46,747
Differences between expected and actual experience	(6,654)
Changes of assumptions or other input	64,696
Benefit payments	<u>(84,559)</u>
Net changes	<u>92,622</u>
 Balance At September 30, 2019	 <u><u>\$ 1,346,396</u></u>

The following changes of assumptions are in accordance with GASB 75:

- The discount rate has been decreased from 3.64% to 3.58% since the previous valuation. The discount rate of 3.58% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2019. The decrease in the discount rate increased the liability.
- The initial healthcare trend rate was increased from 6.5% to 7.0% to reflect current market conditions. This initial rate is assumed to decrease by 0.25% per year until it reaches the ultimate trend rate in FY2028. The changes to the healthcare trend schedule increased the liability.

Sensitivity Results. The following presents the net OPEB liability of the City as of September 30, 2019, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB Liability	\$ 1,474,260	\$ 1,346,396	\$ 1,232,025

The following presents the net OPEB liability of the City as of September 30, 2019, as well as what the City's net OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (6.0%)	Current Health- Care Trend Rate Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability	\$ 1,202,847	\$ 1,346,396	\$ 1,516,338

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Net OPEB Liability. The City's net OPEB liability of \$1,346,396 was measured as of September 30, 2019 and was determined by an actuarial valuation as of October 1, 2019.

For the year ended September 30, 2019, the City recognized OPEB expense of \$37,045. At September 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows Of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) Of Resources
Changes in assumptions	\$ 57,907	\$ 26,285	\$ 31,622
Differences between expected and actual experience	—	7,879	(7,879)
Balance At September 30, 2019	\$ 57,907	\$ 34,164	\$ 23,743

Deferred outflows net of deferred inflows of resources of \$23,743 related to OPEB will be recognized in OPEB expense in the City's fiscal year following the System's fiscal year as follows:

Amortization Schedule

Year	Amount
2020	\$ 2,465
2021	2,465
2022	2,465
2023	2,465
2024	2,465
Thereafter	11,418
	<u>23,743</u>

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.

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 recreational facility is currently under a \$10,000,000 renovation and the City is responsible for one-half of the renovation costs. The City issued bonds on October 7, 2019 for the City portion of the renovations. The City is also liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$150,000 for its annual operational subsidy for the year ended September 30, 2019 and an additional \$23,385 for its share of the recreation facility's fiscal year 2018 deficit. As of September 30, 2019, the joint venture has assets of approximately \$11,700,000, liabilities of approximately \$1,800,000 and equity of approximately \$9,900,000.

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 \$1,732,002 of restricted net position, of which \$179,554 is restricted by enabling legislation.

The capital projects fund reported a fund deficit of \$2,018,015 as of September 30, 2019. This deficit will be offset by the proceeds of bonded debt which will be issued during fiscal year 2020.

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 \$4,324,593 will be recognized over 20 years. At September 30, 2019, the unearned rent was \$2,937,119.

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 \$664,096 of which \$644,664 represent fines, forfeitures, court costs, and other related items for minor traffic violations. This amount is approximately 2.8% of total general revenues of \$23,239,917 and, accordingly, the City believes it is in compliance with the State requirements.

16. Tax Abatements

As of September 30, 2019, 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 2019 was \$167,531.

17. Subsequent Events

Subsequent to year-end, on October 2, 2019, the City issued Series 2019 Special Obligation Refunding and Improvement Bonds in the amount of \$12,430,000 to refund the City's Build America Special Obligation Bonds, Series 2009B which are maturing through December 2029 and to assist in the costs of the Center of Clayton Community Recreation Center's renovations.

The City entered into an agreement on September 5, 2019 to sell a plot of land for \$2,625,000. The sale was closed subsequent to September 30, 2019.

The recent outbreak in China of COVID-19, which has been declared by the World Health Organization to be a public health emergency of international concern, has spread across the globe and is impacting worldwide economic activity. The COVID-19 outbreak poses the risk that the City or its employees, contractors, residents, local businesses, and other partners may be prevented from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities.

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, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 6,429,924	\$ 6,204,924	\$ 6,203,177	\$ (1,747)
Sales taxes	5,404,565	5,234,565	5,221,765	(12,800)
Licenses and permits	3,448,769	2,578,769	2,614,950	36,181
Public utility licenses	5,571,045	5,071,045	5,070,234	(811)
Intergovernmental	1,735,863	1,743,263	1,805,270	62,007
Community programs	1,950,643	1,933,643	1,900,666	(32,977)
Parking facilities and meters	2,188,842	2,188,842	2,320,134	131,292
Fines and forfeitures	948,600	698,600	664,096	(34,504)
Investment income	223,523	393,523	395,908	2,385
Miscellaneous	317,760	317,760	351,907	34,147
Total Revenues	28,219,534	26,364,934	26,548,107	183,174
Expenditures				
Current:				
General government				
Nondepartmental	524,523	538,368	528,508	(9,860)
Information systems	1,519,317	1,273,487	1,206,824	(66,663)
Finance	753,740	732,621	710,407	(22,214)
City manager's office	890,534	741,520	708,243	(33,277)
Municipal court	488,493	426,282	374,160	(52,122)
Board of aldermen and city clerk	126,821	126,821	105,632	(21,189)
Personnel administration	316,335	279,806	269,990	(9,816)
Public safety	12,730,900	12,636,250	12,513,558	(122,692)
Public works	6,602,363	6,354,350	6,173,166	(181,184)
Parks and recreation	2,664,292	2,525,913	2,472,162	(53,751)
Economic development	661,670	658,794	575,607	(83,187)
Community development	1,132,235	1,032,076	999,210	(32,866)
Total Expenditures	28,411,223	27,326,288	26,637,467	(688,821)
Revenues Over (Under) Expenditures	(191,689)	(961,354)	(89,360)	871,995
Other Financing Sources (Uses)				
Transfers in	2,543,703	2,543,703	2,543,703	—
Transfers out	(2,079,127)	(1,909,127)	(1,909,127)	—
Total Other Financing Sources (Uses)	464,576	634,576	634,576	—
Net Change In Fund Balances	\$ 272,887	\$ (326,778)	545,216	\$ 871,995
Nonbudgeted Activity			—	
Net Change In Fund Balances - GAAP Basis			545,216	
Fund Balance - Beginning Of Year			17,467,495	
Fund Balance - End Of Year			\$ 18,012,711	

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION September 30, 2019

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 and fiduciary (pension) funds 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. 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.

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,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 504,137	\$ 539,453	\$ 500,005	\$ 478,954	\$ 478,857	\$ 378,669
Interest	1,351,398	1,291,687	1,235,787	1,195,165	1,104,645	1,041,305
Differences between expected and actual experience	145,765	(170,492)	(269,014)	(427,158)	(61,854)	51,094
Changes of assumptions	—	—	—	(130,351)	413,213	—
Benefit payments	(838,896)	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Net change in total pension liability	1,162,404	952,696	759,403	413,910	1,373,891	718,119
Total pension liability - beginning	19,213,904	18,261,208	17,501,805	17,087,895	15,714,004	14,995,885
Total pension liability - ending	<u>\$ 20,376,308</u>	<u>\$ 19,213,904</u>	<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	\$ 481,932	\$ 534,824	\$ 538,890	\$ 559,056	\$ 544,097	\$ 473,909
Contributions - employee	169,259	159,800	150,996	144,794	139,616	137,488
Net investment income	728,198	1,438,824	1,841,090	249,335	1,053,742	1,859,720
Benefit payments	(838,896)	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Administrative expense	(66,685)	(58,265)	(57,685)	(52,551)	(47,672)	(49,687)
Net change in fiduciary net position	473,808	1,367,231	1,765,916	197,934	1,128,813	1,668,481
Plan fiduciary net position - beginning	18,393,251	17,026,020	15,260,104	15,062,170	13,933,357	12,264,876
Plan fiduciary net position - ending	<u>\$ 18,867,059</u>	<u>\$ 18,393,251</u>	<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>\$ 1,509,249</u>	<u>\$ 820,653</u>	<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	92.59%	95.73%	93.24%	87.19%	88.15%	88.67%
Covered payroll	\$ 5,205,076	\$ 5,266,677	\$ 5,196,464	\$ 5,005,772	\$ 4,793,040	\$ 4,864,905
Net pension liability as a percentage of covered payroll	29.00%	15.58%	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 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.

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

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS NONUNIFORMED EMPLOYEES' RETIREMENT FUND

	Fiscal Year Ended September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 473,176	\$ 525,359	\$ 529,622	\$ 547,815	\$ 531,691	\$ 453,411	\$ 539,154	\$ 396,443	\$ 423,850	\$ 353,902
Contributions in relation to the actuarially determined contribution	481,932	534,824	538,890	559,056	544,097	473,909	539,154	400,000	252,495	215,485
Contribution deficiency (excess)	\$ (8,756)	\$ (9,465)	\$ (9,268)	\$ (11,241)	\$ (12,406)	\$ (20,498)	\$ —	\$ (3,557)	\$ 171,355	\$ 138,417
Covered payroll	\$ 5,459,831	\$ 5,415,836	\$ 5,341,921	\$ 5,382,226	\$ 4,914,959	\$ 4,859,875	\$ 4,787,179	\$ 4,852,803	\$ 4,968,938	\$ 4,918,854
Contributions as a percentage of covered payroll	8.83%	9.88%	10.09%	10.39%	11.07%	9.75%	11.26%	8.24%	5.08%	4.38%

Valuation date: July 1, 2019

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	17 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	2019 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,					
	2019	2018	2017	2016	2015	2014
Annual rate of return, net of investment expense	3.99%	8.47%	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,				
	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 994,484	\$ 941,122	\$ 888,793	\$ 838,618	\$ 839,544
Interest	3,258,781	3,141,917	3,013,562	2,860,499	2,753,542
Differences between expected and actual experience	(143,420)	(279,615)	(92,530)	457,271	977,634
Benefit payments	(2,354,204)	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Net change in total pension liability	1,755,641	1,777,472	1,778,850	2,147,083	1,475,821
Total pension liability - beginning	46,716,721	44,939,249	43,160,399	41,013,316	39,537,495
Total pension liability - ending	\$ 48,472,362	\$ 46,716,721	\$ 44,939,249	\$ 43,160,399	\$ 41,013,316
Plan fiduciary net position					
Contributions - employer	\$ 1,109,879	\$ 1,137,681	\$ 1,053,439	\$ 945,822	\$ 857,131
Contributions - employee	327,813	303,847	277,605	264,381	249,647
Net investment income	(1,446,798)	5,599,207	3,405,344	1,152,431	1,876,874
Benefit payments	(2,354,204)	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Administrative expenses	(234,931)	(203,696)	(206,272)	(212,257)	—
Net change in fiduciary net position	(2,598,241)	4,811,087	2,499,141	141,072	(111,247)
Plan fiduciary net position - beginning	44,216,540	39,405,453	36,906,312	36,765,240	36,876,487
Plan fiduciary net position - ending	\$ 41,618,299	\$ 44,216,540	\$ 39,405,453	\$ 36,906,312	\$ 36,765,240
Net pension liability - ending	\$ 6,854,063	\$ 2,500,181	\$ 5,533,796	\$ 6,254,087	\$ 4,248,076
Plan fiduciary net position as a percentage of the total net pension liability	85.86%	94.65%	87.69%	85.51%	89.64%
Covered payroll	\$ 6,564,009	\$ 5,888,391	\$ 5,643,996	\$ 5,319,108	\$ 5,493,694
Net pension liability as a percentage of covered payroll	104.42%	42.46%	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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	\$ 1,078,425	\$ 1,082,658	\$ 1,000,892	\$ 898,643	\$ 814,376	\$ 1,004,082	\$ 1,029,534	\$ 965,627	\$ 990,993	\$ 1,125,201
Contributions in relation to the actuarially determined contribution	1,141,253	1,137,681	1,053,439	945,822	857,131	1,004,082	965,627	965,627	990,993	1,125,201
Contribution deficiency (excess)	\$ (62,828)	\$ (55,023)	\$ (52,547)	\$ (47,179)	\$ (42,755)	\$ —	\$ 63,907	\$ —	\$ —	\$ —
Covered payroll	\$ 7,035,133	\$ 6,453,084	\$ 6,318,542	\$ 5,984,753	\$ 5,629,787	\$ 5,519,943	\$ 5,697,480	\$ 5,667,849	\$ 5,545,608	\$ 5,473,347
Contributions as a percentage of covered payroll	16.22%	17.63%	16.67%	15.80%	15.22%	18.19%	16.95%	17.04%	17.87%	20.56%

Valuation date:

January 1, 2019

Actuarially determined contribution rates are calculated as of January 1 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	15 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	2019 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,					
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual rate of return, net of investment expense	-3.32%	14.35%	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 SCHEDULES OF SELECTED OTHER POST-EMPLOYMENT BENEFIT PLAN INFORMATION September 30, 2019

	Measurement Date	
	As Of September 30:	
	2019	2018
Service cost	\$ 72,392	\$ 72,917
Interest cost	46,747	42,890
Differences between expected and actual experience	(6,654)	(2,417)
Changes in assumptions or other input	64,696	(33,043)
Net benefits paid by employer	(84,559)	(67,377)
Net change in total OPEB liability	92,622	12,970
Total OPEB liability - beginning of year	1,253,774	1,240,804
Total OPEB liability - end of year	\$ 1,346,396	\$ 1,253,774
Covered payroll	12,494,964	11,868,920
Total OPEB liability as a percentage of covered payroll	10.78%	10.56%

Note To Schedule:

The City implemented GASB Statement No. 75 in 2018. This schedule will ultimately include ten years of data once it becomes available.

CITY OF CLAYTON, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF SELECTED OTHER
POST-EMPLOYMENT BENEFIT PLAN INFORMATION (Continued)
September 30, 2019**

Schedule Of City's Contributions

	Fiscal Year End As Of September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Required contribution	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Less: Contributions in relation to the required contribution	—	—	—	—	—	—	—	—	—	—
City's covered payroll	12,494,964	11,868,920	11,660,469	11,366,979	10,544,746	10,379,818	10,484,658	10,520,653	10,514,546	10,392,200
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Changes In Assumptions

(1) The discount rate has been decreased from 3.64% to 3.58% since the previous valuation. The discount rate of 3.58% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2019. The decrease in the discount rate increased the liability. (2) The initial healthcare trend rate was increased from 6.5% to 7.0% to reflect current market conditions. This initial rate is assumed to decrease by 0.25% per year until it reaches the ultimate trend rate in fiscal year 2028.

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, 2019**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,015	\$ 1,836	\$ 2,851
Investments	194,983	233,268	428,251
Property taxes receivable	440	7,033	7,473
Interest receivable	2,878	1,026	3,904
Total Assets	<u>\$ 199,316</u>	<u>\$ 243,163</u>	<u>\$ 442,479</u>
 Liabilities And Fund Balances			
Liabilities			
Accounts payable	\$ 19,762	\$ 186	\$ 19,948
Deferred Inflows Of Resources			
Unavailable revenues:			
Property taxes	—	5,675	5,675
Fund Balances			
Restricted for:			
Economic development	66,828	—	66,828
Debt service	—	237,302	237,302
Public safety	82,562	—	82,562
Sewer lateral	30,164	—	30,164
Total Fund Balances	<u>179,554</u>	<u>237,302</u>	<u>416,856</u>
 Total Liabilities, Deferred Inflows, And Fund Balances	 <u>\$ 199,316</u>	 <u>\$ 243,163</u>	 <u>\$ 442,479</u>

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS September 30, 2019

	Special Taxing District	Sewer Lateral	Drug Forfeiture	Total
Assets				
Cash and cash equivalents	\$ 298	\$ 161	\$ 556	\$ 1,015
Investments	65,748	43,634	85,601	194,983
Property tax receivable	—	440	—	440
Interest receivable	1,144	899	835	2,878
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	67,190	45,134	86,992	199,316
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities And Fund Balances				
Liabilities				
Accounts payable	362	14,970	4,430	19,762
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Restricted for:				
Economic development	66,828	—	—	66,828
Public safety	—	—	82,562	82,562
Sewer lateral	—	30,164	—	30,164
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	66,828	30,164	82,562	179,554
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities And Fund Balances	\$ 67,190	\$ 45,134	\$ 86,992	\$ 199,316
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2019**

	2009 Build America Bond Fund	2011 Bond Issue Fund	2014 Special Obligation Bond Fund	Total
Assets				
Cash and cash equivalents	\$ 1,730	\$ 106	\$ —	\$ 1,836
Investments - restricted	219,998	13,270	—	233,268
Property tax receivable	7,033	—	—	7,033
Interest receivable	971	55	—	1,026
Total Assets	\$ 229,732	\$ 13,431	\$ —	\$ 243,163
Liabilities, Deferred Inflows Of Resources And Fund Balances				
Liabilities				
Accounts payable	\$ —	\$ 186	\$ —	\$ 186
Total Liabilities	—	186	—	186
Deferred Inflows Of Resources				
Unavailable revenues:				
Property taxes	5,675	—	—	5,675
Special assessments	—	—	—	—
	5,675	—	—	5,675
Fund Balances				
Restricted for:				
Debt service	224,057	13,245	—	237,302
Total Liabilities And Fund Balances	\$ 229,732	\$ 13,431	\$ —	\$ 243,163

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended September 30, 2019

	Special Revenue	Debt Service Fund	Total
Revenues			
General property taxes	\$ 466,389	\$ 1,116,083	\$ 1,582,472
Special assessments	93,235	907	94,142
Intergovernmental	—	167,192	167,192
Fines and forfeitures	765	—	765
Investment income	7,816	3,776	11,592
Total Revenues	568,205	1,287,958	1,856,163
Expenditures			
Current:			
Public safety	41,318	—	41,318
Capital outlay	146,140	—	146,140
Debt service:			
Principal	—	1,805,000	1,805,000
Interest and fiscal charges	—	728,781	728,781
Total Expenditures	187,458	2,533,781	2,721,239
Revenues Over (Under) Expenditures	380,747	(1,245,823)	(865,076)
Other Financing Sources (Uses)			
Transfers in	—	1,286,310	1,286,310
Transfers out	(535,711)	—	(535,711)
Total Other Financing Sources (Uses)	(535,711)	1,286,310	750,599
Net Change In Fund Balances	(154,964)	40,487	(114,477)
Fund Balances			
Beginning of year	334,518	196,815	531,333
End of year	\$ 179,554	\$ 237,302	\$ 416,856

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2019

	Special Revenue	Debt Service Fund	Total
Revenues			
General property taxes	\$ 466,389	\$ 1,116,083	\$ 1,582,472
Special assessments	93,235	907	94,142
Intergovernmental	—	167,192	167,192
Fines and forfeitures	765	—	765
Investment income	7,816	3,776	11,592
Total Revenues	568,205	1,287,958	1,856,163
Expenditures			
Current:			
Public safety	41,318	—	41,318
Capital outlay	146,140	—	146,140
Debt service:			
Principal	—	1,805,000	1,805,000
Interest and fiscal charges	—	728,781	728,781
Total Expenditures	187,458	2,533,781	2,721,239
Revenues Over (Under) Expenditures	380,747	(1,245,823)	(865,076)
Other Financing Sources (Uses)			
Transfers in	—	1,286,310	1,286,310
Transfers out	(535,711)	—	(535,711)
Total Other Financing Sources (Uses)	(535,711)	1,286,310	750,599
Net Change In Fund Balances	(154,964)	40,487	(114,477)
Fund Balances			
Beginning of year	334,518	196,815	531,333
End of year	\$ 179,554	\$ 237,302	\$ 416,856

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For The Year Ended September 30, 2019

	2009 Build America Bond Fund	2011 Bond Issue Fund	2014 Special Obligation Bond Fund	Total
Revenues				
General property taxes	\$ 1,116,083	\$ —	\$ —	\$ 1,116,083
Special assessments	—	—	907	907
Intergovernmental	167,192	—	—	167,192
Investment income	3,246	186	344	3,776
Total Revenues	1,286,521	186	1,251	1,287,958
Expenditures				
Debt service:				
Principal	695,000	440,000	670,000	1,805,000
Interest and fiscal charges	509,065	209,533	10,183	728,781
Total Expenditures	1,204,065	649,533	680,183	2,533,781
Revenues Over (Under) Expenditures	82,456	(649,347)	(678,932)	(1,245,823)
Other Financing Sources (Uses)				
Transfers in	—	649,163	637,147	1,286,310
Net Change In Fund Balances	82,456	(184)	(41,785)	40,487
Fund Balances				
Beginning of year	141,601	13,429	41,785	196,815
End of year	\$ 224,057	\$ 13,245	\$ —	\$ 237,302

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, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 483,461	\$ 469,461	\$ 466,389	\$ (3,072)
Investment income	2,250	2,250	3,061	811
Total Revenues	485,711	471,711	469,450	(2,261)
Expenditures				
Economic development	—	—	—	—
Revenues Over Expenditures	485,711	471,711	469,450	(2,261)
Other Financing Sources (Uses)				
Transfers out	(535,711)	(535,711)	(535,711)	—
Net Change In Fund Balances	\$ (50,000)	\$ (64,000)	(66,261)	\$ (2,261)
Fund Balances				
Beginning of year			133,089	
End of year			\$ 66,828	

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, 2019**

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ 92,400	\$ 92,400	\$ 93,235	\$ 835
Investment income	1,000	1,000	2,373	1,373
Total Revenues	93,400	93,400	95,608	2,208
Expenditures				
Capital outlay	105,000	146,500	146,140	(360)
Net Change In Fund Balance	\$ (11,600)	\$ (53,100)	(50,532)	\$ 2,568
Fund Balances				
Beginning of year			80,696	
End of year			\$ 30,164	

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, 2019**

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 1,194,034	\$ 1,119,034	\$ 1,116,083	\$ (2,951)
Intergovernmental	166,033	166,033	167,192	1,159
Investment income	1,100	1,100	3,246	2,146
Total Revenues	1,361,167	1,286,167	1,286,521	354
Expenditures				
Debt service:				
Principal	695,000	695,000	695,000	—
Interest and fiscal charges	511,401	511,401	509,065	(2,336)
Total Expenditures	1,206,401	1,206,401	1,204,065	(2,336)
Net Change In Fund Balances	\$ 154,766	\$ 79,766	82,456	\$ (2,690)
Fund Balances				
Beginning of year			141,601	
End of year			\$ 224,057	

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, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
Investment income	\$ 140	\$ 140	\$ 186	\$ 46
Expenditures				
Debt service:				
Principal	440,000	440,000	440,000	—
Interest and fiscal charges	212,663	212,663	209,533	(3,130)
Total Expenditures	<u>652,663</u>	<u>652,663</u>	<u>649,533</u>	<u>(3,130)</u>
Revenues Under Expenditures	(652,523)	(652,523)	(649,347)	(3,176)
Other Financing Sources (Uses)				
Transfers in	654,163	654,163	649,163	(5,000)
Net Change In Fund Balances	<u>\$ 1,640</u>	<u>\$ 1,640</u>	(184)	<u>\$ 1,824</u>
Fund Balances				
Beginning of year			<u>13,429</u>	
End of year			<u>\$ 13,245</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, 2019**

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ 872	\$ 872	\$ 907	\$ 35
Investment income	150	150	344	194
Total Revenues	1,022	1,022	1,251	229
Expenditures				
Debt service:				
Principal	670,000	670,000	670,000	—
Interest and fiscal charges	14,050	14,050	10,183	(3,867)
Total Expenditures	684,050	684,050	680,183	(3,867)
Revenues Under Expenditures	(683,028)	(683,028)	(678,932)	(4,096)
Other Financing Sources (Uses)				
Transfers in	652,119	652,119	637,147	(14,972)
Net Change In Fund Balances	\$ (30,909)	\$ (30,909)	(41,785)	\$ 10,876
Fund Balances				
Beginning of year			41,785	
End of year			\$ —	

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, a use tax, 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.

Capital Projects Fund - This fund is a capital projects fund used to support 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, certain special assessment taxes, grants and donations.

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, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ 6,800	\$ 6,800	\$ 5,192	\$ (1,608)
Sales tax	3,202,427	3,197,427	3,199,815	2,388
Intergovernmental	2,467,034	1,006,314	1,004,943	(1,371)
Donations and reimbursements	201,660	261,660	478,422	216,762
Investment income	1,000	96,000	98,284	2,284
Miscellaneous	—	40,000	40,002	2
Total Revenues	5,878,921	4,608,201	4,826,658	218,457
Expenditures				
Capital outlay	15,010,944	3,923,007	3,748,678	(174,329)
Debt service:				
Interest and fiscal charges	773	773	773	—
Total Expenditures	15,011,717	3,923,780	3,749,451	(174,329)
Revenues Over Expenditures	(9,132,796)	684,421	1,077,207	392,786
Other Financing Sources (Uses)				
Transfers in	2,241,195	1,325,932	1,325,830	(102)
Transfers out	(3,314,274)	(3,314,274)	(3,294,302)	19,972
Sale of capital assets	3,475,000	2,375,000	2,374,507	(493)
Total Other Financing Sources (Uses)	10,866,921	386,658	406,035	19,377
Net Change In Fund Balances	\$ 1,734,125	\$ 1,071,079	1,483,242	\$ 412,163
Fund Balances				
Beginning of year			642,608	
End of year			<u>\$ 2,125,850</u>	

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, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Donations and reimbursements	\$ —	\$ —	\$ 50,598	\$ 50,598
Federal grants	108,000	108,000	—	(108,000)
Investment income	93,100	93,100	140,667	47,567
Miscellaneous	—	—	112	112
Total Revenues	201,100	201,100	191,377	(9,723)
Expenditures				
Capital outlay	2,241,967	1,415,159	1,276,928	(138,231)
Debt service:				
Principal	103,018	103,018	103,018	—
Total Expenditures	2,344,985	1,518,177	1,379,946	(138,231)
Revenues Over (Under) Expenditures	(2,143,885)	(1,317,077)	(1,188,569)	128,508
Other Financing Sources (Uses)				
Transfers in	1,865,401	1,865,401	1,865,401	—
Sale of capital assets	127,910	162,550	138,130	(24,420)
Total Other Financing Sources (Uses)	1,993,311	2,027,951	2,003,531	(24,420)
Net Change In Fund Balances	\$ (150,574)	\$ 710,874	814,962	\$ (104,088)
Fund Balances				
Beginning of year			5,414,329	
End of year			\$ 6,229,291	

CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ —	\$ —	\$ —	\$ —
Sales tax	—	—	—	—
Intergovernmental	—	—	—	—
Donations and reimbursements	—	—	—	—
Investment income	—	—	—	—
Miscellaneous	—	—	—	—
Total Revenues	—	—	—	—
Expenditures				
Capital outlay	—	—	—	—
Parks and recreation	—	2,030,000	2,018,015	(11,985)
Debt service:				
Interest and fiscal charges	—	—	—	—
Total Expenditures	—	2,030,000	2,018,015	(11,985)
Revenues Over (Under) Expenditures	—	(2,030,000)	(2,018,015)	11,985
Net Change In Fund Balances	\$ —	\$ (2,030,000)	(2,018,015)	\$ 11,985
Fund Balances				
Beginning of year			—	
End of year			<u>\$ (2,018,015)</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
General property taxes	\$ 1,403,021	\$ 1,178,021	\$ 1,174,080	\$ (3,941)
Investment income	76,800	136,800	144,531	7,731
Total Revenues	<u>1,479,821</u>	<u>1,314,821</u>	<u>1,318,611</u>	<u>3,790</u>
Expenditures				
Debt service:				
Principal	595,000	595,000	595,000	—
Interest and fiscal charges	414,788	414,788	410,808	(3,980)
Total Expenditures	<u>1,009,788</u>	<u>1,009,788</u>	<u>1,005,808</u>	<u>(3,980)</u>
Revenues Over Expenditures	470,033	305,033	312,803	7,770
Other Financing Sources (Uses)				
Transfers out	(2,027,469)	(1,282,206)	(1,282,104)	102
Net Change In Fund Balances	<u>\$ (1,557,436)</u>	<u>\$ (977,173)</u>	<u>(969,301)</u>	<u>\$ (7,872)</u>
Fund Balances				
Beginning of year			<u>8,231,018</u>	
End of year			<u>\$ 7,261,717</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, 2019

	Clayton Non- Uniformed Employees' Retirement Fund	Clayton Uniformed Employees' Pension Fund	Total
Assets			
Cash and cash equivalents	\$ (23,732)	\$ 1,437,281	\$ 1,413,549
Investments:			
U.S. government and agency securities	—	2,678,945	2,678,945
Common stocks	—	6,407,371	6,407,371
Corporate bonds	—	4,689,687	4,689,687
Taxable municipal obligations	—	742,816	742,816
Mutual funds	17,685,470	25,834,686	43,520,156
Property funds	1,934,112	4,836,542	6,770,654
Interest receivable	14,645	77,861	92,506
Total Assets	19,610,495	46,705,189	66,315,684
Liabilities			
Accrued investment expenses	6,796	12,070	18,866
Net Position			
Net position restricted for pensions	\$ 19,603,699	\$ 46,693,119	\$ 66,296,818

CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2019

	City Of Clayton Non- Uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
Additions			
Contributions:			
Participant contributions	\$ 170,010	\$ 329,725	\$ 499,735
Employer contributions	481,932	1,141,253	1,623,185
Total Contributions	651,942	1,470,978	2,122,920
Investment Income (Loss):			
Net appreciation (depreciation) in fair value of investments and interest and dividends	652,387	1,027,260	1,679,647
Investment expense	(57,324)	(222,640)	(279,964)
Total Investment Income (Loss)	595,063	804,620	1,399,683
Total Additions	1,247,005	2,275,598	3,522,603
Deductions			
Benefits	843,438	2,242,395	3,085,833
Change In Net Position	403,567	33,203	436,770
Net Position Restricted For Pensions, Beginning Of Year	19,200,132	46,659,916	65,860,048
Net Position Restricted For Pensions, End Of Year	\$ 19,603,699	\$ 46,693,119	\$ 66,296,818

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,									
	2019	2018	2017	2016	2015	2014	2013	2010 (1)	2011	2010
Governmental activities:										
Net investment in										
capital assets	\$ 76,799,222	\$ 74,739,550	\$ 71,073,997	\$ 63,730,611	\$ 59,213,835	\$ 57,476,317	\$ 54,149,471	\$ 47,823,828	\$ 37,682,326	\$ 26,675,814
Restricted	3,917,943	2,381,252	1,634,234	3,020,748	2,049,796	2,615,467	2,769,794	3,133,907	4,723,377	3,717,214
Unrestricted	14,150,279	15,462,515	15,305,096	15,857,391	14,542,546	16,239,618	16,558,707	18,799,802	20,789,148	26,909,957
Total governmental activities net position	<u>\$ 94,867,444</u>	<u>\$ 92,583,317</u>	<u>\$ 88,013,327</u>	<u>\$ 82,608,750</u>	<u>\$ 75,806,177</u>	<u>\$ 76,331,402</u>	<u>\$ 73,477,972</u>	<u>\$ 69,757,537</u>	<u>\$ 63,194,851</u>	<u>\$ 57,302,985</u>
Business-type activities:										
Net investment in										
capital assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	—	—	—	—	—	—	—	—	—	—
Unrestricted	—	—	—	—	—	—	—	—	—	—
Total business-type activities net position	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Primary government:										
Net investment in										
capital assets	\$ 76,799,222	\$ 74,739,550	\$ 71,073,997	\$ 63,730,611	\$ 59,213,835	\$ 57,476,317	\$ 54,149,471	\$ 47,823,828	\$ 37,682,326	\$ 26,675,814
Restricted	3,917,943	2,381,252	1,634,234	3,020,748	2,049,796	2,615,467	2,769,794	3,133,907	4,723,377	3,717,214
Unrestricted	14,150,279	15,462,515	15,305,096	15,857,391	14,542,546	16,239,618	16,558,707	18,799,802	20,789,148	26,909,957
Total primary government net position	<u>\$ 94,867,444</u>	<u>\$ 92,583,317</u>	<u>\$ 88,013,327</u>	<u>\$ 82,608,750</u>	<u>\$ 75,806,177</u>	<u>\$ 76,331,402</u>	<u>\$ 73,477,972</u>	<u>\$ 69,757,537</u>	<u>\$ 63,194,851</u>	<u>\$ 57,302,985</u>

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2010 (1)	2010 (1)
EXPENSES										
Governmental Activities										
General government	\$ 5,443,152	\$ 4,481,815	\$ 4,814,472	\$ 4,965,846	\$ 4,462,401	\$ 5,015,781	\$ 5,009,171	\$ 5,050,212	\$ 5,006,261	\$ 6,066,181
Public safety	13,594,413	12,696,321	12,255,940	11,240,555	11,243,156	11,133,094	11,980,104	10,148,499	10,240,914	9,784,707
Public works	8,236,305	7,995,173	7,763,038	6,897,265	6,747,391	6,297,163	6,472,311	5,968,351	6,060,451	6,847,543
Parks and recreation	5,172,004	3,360,390	2,914,876	2,747,973	2,834,322	2,778,702	3,038,435	2,990,170	2,808,620	2,938,071
Economic development	577,677	508,248	535,756	595,984	486,341	—	—	—	—	—
Community development	1,006,341	1,040,674	1,058,584	917,979	832,718	311,973	274,020	298,989	318,787	432,432
Interest and fiscal charges	1,063,529	1,157,963	1,355,310	1,472,979	1,437,162	1,525,218	1,485,657	1,799,671	1,525,947	1,571,301
Total Governmental Activities Expenses	<u>35,093,421</u>	<u>31,240,584</u>	<u>30,697,976</u>	<u>28,838,581</u>	<u>28,043,491</u>	<u>27,061,931</u>	<u>28,259,698</u>	<u>26,255,892</u>	<u>25,960,980</u>	<u>27,640,235</u>
Business-Type Activities										
Parking facility	—	—	—	—	—	—	—	—	—	—
Total Primary Government Expenses	<u>35,093,421</u>	<u>31,240,584</u>	<u>30,697,976</u>	<u>28,838,581</u>	<u>28,043,491</u>	<u>27,061,931</u>	<u>28,259,698</u>	<u>26,255,892</u>	<u>25,960,980</u>	<u>27,640,235</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	2,667,635	3,098,503	2,228,732	1,952,455	1,819,017	1,667,576	1,618,158	1,462,385	1,549,918	1,773,196
Public safety	2,444,973	2,818,348	2,832,013	2,374,798	2,493,473	2,449,170	3,334,775	2,367,393	2,481,302	2,125,691
Public works	1,615,737	1,556,265	1,511,207	1,354,173	1,323,109	1,223,177	1,238,118	1,161,444	1,174,765	1,068,315
Parks and recreation	971,692	997,971	1,050,064	1,042,643	1,024,886	1,038,084	982,734	881,990	917,628	885,857
Economic development	19,177	12,182	—	—	—	—	—	—	—	—
Operating grants and contributions	1,987,207	1,718,667	1,174,849	1,143,239	1,966,370	1,895,184	1,828,807	1,859,222	2,010,033	1,865,220
Capital grants and contributions	1,465,069	1,997,673	4,888,546	1,983,200	1,230,820	2,441,406	3,923,903	5,285,025	5,997,466	372,500
Total Governmental Activities Program Revenues	<u>11,171,490</u>	<u>12,199,609</u>	<u>13,685,411</u>	<u>9,850,508</u>	<u>9,857,675</u>	<u>10,714,597</u>	<u>12,926,495</u>	<u>13,017,459</u>	<u>14,131,112</u>	<u>8,090,779</u>
Business-Type Activities										
Charges for services:										
Parking facility	—	—	—	—	—	—	—	—	—	—
Total Primary Government Program Revenues	<u>11,171,490</u>	<u>12,199,609</u>	<u>13,685,411</u>	<u>9,850,508</u>	<u>9,857,675</u>	<u>10,714,597</u>	<u>12,926,495</u>	<u>13,017,459</u>	<u>14,131,112</u>	<u>8,090,779</u>
Net Revenues (Expenses)										
Governmental activities	(23,921,931)	(19,040,975)	(17,012,565)	(18,988,073)	(18,185,816)	(16,347,334)	(15,333,203)	(13,238,433)	(11,829,868)	(19,549,456)
Business-type activities	—	—	—	—	—	—	—	—	—	—
Total Primary Government Net Revenues (Expenses)	<u>\$ (23,921,931)</u>	<u>\$ (19,040,975)</u>	<u>\$ (17,012,565)</u>	<u>\$ (18,988,073)</u>	<u>\$ (18,185,816)</u>	<u>\$ (16,347,334)</u>	<u>\$ (15,333,203)</u>	<u>\$ (13,238,433)</u>	<u>\$ (11,829,868)</u>	<u>\$ (19,549,456)</u>

CITY OF CLAYTON, MISSOURI

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

	For The Years Ended September 30,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental Activities										
Taxes:										
Property	\$ 9,006,455	\$ 9,088,794	\$ 9,051,027	\$ 8,326,593	\$ 8,055,653	\$ 7,051,113	\$ 7,340,797	\$ 6,707,168	\$ 6,665,628	\$ 6,388,623
Sales	8,421,580	8,148,321	7,101,367	7,257,356	7,085,858	6,186,273	5,723,220	5,650,981	5,486,472	5,260,745
Utility	5,070,234	5,744,718	5,301,493	5,235,918	5,434,842	5,452,949	5,364,645	5,206,297	5,450,458	6,172,511
Other	242,728	246,369	240,183	236,529	100,488	100,488	100,489	100,489	100,488	100,488
Grants and contributions not restricted to specific programs	167,192	175,559	183,866	192,157	198,215	202,533	214,458	1,797,555	309,426	-
Investment income	790,982	560,330	283,949	331,992	246,181	138,456	122,293	167,766	320,728	667,936
Gain (loss) on sale of capital assets	2,387,857	(50,851)	41,001	4,024,986	—	6,323	—	12,554	—	264,774
Miscellaneous	119,030	408,926	214,256	185,115	245,587	62,629	187,736	158,309	349,838	652,450
Transfers	—	—	—	—	—	—	—	—	—	—
Total Governmental Activities General Revenues And Other Changes in Net Position	<u>26,206,058</u>	<u>24,322,166</u>	<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>
Business-type Activities										
Investment income	—	—	—	—	—	—	—	—	—	—
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	—
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>—</u>	<u>—</u>
Total Primary Government General Revenues And Other Changes in Net Position	<u>26,206,058</u>	<u>24,322,166</u>	<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>
CHANGES IN NET POSITION BEFORE RESTATEMENT										
Governmental activities	2,284,127	5,281,191	5,404,577	6,802,573	3,181,008	2,853,430	3,720,435	6,562,686	6,853,170	(41,929)
Business-type activities	—	—	—	—	—	—	—	—	—	—
Total Primary Government Changes in Net Position Before Restatement	<u>2,284,127</u>	<u>5,281,191</u>	<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>
RESTATEMENT										
Governmental activities	—	—	—	—	(3,706,233)	—	—	—	(961,304)	—
CHANGES IN NET POSITION										
Governmental activities	2,284,127	5,281,191	5,404,577	6,802,573	(525,225)	2,853,430	3,720,435	6,562,686	5,891,866	(41,929)
Business-type activities	—	—	—	—	—	—	—	—	—	—
Total Primary Government Change In Net Position	<u>\$ 2,284,127</u>	<u>\$ 5,281,191</u>	<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>

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

CITY OF CLAYTON, MISSOURI
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	September 30,										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2010
General Fund:											
Nonspendable	\$ 1,506,780	\$ 1,561,882	\$ 137,521	\$ 133,928	\$ 196,165	\$ 24,339	\$ 17,715	\$ —	\$ —	\$ —	\$ —
Assigned	112,724	101,865	75,447	151,333	162,249	107,705	1,030,039	3,663,374	2,838,638	—	—
Unassigned	16,393,207	15,803,748	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
Unreserved	—	—	—	—	—	—	—	—	—	22,623,263	12,590,092
Total General Fund	\$ 18,012,711	\$ 17,467,495	\$ 16,987,521	\$ 16,943,329	\$ 16,363,124	\$ 16,339,148	\$ 16,437,480	\$ 18,336,438	\$ 20,766,356	\$ 23,057,756	\$ 12,636,338
All Other Governmental Funds											
Restricted	\$ 9,804,423	\$ 9,404,959	\$ 9,326,000	\$ 12,913,899	\$ 15,807,553	\$ 3,328,388	\$ 5,017,628	\$ 7,914,614	\$ 9,733,471	\$ —	\$ —
Committed	6,229,291	5,414,329	5,236,670	5,049,806	3,458,922	2,621,045	2,167,454	2,349,061	1,974,198	—	—
Unassigned	(2,018,015)	—	—	—	(268,271)	(1,636,835)	(913,659)	(555,647)	—	—	—
Reserved:											
Capital Improvement Fund	—	—	—	—	—	—	—	—	—	2,266,413	601,000
Equipment Replacement Fund	—	—	—	—	—	—	—	—	—	2,887	1,433
1997-98 Bond Debt Service Fund	—	—	—	—	—	—	—	—	—	—	—
2009 Build America Bond Fund	—	—	—	—	—	—	—	—	—	7,149,194	—
Other Governmental Funds	—	—	—	—	—	—	—	—	—	2,953,109	3,626,688
Unreserved, reported in:											
Capital Improvement Fund	—	—	—	—	—	—	—	—	—	398,512	1,689,633
Equipment Replacement Fund:	—	—	—	—	—	—	—	—	—	2,355,125	2,272,303
Other governmental funds:											
Special Revenue Funds	—	—	—	—	—	—	—	—	—	386,822	570,813
Capital Projects Funds	—	—	—	—	—	—	—	—	—	—	581,651
Total All Other Governmental Funds	\$ 14,015,699	\$ 14,819,288	\$ 14,562,670	\$ 17,963,705	\$ 18,998,204	\$ 4,312,598	\$ 6,271,423	\$ 9,708,028	\$ 11,707,669	\$ 15,512,062	\$ 9,343,521

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

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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)
Revenues										
General property taxes	\$ 8,959,729	\$9,088,794	\$ 9,051,027	\$ 8,411,302	\$ 8,058,411	\$ 7,095,591	\$ 7,403,480	\$ 6,717,939	\$ 6,619,357	\$ 6,374,580
Assessment income	99,334	113,595	107,721	128,334	151,706	131,814	180,111	222,394	172,250	162,842
Sales taxes	8,421,580	8,148,321	7,101,367	7,257,356	6,954,160	6,065,100	5,620,068	5,554,236	5,389,764	5,173,479
Licenses and permits	2,614,950	2,823,850	2,170,772	1,934,515	1,793,424	1,617,546	1,577,390	1,387,155	1,523,861	1,780,141
Public utility licenses	5,070,234	5,744,718	5,301,493	5,235,918	5,434,842	5,452,949	5,364,645	5,206,297	5,450,458	6,172,511
Intergovernmental	3,146,709	3,340,241	2,498,143	2,670,657	2,547,723	4,242,718	4,030,845	5,106,728	7,696,966	2,428,712
Community programs	1,900,666	1,900,933	1,910,456	1,814,190	1,853,324	1,806,270	1,713,754	1,549,301	1,460,533	1,413,736
Parking facilities and meters	2,320,134	2,279,399	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	664,861	970,319	948,652	864,913	1,200,721	1,067,415	2,012,156	1,111,217	1,302,852	1,078,799
Donations and reimbursements	529,020	899,713	4,016,959	694,944	559,030	470,190	2,008,212	3,879,251	—	—
Investment income	790,982	560,330	283,949	331,992	246,181	138,456	122,293	167,766	320,728	667,936
Miscellaneous	392,021	508,245	417,411	388,766	513,165	151,949	305,347	305,778	346,602	653,957
Total Revenues	34,910,220	36,378,458	36,063,974	31,730,386	31,241,595	30,030,471	32,045,702	32,795,310	31,936,885	27,380,990
Expenditures										
General government	3,903,764	3,683,857	3,374,336	3,148,997	3,112,501	4,424,982	4,438,505	4,494,963	4,430,545	4,828,548
Parks and recreation	4,490,177	2,583,506	2,257,630	2,131,223	2,140,523	4,850,023	4,992,413	4,827,147	2,322,392	1,991,742
Public safety	12,724,180	11,960,204	11,404,125	10,434,097	10,459,971	2,255,175	2,451,301	2,330,063	9,678,202	9,458,242
Public works	6,173,166	6,051,921	5,976,177	5,637,166	5,652,642	10,231,631	11,331,936	9,760,295	4,801,188	4,636,808
Economic development	575,607	507,434	536,541	598,487	484,908	—	—	—	—	—
Community development	999,210	1,041,255	1,055,687	920,584	828,552	314,959	275,160	299,774	314,280	432,432
Capital outlay	5,171,746	5,406,728	9,814,424	8,178,107	3,049,893	5,625,574	8,089,679	20,061,767	11,477,048	12,094,749
Debt service:										
Principal	2,503,018	3,350,437	3,648,214	3,582,579	3,013,765	2,900,407	4,397,690	3,764,825	3,586,804	2,924,263
Interest and fiscal charges	1,140,362	1,231,983	1,460,382	1,585,645	1,587,457	1,505,084	1,487,881	1,490,748	1,492,390	1,289,215
Bond issuance costs	—	—	—	—	16,647	—	—	217,195	—	271,353
Total Expenditures	37,681,230	35,817,325	39,527,516	36,216,885	30,346,859	32,107,835	37,464,565	47,246,777	38,102,849	37,927,352
Excess Of Expenditures Over Revenues	(2,771,010)	561,133	(3,463,542)	(4,486,499)	894,736	(2,077,364)	(5,418,863)	(14,451,467)	(6,165,964)	(10,546,362)
Other Financing Sources (Uses)										
Bond proceeds	—	—	—	—	21,735,000	—	—	9,845,000	—	15,000,000
Premium on issuance of debt	—	—	—	—	920,519	—	—	150,600	—	40,020
Payments to refunding escrow agent	—	—	—	—	(8,904,781)	—	—	—	—	—
Proceeds from capital lease	—	—	—	—	—	—	—	—	—	1,020,000
Special item	—	—	—	—	—	—	—	—	—	—
Sale of capital assets	2,512,637	175,459	106,699	4,032,205	64,108	20,207	34,106	26,308	70,171	228,577
Transfers in	7,021,244	8,010,570	7,774,545	9,933,507	8,252,504	7,205,701	8,914,942	16,099,102	5,630,967	11,580,668
Transfers out	(7,021,244)	(8,010,570)	(7,774,545)	(9,933,507)	(8,252,504)	(7,205,701)	(8,914,942)	(16,099,102)	(5,630,967)	(11,580,688)
Total Other Financing Sources (Uses)	2,512,637	175,459	106,699	4,032,205	13,814,846	20,207	34,106	10,021,908	70,171	16,288,577
Net Change In Fund Balances	\$ (258,373)	\$ 736,592	\$ (3,356,843)	\$ (454,294)	\$ 14,709,582	\$ (2,057,157)	\$ (5,384,757)	\$ (4,429,559)	\$ (6,095,799)	\$ 5,742,215
Debt service as a percentage of noncapital expenditures	11.13%	14.80%	16.95%	18.43%	16.92%	17.80%	19.50%	19.00%	15.70%	15.10%
Fines and forfeitures as a percentage of general revenues (2)	2.80%	3.80%	3.80%	3.70%	4.10%	4.90%	4.90%	N/A	N/A	N/A

Note:

- (1) Business-type Activities were combined with Governmental Activities.
- (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 2019 total fines and forfeitures of all types were \$644,664 and general operating revenues were \$23,239,917.

CITY OF CLAYTON, MISSOURI

SALES TAX COLLECTION BY YEAR LAST TEN YEARS

City of Clayton, Missouri
Sales Tax Collection by Year
Last Ten Fiscal 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 Public Safety Sales Tax ***	1/2 Cent Capital Improvement Sales Tax	1/2 Cent Parks & Storm Water Sales Tax	Use Tax ****	
2019	\$ 2,879,417	\$ 677,049	\$ 790,582	\$ 874,717	\$ 1,344,893	\$ 1,582,225	\$ 272,697	\$ 8,421,580
2018	2,733,710	708,535	821,568	841,360	1,398,203	1,644,945	—	8,148,321
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	—	6,954,160
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	—	5,620,068
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

* 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.

*** The Public Safety Sales Tax was approved in 2017, and the City began collection in FY 2018.

****The Use Sales tax was approved in 2018, and the City began collection in April 2019.

CITY OF CLAYTON, MISSOURI

UTILITY TAX AND FRANCHISE FEES LAST TEN FISCAL YEARS

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.	
2019	\$ 2,572,400	\$ 775,026	\$ 412,007	\$ 1,310,801	\$ 252,756	\$ 5,322,990
2018	3,004,440 **	739,116	394,589	1,606,573	207,722	5,952,440
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
(Decrease)	115%	85%	151%	48%	141%	84%

* The City received a large telecommunications settlement in FY 2010

** The City received an electrical settlement in FY 2018.

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					
2019	\$ 541,267	\$ 377,392	\$ 81,494	\$ 2,660	\$ 1,002,813	\$ 4,280,861	\$ 0.817
2018	535,439	390,983	86,314	3,451	1,016,186	4,309,536	0.825
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

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
City of Clayton:										
General	\$ 0.583	\$ 0.571	\$ 0.629	\$ 0.614	\$ 0.646	\$ 0.659	\$ 0.659	\$ 0.626	\$ 0.601	\$ 0.582
Police Building Debt	0.114	0.113	0.123	0.122	0.128	—	—	—	—	—
General Obligation Debt	0.120	0.141	0.244	0.251	0.252	0.128	0.130	0.091	0.091	0.091
Total City of Clayton	<u>0.817</u>	<u>0.825</u>	<u>0.996</u>	<u>0.987</u>	<u>1.026</u>	<u>0.787</u>	<u>0.789</u>	<u>0.717</u>	<u>0.692</u>	<u>0.673</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	0.489	0.489	0.515	0.515	0.523	0.523	0.523	0.523	0.523	0.523
St. Louis County Library	0.234	0.234	0.246	0.246	0.250	0.250	0.173	0.163	0.157	0.140
Special School District	1.198	1.191	1.241	1.235	1.261	1.240	1.012	1.013	0.995	0.938
St. Louis Community College	0.213	0.211	0.219	0.218	0.220	0.220	0.220	0.220	0.218	0.214
Metropolitan St. Louis Sewer District (Extension)	0.117	0.116	0.120	0.088	0.088	0.107	0.082	0.082	0.079	—
Metropolitan Zoological Park and Museum District	0.272	0.269	0.280	0.278	0.280	0.280	0.268	0.267	0.255	0.249
Sheltered Workshop	0.084	0.084	0.088	0.088	0.090	0.089	0.084	0.084	0.079	0.074
Clayton School District	3.692	3.649	3.842	3.849	4.103	4.017	3.743	3.899	3.743	3.628
Deer Creek Sewer District	—	—	—	0.083	0.086	0.086	0.840	0.840	0.081	—
U. City Storm Sewer District	—	—	—	0.093	0.093	—	—	—	0.092	—
Total Overlapping Governments	<u>6.329</u>	<u>6.274</u>	<u>6.581</u>	<u>6.723</u>	<u>7.024</u>	<u>6.842</u>	<u>6.975</u>	<u>7.121</u>	<u>6.252</u>	<u>5.796</u>
 Total	 <u>\$ 7.146</u>	 <u>\$ 7.099</u>	 <u>\$ 7.577</u>	 <u>\$ 7.710</u>	 <u>\$ 8.050</u>	 <u>\$ 7.629</u>	 <u>\$ 7.764</u>	 <u>\$ 7.838</u>	 <u>\$ 6.944</u>	 <u>\$ 6.469</u>

Source - St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PRINCIPAL PROPERTY TAXPAYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Taxpayer	2019			2010		
	Taxable	Rank	Percentage	Taxable	Rank	Percentage
	Assessed		Of Total City	Assessed		Of Total City
	Value		Value (1)	Value		Value (2)
KBSII Pierre Laclede Center LLC	\$ 25,185,160	1	2.51%	\$ 21,338,130	3	2.39%
Clayton Franklin Clayton Plaza LLC	20,177,470	2	2.01%	—		—
Clayton Corporate Park Mgmt. Co.	19,002,980	3	1.89%	28,712,830	1	3.21%
KBSIII 101 South Hanley LLC	18,493,600	4	1.84%	—		—
Clayton St Louis Property LLC	17,536,000	5	1.75%	—		—
Chapter 100 City of Clayton	16,049,240	6	1.60%	—		—
Clayton Central Owner LLC	13,677,050	7	1.36%	11,764,570	6	1.32%
8182 Maryland Associates	12,678,850	8	1.26%	10,463,780	9	1.17%
MEPT Shaw Park Plaza LLC	12,402,180	9	1.24%	12,283,280	5	1.37%
Forsyth Centre Associates LLC	11,754,690	10	1.17%	8,149,920	10	0.91%
KBS Clayton Plaza LLC	—		—	21,766,020	2	2.44%
Duke Realty Limited Partnership	—		—	13,959,200	4	1.56%
HEF 1 - StL No. 1 LLC	—		—	11,354,330	7	1.27%
Brown Shoe Company	—		—	10,964,570	8	1.23%
Total	\$ 166,957,220		16.63%	\$ 150,756,630		16.87%

Source - St. Louis County Assessor

Notes:

- (1) Total assessed value of the City was \$1,002,812,993 as of January 1, 2018.
- (2) Total assessed value of the City was \$893,428,194 as of January 1, 2009.

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
2019	\$ 8,642,887	\$ 8,533,753	98.7	\$ (10,604)	\$ 8,523,149	98.6%
2018	8,596,280	8,565,427	99.6	(89,123)	8,476,304	98.6
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

Notes:

- (1) Originally adjusted for strikeoffs and additions by St. Louis Board of Equalization after 1978.
- (2) St. Louis County Collectors Office charges a collection fee of 1.5%.
- (3) St. Louis County does not provide data for delinquent collection, excluding penalties and interest, by levy year.

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			
2019	\$ 16,359	\$ 13,058	\$ —	\$ 218	\$ —	\$ —	\$ 29,635	3.38	\$ 1,859
2018	18,266	13,676	—	315	—	—	32,257	3.68	2,024
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 (5)	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 (4)	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 (3)	31,958	2,955	1,431	961	—	—	37,305	3.65	2,341

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 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, Enterprise and Internal Service Funds Combined with General Fund and Capital Improvement Project Fund Combined with Revolving Public Improvement Fund.
- (4) In fiscal year 2012, capital improvement bonds of \$9,845,000 were issued. \$5,000,000 financed 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.
- (5) 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.

Source: Basic financial statements

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)
2019	\$ 13,058	1.30	\$ 819
2018	13,676	1.35	858
2017	14,279	1.58	896
2016	14,861	1.66	932
2015	15,434	1.78	941
2014	—	—	—
2013	—	—	—
2012	945	0.11	59
2011	1,960	0.22	123
2010	2,955	0.33	185

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.

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	\$ 97,400,828	4.12 %	\$ 4,012,914
Clayton School District	69,052,000	89.43 %	61,753,204
Subtotal	<u>166,452,828</u>		<u>65,766,118</u>
City of Clayton	<u>29,634,892</u>	100.00 %	<u>29,634,892</u>
Total	<u>\$ 196,087,720</u>		<u>\$ 95,401,010</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	\$ 1,002,813									
Debt Limit - 10% of assessed valuation	100,281									
Amount of debt applicable to debt limit										
Total general obligation debt	13,058									
Less: Amount available in debt service fund	1,375									
Net bond indebtedness applicable to debt limit	11,683									
Legal Debt margin	88,598									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt Limit (1)	\$ 100,281	\$ 101,619	\$ 90,217	\$ 89,789	\$ 86,773	\$ 86,688	\$ 86,052	\$ 86,057	\$ 88,606	\$ 89,343
Total net debt applicable to Debt Limit	11,683	12,469	13,463	14,115	14,807	—	—	910	1,678	2,383
Legal debt margin	\$ 88,598	\$ 89,150	\$ 76,754	\$ 75,674	\$ 71,966	\$ 86,688	\$ 86,052	\$ 85,147	\$ 86,928	\$ 86,960
Total net debt applicable to the limit as a percentage of debt limit	11.65%	12.27%	14.92%	15.72%	17.06%	0.00%	0.00%	1.06%	1.89%	2.67%

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)
2019	15,939	\$ 983,325	\$ 61,693	\$ 2,623	1.0 %
2018	15,939	877,171	55,033	2,681	1.1 %
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 %

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

- (1) Data for 2005 - 2010 from 2000 revised census from the U.S. Census Bureau dated December 7, 2001. Data for 2011 - 2019 from 2010 from U.S. Census Bureau.
- (2) Data from American Community Survey Estimates. Restated to per Capita income.
- (3) Administrative Office - School District of Clayton.
- (4) 2008 through 2015 - Missouri Department of Economic Development. 2016 through 2019 - Missouri Economic Research & Information Center.

CITY OF CLAYTON, MISSOURI

PRINCIPAL EMPLOYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Employer	2019			2010		
	Employees	Rank	Percentage Of Total City Employment (1)	Employees	Rank	Percentage Of Total City Employment (2)
Centene Corporation	1,979	1	4.30	588	4	1.03
St. Louis County	1,573	2	3.42	2,195	1	3.85
Enterprise Holdings, Inc.	1,252	3	2.72	1,405	2	2.46
Caleres (Brown Shoe Co., Inc.)	671	4	1.46	1,076	3	1.89
Washington University	670	5	1.46	—	—	0.00
Commerce Bank NA	553	6	1.20	508	5	0.89
Clayton School District	466	7	1.01	459	6	0.81
Husch Blackwell	422	8	0.92	—	—	—
Armstrong Teasdale	355	9	0.77	400	7	0.70
Ritz Carlton	—	—	—	298	8	0.52
RubinBrown	350	10	0.76	—	—	—
Rehab Care Group Inc.	—	—	—	253	9	0.44
City of Clayton	—	—	—	187	10	0.33
	8,291		18.02	7,369		12.92

Notes:

- (1) Percentage for 2019 based on estimate of 46,000 total daytime employees in the Downtown area.
- (2) Percentage for 2010 based on estimate of 57,000 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.

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,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
City Manager (8)	2.50	2.50	2.50	2.50	2.50	2.60	2.75	3.00	4.00	4.00
Economic Development (8)	1.50	1.50	1.50	1.50	1.50	1.65	1.75	1.75	1.75	1.00
Events (9)	1.00	1.00	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 (10)	6.00	6.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	7.00
Municipal court (11)	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Information systems (12)	7.90	5.75	3.75	3.75	3.75	3.75	3.50	4.00	4.00	4.00
Planning and development (3) (13)	11.00	11.00	10.00	9.00	9.00	9.00	10.00	10.00	11.00	11.00
Police:										
Officers (4)	50.00	50.00	49.00	49.00	49.00	49.00	52.00	52.00	52.00	52.00
Civilians	7.85	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Fire:										
Firefighters and officers (15)	42.00	36.00	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	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Street maintenance (2)	14.00	14.00	14.00	14.00	14.00	14.00	15.00	16.00	16.00	16.00
Vehicle maintenance (5)	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Building maintenance (6) (7)	3.00	3.00	3.00	3.00	3.00	3.00	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) (9) (14)	6.75	6.75	6.75	5.75	5.75	6.50	7.50	7.50	7.50	7.50
Parks maintenance (6) (7)	8.00	8.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00	9.00
Total	177.50	169.50	163.50	161.50	160.50	160.50	168.50	170.25	173.25	173.50

Notes:

- (1) Recreation Assistant Supervisor position eliminated in 2014.
- (2) Laborer position eliminated in 2013, and Assistant Forester position eliminated in 2014.
- (3) Deputy Building Official position eliminated in 2014 and Planner/Sustainability Coordinator added in 2010 and eliminated in 2012.
- (4) A Lieutenant added in 2018. Staffing positions reduced in 2014 due to retirements.
- (5) Fleet and Building Manager position eliminated in 2014.
- (6) Facilities Maintenance Supervisor position transferred from Park Maintenance in 2014.
- (7) One laborer position added in 2018. Staffing for Parks Supervisor transferred to Building Maintenance and one laborer position eliminated in 2014.
- (8) 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.
- (9) Transfer of Event Specialist position to Events (new program) from Parks and Recreation Administration & Recreation in 2015.
- (10) Temporary staffing increase of Senior Accountant in 2016 and 2017, and Accounts Supervisor reduced in 2011.
- (11) Court Assistant added in 2018. One full-time Court Assistant was replaced with part-time positions in 2012
- (12) Associate Network Engineer and an IT Support Specialist added in 2019. Also began sharing Administrative Specialist with Police. Assistant IT manager and an IT Support Specialist added in 2018. Technology Specialist added in 2010.
- (13) Plans Examiner added in 2018. New Administrative Specialist position added in 2017.
- (14) New Inclusion Services Coordinator position added in 2017.
- (15) Training Officer added in 2018.

CITY OF CLAYTON, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Arrests	484	729	719	898	894	1,281	1,540	1,253	1,217	1,334
Parking violations	1,112	886	931	3,221	3,269	1,400	1,846	1,654	2,182	2,046
Traffic violations	1,381	2,065	2,095	3,221	3,576	5,892	6,171	6,583	7,061	6,831
Parking tickets *	27,404	33,308	35,585	47,103	49,684	37,905	28,944	29,888	37,198	41,366
Fire:										
Emergency response ambulance	1,435	1,604	1,592	1,597	1,655	1,619	1,577	1,639	1,524	1,474
Emergency response- fire	1,394	1,504	1,598	1,440	1,747	1,904	1,378	1,661	1,639	1,763
Inspections	660	686	661	569	656	683	709	640	787	660
Parks and recreation:										
Shaw Park Pool - Passes	547	766	785	804	809	915	1,006	1,281	1,189	1,145
Shaw Park Ice Rink - Passes	—	11	29	28	34	36	55	42	53	38
Platinum Passes	344	402	447	463	449	448	452	420	525	402
Tennis Court - Passes	39	45	52	54	89	120	157	—	43	40
Shelter Rentals (including picnic pads)	349	285	305	302	313	322	177	302	305	282
Community development:										
Residential permits issued	327	304	278	348	310	325	324	278	308	273
Estimated cost of construction										
for residential permits	\$ 34,247,386	\$ 20,610,886	\$ 15,417,999	\$ 56,122,533	\$ 56,085,206	\$ 31,818,681	\$ 22,738,220	\$ 15,533,472	\$ 22,374,538	\$ 16,600,417
Commercial permits issued	134	146	133	133	138	122	134	142	153	150
Est. cost of construction										
for commercial permits	\$ 299,536,497	\$ 186,315,067	\$ 78,297,903	\$ 20,635,084	\$ 30,080,212	\$ 38,585,373	\$ 26,620,710	\$ 33,232,912	\$ 52,113,313	\$ 71,793,104
Finance and administration:										
Business licenses issued	923	920	883	813	873	936	942	935	805	816
Liquor licenses issued	70	70	71	69	71	70	65	59	60	62

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 (2009-2018), various City departments

CITY OF CLAYTON, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	19	19	23	23	23	23	23	25	25	26
Parking Control*	3	4	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	2	2	1	1	1	1	1	1	1
Rescue Trucks (6)	-	1	2	2	2	1	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Command Vehicles	4	4	3	3	3	3	3	3	3	3
Public Works:										
Miles of streets - paved	106.7	106.7	98.8	98.7	98.7	98.7	98.7	98.7	98.7	98.7
Miles of alleys (1)	6.4	6.4	6.4	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Miles of sidewalks (3)	52	62	54	54	54	54	54	54	54	54
Number of street lights (2)	2,103	2,103	2,036	2,035	2,024	2,024	2,200	2,200	2,200	2,200
Number of traffic signals (5)	23	22	22	22	22	22	22	22	24	24
Parks and recreation:										
Acres of Parks (4) (7)	78.4	78.4	78.4	74.2	74.2	89.0	89.0	89.0	84.4	84.4
Number of Parks (4)	11	11	11	11	11	11	11	11	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) 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).
- (2) An inventory of the existing street light fixtures was completed in 2014.
- (3) Quantity represents paved linear miles of sidewalk.
- (4) In 2012 added Anderson Park - size 4.6 acres.
- (5) Number of signalized intersections owned and maintained by the City.
- (6) In 2015, transfer of truck from City of Ladue. As of 2018, the truck is no longer in Clayton.
- (7) In 2015, The Center of Clayton transferred ownership of Stuber Gymnasium to Clayton School District (property boundaries were adjusted accordingly) - reduced by 15.02 acres.
In 2015, added property to Hanley Park - additional 0.25 acres.

Note: No capital asset indicators are available for the Administration, Finance, or Planning functions.

Source: City of Clayton Annual Reports (2009+A15-2018), various City departments