

Clayton, Missouri



Comprehensive Annual Financial Report
For the year ended September 30, 2020

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 2019 Saint Louis Art Fair Commemorative Print, *Renaissance Afternoon*, is the work of artist Janina Ellis. Ellis's work is centered on exploring the meaning in the mundane. She incorporates this into her paintings by creating relatable impersonal aspects so others can see themselves in her artwork.

***CITY OF CLAYTON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT***
For The Fiscal Year Ended September 30, 2020

*Report prepared and submitted by the
Finance Department*

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INTRODUCTORY SECTION



March 26, 2021

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 of the City of Clayton, Missouri, for the fiscal year (FY) ended September 30, 2020, 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, 2020, 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, 2020, 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. 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 City combines approximately 7,500,000 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 with a 10-year average of 89% 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 continues to experience the strongest commercial economic development in its history. A new 15-story, 281,000 square foot residential development will be completed this year. Two new office towers representing over 500,000 square feet of Class A office space is under construction and will be completed next year. In addition, two new projects will commence construction this year. The first is a new Residence Inn Hotel that will be 12 stories and encompass over 155,000 square feet. The second is a new mixed-use project in the heart of downtown Clayton. This project will consist of 236 apartments and almost 11,000 square feet of retail space. Clayton remains the region's premiere dining destination, with restaurants ranging from Capital Grill to Starbucks. Recently the longtime highly acclaimed Tony's Restaurant relocated to Clayton within the new Centene development.

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 plan projects 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, in the near future.

COVID-19

The City has been severely impacted by the COVID-19 pandemic and the related reduction in economic activity stemming from periods of closed or reduced business activity. The revenue areas effected were sales tax, utility tax, parking fees, fines, parks and recreation fees, and investment income. Recognizing the severity of the pandemic and its economic impact, the City started planning in April of 2020 to reduce expenditures for the remaining portion of the year by holding open vacant staff positions and reducing non-essential purchases.

Economic activity is returning in the City and entire region as nearly all businesses and community activities are open at least at a reduced capacity level. The City does expect revenues to continue to be affected in the short-term.

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* and a *Green Power Community*. The City also began participating in the *St. Louis Green Business Challenge* this year. 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 \$21 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 2021 General Fund with a projected deficit of \$1,290,000 related to continued lower economic activity due to the pandemic. This deficit will likely be offset by a portion of a recently approved federal subsidy. Previous budgets have resulted in year-end surpluses over the last several years which has helped build a strong General Fund balance of 71% of annual expenditures. The City is committed to using reserves during the short-term of this recession, if needed, as originally approved in the 2021 budget, and are also discussing revenue and service options to maintain a balanced budget in the longer-term.

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 Comprehensive Annual Financial report for the fiscal year ended September 30, 2019. 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 annual

financial report. 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 33 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.

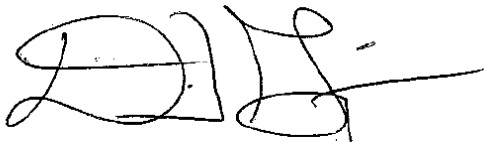
Additionally, the GFOA has awarded the Popular Financial Reporting Award (PAFR) to the City for the fiscal year ended September 30, 2019. This award is for the City's production of a high quality annual financial report using an extraction of information from their Comprehensive Annual Financial Report. 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 five years. The City intends to also prepare a PAFR to conform with the award requirements for the fiscal year ending September 30, 2020 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 2020. The City has received this award for 13 years. 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 fiscal year 2021 budget document for award consideration.

ACKNOWLEDGEMENTS

The quality and timely preparation of the Comprehensive Annual Financial Report 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,



David Gipson
City Manager



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

City Manager David Gipson

Department Directors:

..... Janet Watson, Finance and Administration

..... Gary Carter, Economic Development

..... Susan Istenes, Planning and Development

..... Mark Smith, Police

..... Paul Mercurio, Fire (Interim)

..... Matthew Malick, Public Works

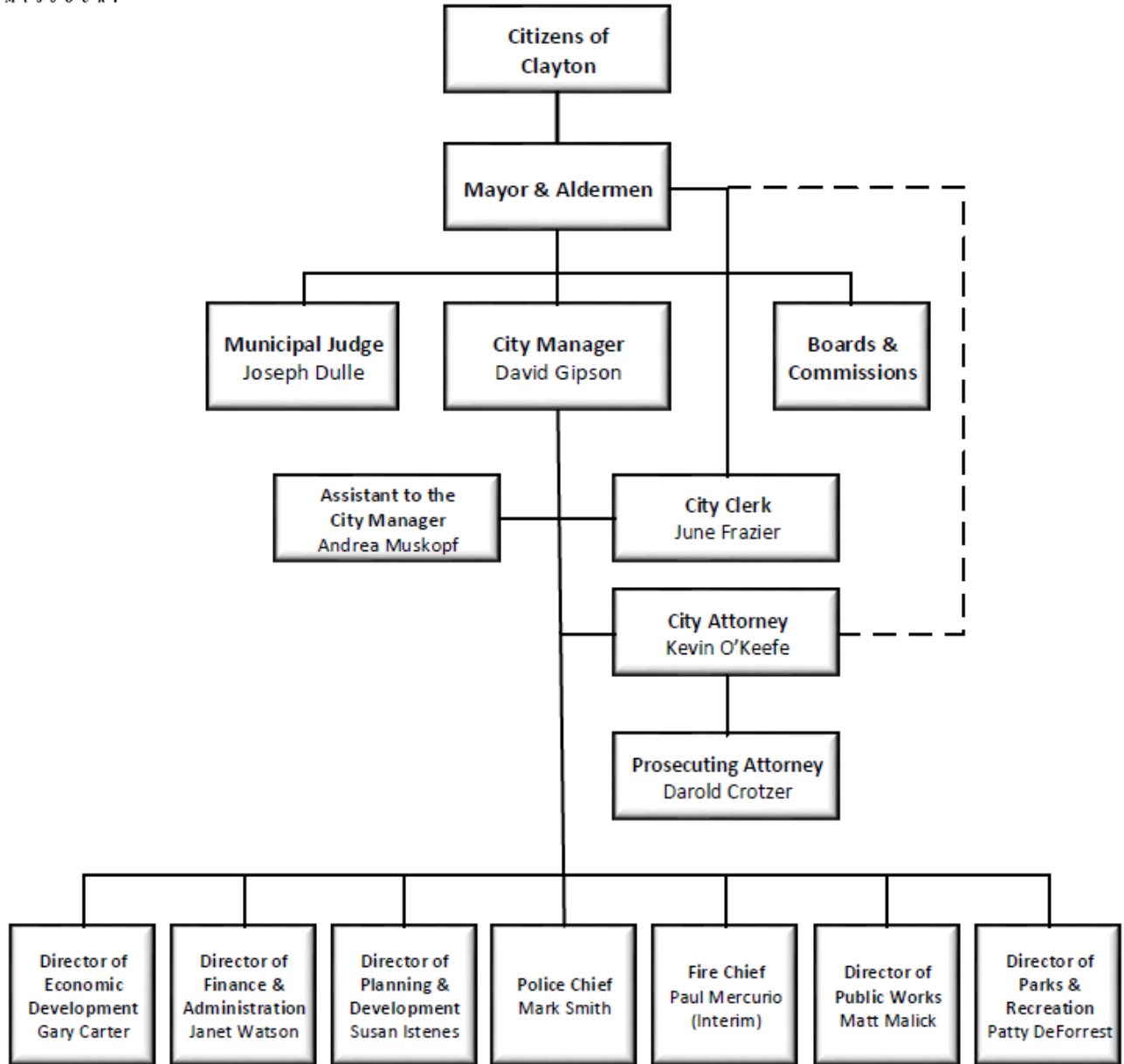
..... Patty DeForrest, Parks and Recreation

..... June Frazier, City Clerk

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



City of Clayton Organization Chart





Government Finance Officers Association

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

Presented to

**City of Clayton
Missouri**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

Independent Auditors' Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Clayton, Missouri (the City), as of and for the year ended September 30, 2020, 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, 2020, 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 other 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 26, 2021 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 26, 2021

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, 2020. 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 \$96,431,873. Of this amount, \$16,930,909 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,564,429 due to revenues exceeding expenses.
- At the close of fiscal year 2020, the City's governmental funds reported an ending fund balance of \$35,301,256, an increase of \$3,272,846 in comparison to the prior year balance of \$32,028,410 due to the issuance of debt for capital projects, offset by project costs; the receipt of a large grant to assist with the effects of the COVID-19 pandemic; and the sale of a significant capital asset. Approximately 43% of the ending fund balance, or \$15,011,610, is unassigned and available for spending at the City's discretion.
- At the end of fiscal year 2020, unassigned fund balance for the general fund was \$17,105,672, or 65% 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,

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

regardless of when the related cash flows are reported. Therefore, some revenues and expenses included in this statement may reflect cash flows that actually occur in future periods.

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

Fund Financial Statements

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

Governmental Funds

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

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

The City utilizes the following major governmental funds:

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

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Clayton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$96,431,873 at the close of the most recent fiscal year, an increase of \$1,564,429.

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 \$73,053,128 or 76% 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 \$16,930,909 is another major portion of the City's net position (18%) 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, 2020 and 2019:

	September 30		2020 Change	
	2020	2019	Amount	Percent
Assets				
Current and other assets	\$ 42,574,439	\$ 39,975,169	\$ 2,599,270	6.5%
Capital assets, net	102,290,234	100,547,634	1,742,600	1.7%
Total assets	144,864,673	140,522,803	4,341,870	3.1%
Deferred Outflows of Resources				
Deferred amounts related to OPEB	229,635	57,907	171,728	100.0%
Deferred amounts related to pensions	1,060,378	4,940,451	(3,880,073)	-78.5%
Total deferred outflows of resources	1,290,013	4,998,358	(3,708,345)	-74.2%
Liabilities				
Current liabilities	6,985,875	7,647,928	(662,053)	-8.7%
Long-term liabilities	39,172,438	39,742,457	(570,019)	-1.4%
Total liabilities	46,158,313	47,390,385	(1,232,072)	-2.6%
Deferred Inflows of Resources				
Deferred charges on refunding	49,023	—	49,023	100.0%
Deferred amounts related to other post-employment benefits	29,840	34,164	(4,324)	100.0%
Deferred amounts related to pensions	3,485,637	3,229,168	256,469	7.9%
Total deferred inflows of resources	3,564,500	3,263,332	256,469	7.9%
Net Position				
Net investment in capital assets	73,053,128	76,799,222	(3,746,094)	-4.9%
Restricted	6,447,836	3,917,943	2,529,893	64.6%
Unrestricted	16,930,909	14,150,279	2,780,630	19.7%
Total net position	\$ 96,431,873	\$ 94,867,444	\$ 1,564,429	1.6%

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		2020 Change	
	2020	2019	Amount	Percent
Revenues				
Program revenues:				
Charges for services	\$ 6,306,863	\$ 7,719,214	\$ (1,412,351)	-18.3%
Operating grants and contributions	3,260,578	1,987,207	1,273,371	64.1%
Capital grants and contributions	2,065,607	1,465,069	600,538	41.0%
General revenues:				
Property tax	9,376,040	9,006,455	369,585	4.1%
Sales tax	7,851,390	8,421,580	(570,190)	-6.8%
Utility tax	4,773,931	5,070,234	(296,303)	-5.8%
Other taxes	249,752	242,728	7,024	2.9%
Investment income	764,478	790,982	(26,504)	-3.4%
Grants and contributions not restricted to specific programs	81,150	167,192	(86,042)	-51.5%
Gain on sale of capital assets	1,967,646	2,387,857	(420,211)	100.0%
Miscellaneous	14,066	119,030	(104,964)	-88.2%
Total revenues	36,711,501	37,377,548	(666,047)	-1.8%
Program Expenses				
General government	4,770,338	5,443,152	(672,814)	-12.4%
Public safety	13,642,622	13,594,413	48,209	0.4%
Public works	7,986,159	8,236,305	(250,146)	-3.0%
Parks and recreation	6,123,640	5,172,004	951,636	18.4%
Economic development	370,375	577,677	(207,302)	-35.9%
Community development	1,055,055	1,006,341	48,714	4.8%
Interest on long-term debt	1,198,883	1,063,529	135,354	12.7%
Program expenses	35,147,072	35,093,421	53,651	0.2%
Change in net position	1,564,429	2,284,127	(719,698)	-31.5%
Beginning of year net position	94,867,444	92,583,317	2,284,127	2.5%
End of year net position	\$ 96,431,873	\$ 94,867,444	\$ 1,564,429	1.6%

The City's overall net position of \$96,431,873 increased \$1,564,429 during the current fiscal year. Fiscal year 2020 revenues totaling \$36,711,501 are \$666,047 less than fiscal year 2019 mostly related to lessened economic activity revenue such as sales tax, utility tax and other tax receipts. Program revenue totaling \$11,633,048 is \$461,558 more than fiscal year 2019 due to a larger amount of grant revenue received for both operations and capital than in the prior year, which offset the receipt of less parking and recreation-related revenue resulting from restrictions during the pandemic.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

General revenue from property, sales, and utility taxes total \$22,001,361, a decrease of \$496,908 from fiscal year 2019 and 88% of total general revenues of \$25,078,453. Property tax revenue increased \$369,585 to \$9,376,040 due to normal growth and new construction. Sales tax decreased by \$570,190 to \$7,851,390 due to significantly reduced retail, dining and hotel activity in the area in the last half of the fiscal year during periods of shutdown and then reduced business activity. Utility tax decreased by \$296,303 to \$4,773,931 mostly due to lower electricity and gas usage. The City expects normal growth in property tax. Sales tax is expected to generate a significant increase when business activity fully resumes but then a slower growth rate back to the pre-pandemic level since a large portion of City sales tax receipts are generated from restaurant and hotel activity.

Program expenses totaling \$35,147,072 were \$53,651 greater than fiscal year 2019. Expenses have remained relatively steady due to the City's efforts to eliminate or postpone planned purchases and spending during the last half of the fiscal year to help offset of reduced revenue.

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 \$35,301,256, an increase of \$3,272,846 in comparison with the prior year. Approximately 43% of this total amount (\$15,011,610) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances consists of nonspendable funds of \$3,261,768 for inventory, advances and prepaid items; restricted funds of \$10,171,615 for capital projects, economic development, debt service, public safety, and sewer lateral; committed funds of \$6,324,376 for capital projects; and assigned funds of \$531,887 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 \$17,105,672 while total fund balance is \$18,801,733. Unassigned fund balance represents 65% 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 2020 General Fund balance increased \$789,022. Fiscal year 2020 revenue totaled \$25,891,539 and is \$825,872 less than fiscal year 2019. Most of this change results from decreased sales tax, recreation service fees, and parking revenue, with a portion of the revenue decrease being offset by increased grant revenue.

The Capital Improvement Fund balance of \$6,335,811 is restricted for capital projects. The increase in fund balance of \$4,209,961 is mostly due to the sale of a City-owned parking lot. Transfers in of \$3,190,662 are from the 2014 general obligation bond issue for construction and the Capital Project Fund to record these project costs in the project fund. Transfers out of \$3,130,879 are to pay a portion of the debt service on the 2011 bonds, additional costs for the City's share of Center of Clayton renovations in excess of the amount issued for 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 Capital Project Fund balance is negative due to Ice Rink project expenditures which have been incurred prior to the issuance of any bond funds. A future bond issuance is planned to cover the costs, but planning for this project was put on hold during fiscal year 2020 and the global pandemic. Future bond proceeds would allow for repayment of the advance from the Capital Improvement.

The Equipment Replacement Fund has a total fund balance of \$6,324,376, 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 \$4,942,109. 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 \$25,769,037 and is \$2,050,618 lower than the original budget mostly due to lower revenue resulting from decreased business, retail, and dining activity in the area during the last half of the fiscal year due to the pandemic. The final budget for expenditures totaled \$26,538,299 and was \$2,443,422 lower than the original budget mostly due to the City's efforts to eliminate or postpone expenditures during times of uncertain revenue streams. 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 65%.

Overall, the net change in fund balance on the budget basis was an increase of \$789,022. Actual General Fund revenue totaling \$25,727,889 was \$41,147 less than the final budget. Actual General Fund expenditures totaling \$26,058,036 were \$480,263 less than the final budget due to staff vacancies, cost savings and purchases and projects moved to the next fiscal year.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of September 30, 2020 totaled \$102,290,234 (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 \$1,742,600 with capital assets increasing \$2,646,092, construction in progress increasing \$2,036,653 and offset by an increase in accumulated depreciation of \$2,940,145.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (Continued)

The following table details the net capital assets:

	September 30		2020 Change	
	2020	2019	Amount	Percent
Land	\$ 10,326,819	\$ 11,092,919	\$ (766,100)	-6.9%
Buildings	40,126,164	40,690,613	(564,449)	-1.4%
Improvements other than building	10,740,889	10,031,672	709,217	7.1%
Machinery and equipment	5,868,722	5,431,644	437,078	8.0%
Infrastructure	29,686,805	29,796,604	(109,799)	-0.4%
Construction in progress	5,540,835	3,504,182	2,036,653	58.1%
Total capital assets, net	\$ 102,290,234	\$ 100,547,634	\$ 1,742,600	1.7%

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 \$31,015,000 at the end of the current fiscal year. Of this amount, \$12,095,000 is general obligation debt backed by the full faith and credit of the City, \$18,920,000 is special obligation debt, and \$118,624 represents a capital lease.

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

	September 30		2020 Change	
	2020	2019	Amount	Percent
General obligation Series 2014	\$ 12,095,000	\$ 12,715,000	\$ (620,000)	-4.9%
Special obligation Series 2009 A&B	—	9,295,000	(9,295,000)	-100.0%
Special obligation Series 2011	6,490,000	6,940,000	(450,000)	-6.5%
Special obligation Series 2019	12,430,000	—	12,430,000	100.0%
Capital lease payable	118,624	218,017	(99,393)	-45.6%
Total long-term debt	\$ 31,133,624	\$ 29,168,017	\$ 1,965,607	6.7%

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

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

The Outlook for Next Year's Budget

A \$1.29 million budgeted deficit is planned in fiscal year 2021 in the General Fund due to continued effects of the global pandemic. The City will monitor expenditures for reductions and savings but will continue to evaluate the impact on recurring revenue sources resulting from the pandemic and economic recovery, and will evaluate long-term solutions for a long-term balanced budget. The fiscal year 2021 budget continues to maintain the high level of General Fund services and appropriate fee schedules that come close to full cost recovery for certain services; however, a portion of service fees, such as reduced parking and recreation program activity, may provide less coverage of costs than in the past. The City plans to undertake comprehensive planning, to include the downtown, as well as various master planning processes; these items were originally planned for fiscal year 2020 but were delayed due to the pandemic. Economic development activity appears to have affected a few businesses, but the City has several large development projects in process or starting soon. The City expects significant short-term revenue gains when full economic activity resumes, with the potential for slower long-term revenue gains to get to the pre-pandemic level.

Highlights of the fiscal year 2021 budget are as follows:

- For all funds, revenue is \$34,323,325 and expenditures are \$37,254,336, excluding other financing sources and uses. Expenditures remain high due to the continuing expenditure of the proceeds of the general obligation bonds for construction projects.
- For the General Fund, revenue and other financing sources total \$26,594,802, and expenditures total \$27,885,156 with the resulting expectations of a budget deficit of \$1,290,354 for the year.
- Capital Improvement and Capital Project fund expenditures are budgeted to be \$4,314,855 and include various infrastructure, facilities and parks improvements. The five-year capital improvements plan for fiscal years 2021-2025 totals \$20,833,924.

The pandemic has had significant effect on the short-term finances of the City, but the longer-term economic outlook is still positive due to current and upcoming economic development projects. The City continues to evaluate options to assure long-term financial stability.

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, 2020

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	Governmental Activities
Assets	
Cash and cash equivalents	\$ 702,544
Investments	34,805,139
Receivables:	
Property taxes	13,444
Intergovernmental	2,393,966
Public utility licenses	497,297
Special assessments	33,152
Ambulance, net	233,949
Court, net	65,747
Interest	361,381
Staff reimbursements	391,257
Other	989,839
Note receivable	400,000
Prepaid items	1,680,548
Inventory	6,176
Capital assets:	
Land and construction in progress	15,867,654
Other capital assets, net	86,422,580
Total Assets	144,864,673
Deferred Outflows Of Resources	
Deferred amounts related to pensions	1,060,378
Deferred amounts related to other post-employment benefits	229,635
Total Deferred Outflows Of Resources	1,290,013

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION (Continued)

September 30, 2020

Page 2 Of 2

	Governmental Activities
Liabilities	
Accounts payable	\$ 2,365,594
Accrued interest payable	239,762
Accrued liabilities	854,479
Unearned revenues	2,820,432
Deposits	705,608
Noncurrent liabilities:	
Due within one year	2,471,544
Due in more than one year:	
Other	40,022
Bonded debt	30,947,283
Net pension liability	4,125,520
Other post-employment benefit liability	1,588,069
Total Liabilities	46,158,313
Deferred Inflows Of Resources	
Deferred amounts related to bond refunding	49,023
Deferred amounts related to other post-employment benefits	29,840
Deferred amounts related to pensions	3,485,637
Total Deferred Inflows Of Resources	3,564,500
Net Position	
Net investment in capital assets	73,053,128
Restricted for:	
Economic development	94,975
Debt service	1,561,480
Public safety	217,404
Sewer lateral projects	52,709
Capital projects	4,521,268
Unrestricted	16,930,909
Total Net Position	\$ 96,431,873

CITY OF CLAYTON, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended September 30, 2020

<u>Functions</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenues (Expenses) And Changes In Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	
Governmental Activities					
General government	\$ 4,770,338	\$ 2,608,679	\$ 560,706	\$ 24,692	\$ (1,576,261)
Public safety	13,642,622	2,156,797	1,810,961	77,781	(9,597,083)
Public works	7,986,159	1,209,263	406,380	1,712,581	(4,657,935)
Parks and recreation	6,123,640	330,933	482,531	250,553	(5,059,623)
Economic development	370,375	1,191	—	—	(369,184)
Community development	1,055,055	—	—	—	(1,055,055)
Interest and fiscal charges	1,198,883	—	—	—	(1,198,883)
Total Governmental Activities	\$ 35,147,072	\$ 6,306,863	\$ 3,260,578	\$ 2,065,607	(23,514,024)
General Revenues					
Taxes:					
Property					9,376,040
Sales					7,851,390
Utility					4,773,931
Other					249,752
Investment income					764,478
Grants and contributions not restricted to specific programs					81,150
Gain on sale of capital assets					1,967,646
Miscellaneous					14,066
Total General Revenues					25,078,453
Change In Net Position					1,564,429
Net Position - Beginning Of Year					94,867,444
Net Position - End Of Year					\$ 96,431,873

CITY OF CLAYTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS September 30, 2020

	General Fund	Capital Improvement Fund	Equipment Replacement Fund	Capital Projects Fund	2014 General Obligation Bond Issue Fund	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 15,870	\$ 446,927	\$ 82,553	\$ 18,946	\$ 131,693	\$ 6,555	\$ 702,544
Investments	15,551,943	7,346,955	6,531,273	—	4,674,313	700,655	34,805,139
Receivables:							
Property taxes	—	13,444	—	—	—	537	13,981
Intergovernmental	1,928,546	439,802	—	—	—	25,618	2,393,966
Public utility licenses	497,297	—	—	—	—	—	497,297
Special assessments	—	33,152	—	—	—	—	33,152
Ambulance	233,949	—	—	—	—	—	233,949
Court	65,747	—	—	—	—	—	65,747
Interest	112,750	43,649	43,253	14,659	142,983	4,087	361,381
Staff reimbursements	391,257	—	—	—	—	—	391,257
Other	1,194,426	106,120	88,756	—	—	—	1,389,302
Prepaid items	1,441,049	—	—	—	—	—	1,441,049
Inventory	6,176	—	—	—	—	—	6,176
Advances to other funds	—	1,814,543	—	—	—	—	1,814,543
Total Assets	\$ 21,439,010	\$ 10,244,592	\$ 6,745,835	\$ 33,605	\$ 4,948,989	\$ 737,452	\$ 44,149,483
Liabilities And Fund Balances							
Liabilities							
Accounts payable	\$ 875,971	\$ 915,705	\$ 362,559	\$ 30,073	\$ 7,168	\$ 21,619	\$ 2,213,095
Property tax payable	—	—	—	—	—	4,171	4,171
Accrued liabilities	854,479	—	—	—	—	—	854,479
Unearned revenue	40,643	2,720,889	58,900	—	—	—	2,820,432
Deposits	630,786	223,150	—	—	—	—	853,936
Advances from other funds	—	—	—	1,814,543	—	—	1,814,543
Total Liabilities	2,401,879	3,859,744	421,459	1,844,616	7,168	25,790	8,560,656
Deferred Inflows of Resources							
Unavailable revenues:							
Property taxes	16,360	15,885	—	—	(288)	3,424	35,381
Special assessments	—	33,152	—	—	—	—	33,152
Ambulance	153,291	—	—	—	—	—	153,291
Court	65,747	—	—	—	—	—	65,747
Total Deferred Inflows of Resources	235,398	49,037	—	—	(288)	3,424	287,571
Fund Balances (Deficit)							
Nonspendable:							
Inventory	6,176	—	—	—	—	—	6,176
Advances	—	1,814,543	—	—	—	—	1,814,543
Prepaid items	1,441,049	—	—	—	—	—	1,441,049
Restricted for:							
Capital projects	—	4,521,268	—	—	3,723,779	—	8,245,047
Economic development	—	—	—	—	—	94,975	94,975
Debt service	—	—	—	—	1,218,330	343,150	1,561,480
Public safety	—	—	—	—	—	217,404	217,404
Sewer lateral	—	—	—	—	—	52,709	52,709
Committed for:							
Capital projects	—	—	6,324,376	—	—	—	6,324,376
Assigned to:							
General government	103,573	—	—	—	—	—	103,573
Parks and recreation	3,475	—	—	—	—	—	3,475
Public works	141,788	—	—	—	—	—	141,788
Capital equipment	—	—	—	283,051	—	—	283,051
Unassigned	17,105,672	—	—	(2,094,062)	—	—	15,011,610
Total Fund Balances	18,801,733	6,335,811	6,324,376	(1,811,011)	4,942,109	708,238	35,301,256
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	\$ 21,439,010	\$ 10,244,592	\$ 6,745,835	\$ 33,605	\$ 4,948,989	\$ 737,452	\$ 44,149,483

CITY OF CLAYTON, MISSOURI

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

September 30, 2020

Total Fund Balance - Governmental Funds	\$ 35,301,256
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 \$148,713,987 and the accumulated depreciation is \$46,423,753.	102,290,234
Certain changes in the net pension liability are amortized over time and are not reported in the funds.	(2,425,259)
Certain changes in the net OPEB liability are amortized over time and are not reported in the funds.	199,795
Certain changes related to bond refundings are amortized over time and are not reported in the funds.	(49,023)
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 and ambulance billings are deferred within the fund financial statements until collected, but are recognized as revenue in the year of assessment in the government-wide statements.	287,571
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.	239,499
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	(239,762)
Net pension liability	(4,125,520)
Other post-employment benefit liability	(1,588,069)
Compensated absences	(457,942)
Bonds payable and capital leases	(31,133,624)
Unamortized bond premium	(1,867,283)
Total Net Position - Governmental Activities	<u><u>\$ 96,431,873</u></u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended September 30, 2020

	General	Capital Improvement Fund	Equipment Replacement Fund	Capital Projects Fund	2014 General Obligation Bond Issue Fund	Other Governmental Funds	Total Governmental Funds
Revenues							
General property taxes	\$ 6,835,478	\$ —	\$ —	\$ —	\$ 834,201	\$ 1,733,591	\$ 9,403,270
Special assessments	—	5,192	—	—	—	95,343	100,535
Sales taxes	4,402,005	3,323,386	—	—	—	125,999	7,851,390
Licenses and permits	2,575,902	—	—	—	—	—	2,575,902
Public utility licenses	4,773,931	—	—	—	—	—	4,773,931
Intergovernmental	3,144,928	1,517,030	41,972	—	—	81,150	4,785,080
Community programs	1,331,322	—	—	—	—	—	1,331,322
Parking facilities and meters	1,750,570	—	—	—	—	—	1,750,570
Fines and forfeitures	518,380	—	—	—	—	152,058	670,438
Donations and reimbursements	—	244,153	20,190	265,080	—	—	529,423
Investment income	328,468	134,871	127,965	35,144	127,186	12,402	766,036
Miscellaneous	230,555	165,754	4,502	—	—	—	400,811
Total Revenues	25,891,539	5,390,386	194,629	300,224	961,387	2,200,543	34,938,708
Expenditures							
Current:							
General government	4,068,834	—	—	—	—	—	4,068,834
Parks and recreation	2,010,596	—	—	3,236,207	—	—	5,246,803
Public safety	12,782,692	—	—	—	—	19,985	12,802,677
Public works	5,941,193	—	—	—	—	—	5,941,193
Economic development	370,173	—	—	—	—	—	370,173
Community development	1,048,198	—	—	—	—	—	1,048,198
Capital outlay	—	3,864,447	2,025,631	1,312,455	—	74,128	7,276,661
Debt service:							
Principal	—	—	103,018	—	620,000	1,165,000	1,888,018
Interest and fiscal charges	—	336	—	—	396,116	795,930	1,192,382
Bond issuance costs	—	—	—	58,968	—	92,391	151,359
Total Expenditures	26,221,686	3,864,783	2,128,649	4,607,630	1,016,116	2,147,434	39,986,298
Revenues Over (Under) Expenditures	(330,147)	1,525,603	(1,934,020)	(4,307,406)	(54,729)	53,109	(5,047,590)
Other Financing Sources (Uses)							
Issuance of debt	—	—	—	4,830,000	—	7,600,000	12,430,000
Premium on issuance of debt	—	—	—	531,618	—	1,046,627	1,578,245
Payments to refunding escrow agent	—	—	—	—	—	(8,553,084)	(8,553,084)
Transfers in	2,941,149	3,190,662	1,788,405	45,000	—	649,700	8,614,916
Transfers out	(1,821,980)	(3,130,879)	—	(892,208)	(2,264,879)	(504,970)	(8,614,916)
Sale of capital assets	—	2,624,575	240,700	—	—	—	2,865,275
Total Other Financing Sources (Uses)	1,119,169	2,684,358	2,029,105	4,514,410	(2,264,879)	238,273	8,320,436
Net Change In Fund Balances	789,022	4,209,961	95,085	207,004	(2,319,608)	291,382	3,272,846
Fund Balances - Beginning Of Year	18,012,711	2,125,850	6,229,291	(2,018,015)	7,261,717	416,856	32,028,410
Fund Balances - End Of Year	\$ 18,801,733	\$ 6,335,811	\$ 6,324,376	\$ (1,811,011)	\$ 4,942,109	\$ 708,238	\$ 35,301,256

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, 2020

Net Change In Fund Balances - Total Governmental Funds \$ 3,272,846

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 \$6,974,041 over the capitalization threshold exceeded depreciation of \$4,331,484 in the current period.

2,642,557

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.

(899,957)

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 decreased this fiscal year by \$36,306. 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 \$5,192 and \$7,109, respectively. Deferred inflows related to ambulance taxes increased this fiscal year by \$22,626.

(25,981)

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 capital lease principal	1,884,393
Proceeds from bond refunding	(12,430,000)
Payments to refunding escrow agent	8,553,084
Proceeds from premium on bonds	(1,578,245)
Amortization of premiums and deferred amounts on refunding	155,729

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	(7,245)
Prepaid items	21,704
Compensated absences	(60,084)
Pension expense	101,249
Other post-employment benefits expense	(65,621)

Change In Net Position Of Governmental Activities \$ 1,564,429

CITY OF CLAYTON, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2020**

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 1,396,137
Investments:	
U.S. government and agency securities	2,624,036
Common stocks	6,839,217
Corporate bonds	4,981,911
Taxable municipal obligations	770,059
Mutual funds	47,079,938
Property funds	6,582,836
Interest receivable	89,065
Total Assets	<u>70,363,199</u>
Liabilities	
Accrued investment expenses	<u>19,358</u>
Net Position	
Net position restricted for pensions	<u><u>\$ 70,343,841</u></u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For The Year Ended September 30, 2020

	Pension Trust Funds
Additions	
Contributions:	
Participant contributions	\$ 703,428
Employer contributions	<u>1,581,306</u>
Total Contributions	<u>2,284,734</u>
Investment Income:	
Net appreciation in fair value of investments and interest and dividends	5,350,599
Less: Investment expenses	<u>(265,977)</u>
Total Investment Income	<u>5,084,622</u>
Total Additions	7,369,356
Deductions	
Benefits paid	<u>3,322,333</u>
Change In Net Position	4,047,023
Net Position Restricted For Pensions - Beginning Of Year	<u>66,296,818</u>
Net Position Restricted For Pensions - End Of Year	<u><u>\$ 70,343,841</u></u>

CITY OF CLAYTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2020

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 the City's share of Center of Clayton renovations and the City's ice rink demolition and replacement project.

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 \$110,201 and \$64,149, 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 one type that qualifies for reporting in this category, which is pension-related and other post-employment benefit (OPEB) 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 three 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. The third 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 will be fully amortized as of September 30, 2032.

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 \$248,836 for the General Fund, \$936,241 for the Capital Improvement Fund, \$283,051 for the Capital Projects Fund, and \$136,913 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, 2020, the City's bank balances were fully insured or collateralized.

Investments

A summary of investments as of September 30, 2020 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	\$ 22,217,608	\$ —	\$ 11,861,276	\$ 10,356,332	\$ —	\$ —	
Repurchase agreements	10,847,385	—	10,847,385	—	—	—	
U.S. Agencies	1,740,146	—	495,022	1,245,124	—	—	AA+
Total Governmental Activities	34,805,139	—	23,203,683	11,601,456	—	—	
Fiduciary Funds							
U.S. government and agency securities:							
U.S. Treasuries	1,002,703	—	—	601,315	250,922	150,466	
U.S. Agencies	1,621,332	—	—	4,078	332,591	1,284,663	AA+
Common stock	6,860,657	6,860,657	—	—	—	—	Not rated
Corporate bonds	171,930	—	—	101,369	—	70,561	AAA
Corporate bonds	293,308	—	—	76,699	168,779	47,830	AA
Corporate bonds	3,198,877	—	85,890	1,446,787	795,843	870,357	A
Corporate bonds	1,134,003	—	—	383,207	364,392	386,404	BBB
Corporate bonds	12,350	—	—	—	—	12,350	CCC
Corporate bonds	171,446	—	287	80,579	—	90,580	Not rated
Taxable municipal obligations	65,636	—	—	65,636	—	—	AAA
Taxable municipal obligations	270,627	—	—	—	174,427	96,200	AA
Taxable municipal obligations	270,141	—	—	185,472	84,669	—	A
Taxable municipal obligations	163,655	—	—	—	81,750	81,905	Not rated
Mutual funds	47,058,497	47,058,497	—	—	—	—	Not rated
Property funds	6,582,835	6,582,835	—	—	—	—	Not rated
Total Fiduciary Funds	68,877,997	60,501,989	86,177	2,945,142	2,253,373	3,091,316	
Total Investments	\$ 103,683,136	\$ 60,501,989	\$ 23,289,860	\$ 14,546,598	\$ 2,253,373	\$ 3,091,316	

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, 2020, 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; core bonds 15%-20%, multi-sector 10%-15% 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, 2020, the City of Clayton Uniformed Employees' Pension Fund has \$8,376,009 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, 2020:

	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	\$ 22,217,608	\$ —	\$ 22,217,608	\$ —
Repurchase agreements	10,847,385	—	10,847,385	—
U.S. agency securities	1,740,146	—	1,740,146	—
Primary government investments at fair value level	34,805,139	—	34,805,139	—
Fiduciary Funds				
U.S. government and agency securities	2,624,035	—	2,624,035	—
Common stocks	6,860,657	6,860,657	—	—
Corporate bonds	4,981,914	—	4,981,914	—
Taxable municipal obligations	770,059	—	770,059	—
Mutual funds	40,368,286	40,368,286	—	—
Fiduciary funds investments at fair value level	55,604,951	47,228,943	8,376,008	—
Total investments by fair value level	90,410,090	47,228,943	43,181,147	—
Investments measured at net asset value (NAV):				
Fiduciary Funds				
Closely held mutual fund	6,690,211			
Property fund	6,582,835			
Total assets measured at the NAV	13,273,046			
Total assets measured at fair value	\$ 103,683,136			

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}	\$ 6,690,211	\$ —	Daily	1 Day
Property fund {b}	6,582,835	—	Quarterly	60 days notice
	\$ 13,273,046	\$ —		

(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, 2019	Increases	Decreases	Balance - September 30, 2020
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 11,092,919	\$ —	\$ 766,100	\$ 10,326,819
Construction in process	3,504,182	5,182,680	3,146,027	5,540,835
Total capital assets not being depreciated	14,597,101	5,182,680	3,912,127	15,867,654
Capital assets, being depreciated:				
Buildings	56,980,837	796,748	—	57,777,585
Improvements other than buildings	12,455,379	1,203,205	196,131	13,462,453
Machinery and equipment	13,024,120	1,570,435	1,153,313	13,441,242
Infrastructure	46,973,805	1,367,000	175,752	48,165,053
Total capital assets being depreciated	129,434,141	4,937,388	1,525,196	132,846,333
Less accumulated depreciation for:				
Buildings	16,290,224	1,361,197	—	17,651,421
Improvements other than buildings	2,423,707	467,429	169,572	2,721,564
Machinery and equipment	7,592,476	1,079,154	1,099,110	7,572,520
Infrastructure	17,177,201	1,423,704	122,657	18,478,248
Total accumulated depreciation	43,483,608	4,331,484	1,391,339	46,423,753
Total capital assets being depreciated, net	85,950,533	605,904	133,857	86,422,580
Governmental activities capital assets, net	\$ 100,547,634	\$ 5,788,584	\$ 4,045,984	\$ 102,290,234

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, 2020
Governmental activities:	
General government	\$ 715,546
Public safety	1,019,584
Public works	1,946,519
Parks and recreation	649,835
	<hr/>
	\$ 4,331,484
	<hr/> <hr/>

4. Interfund Balances

Interfund balances are the result of an advance of funds from the Capital Improvement Fund to the Capital Projects Funds to finance costs associated with the design of a new all-season ice rink and recreational facility and demolition of the existing facility. The City plans to issue future bonds to repay this advance and to finance additional future project costs.

Interfund receivable and payable balances at September 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Improvement Fund	Capital Projects Fund	\$ 1,814,543
		<hr/>
		\$ 1,814,543
		<hr/> <hr/>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

5. Interfund Transactions

Individual interfund transactions are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>For The Year Ended September 30, 2020</u>
General Fund	Special Business District	\$ 504,970
General Fund	Capital Improvement Project Fund	2,436,179
2011 Bond Fund	Capital Improvement Project Fund	649,700
Equipment Replacement Fund	General Fund	1,788,405
Capital Improvement Fund	2014 General Obligation Bond Fund	2,264,879
Capital Improvement Fund	General Fund	33,575
Capital Improvement Fund	Ice Rink Project Fund	892,208
Center Renovations Project Fund	Capital Improvement Project Fund	45,000
		<u>\$ 8,614,916</u>

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:

	<u>Balance - October 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance - September 30, 2020</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
General obligation bonds	\$ 12,715,000	\$ —	\$ 620,000	\$ 12,095,000	\$ 640,000
Special obligation capital improvement bonds	16,235,000	12,430,000	9,745,000	18,920,000	1,295,000
Unamortized premiums	466,875	1,578,244	177,836	1,867,283	—
Capital lease payable	218,017	—	99,393	118,624	101,500
Net pension liability	8,363,312	—	4,237,792	4,125,520	—
Net OPEB liability	1,346,396	241,673	—	1,588,069	—
Compensated absences	397,857	903,801	843,716	457,942	435,044
Total Governmental Activities	<u>\$ 39,742,457</u>	<u>\$ 15,153,718</u>	<u>\$ 15,723,737</u>	<u>\$ 39,172,438</u>	<u>\$ 2,471,544</u>

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Special Obligation Refunding and Improvement Bonds, Series 2019 totaling \$7,600,000 and \$4,830,000, respectively were issued on October 2, 2019 with interest rates ranging from 2% to 5%, maturing December 1, 2031. The 2019 bonds were issued to refund the Series 2009B special obligation bonds and to pay a portion of the cost of the Recreation Center Project. The balance at September 30, 2020 was \$12,430,000. The partial refunding decreased the City's total debt service payments by \$916,854 and results in an economic gain (difference between the present value of the old and new debt service payments) of \$840,688.

During 2020, the partial refunding of the Series 2009B bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$53,108. This difference, reported in the accompanying basic financial statements as a deferred inflow of resources, is being charged to operations through 2031 using the straight line method, which approximates the bonds outstanding method.

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, 2020 was \$12,095,000.

Special Obligation Bonds, Series 2011 totaling \$9,845,000 were issued on November 8, 2011 with interest rates ranging from 2% to 3.25%, maturing December 1, 2031. The 2011 bonds were issued to finance various park projects, street improvements, and police building improvements. The balance at September 30, 2020 was \$6,490,000.

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 were scheduled to mature December 1, 2019 and December 1, 2029, respectively. The 2009B bonds were refunded by the Series 2019 bonds, and the remaining balance of the 2009A bonds were paid in full.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Maturities

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

For The Year Ending September 30,	Special Obligation Capital Improvement Bonds		
	Principal	Interest	Total
2021	1,295,000	692,663	1,987,663
2022	1,435,000	635,450	2,070,450
2023	1,505,000	572,088	2,077,088
2024	1,570,000	505,063	2,075,063
2025	1,640,000	434,963	2,074,963
2026-2030	9,255,000	1,097,865	10,352,865
2031-2032	2,220,000	60,296	2,280,296
	<u>\$ 18,920,000</u>	<u>\$ 3,998,388</u>	<u>\$ 22,918,388</u>

For The Year Ending September 30,	General Obligation Bonds		
	Principal	Interest	Total
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	750,000	280,528	1,030,528
2026-2030	4,345,000	1,032,863	5,377,863
2031-2034	4,275,000	285,919	4,560,919
	<u>\$ 12,095,000</u>	<u>\$ 2,930,087</u>	<u>\$ 15,025,087</u>

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 \$737,010 at September 30, 2020.

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:

<u>Ending September 30,</u>	<u>Amount</u>
2021	\$ 103,017
2022	17,170
<hr/>	
Total minimum lease payments	120,187
Less: Amount representing interest	(1,563)
<hr/>	
Present value of future minimum lease payments	\$ 118,624
<hr/> <hr/>	

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, 2020, 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, 2020, \$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, 2020, \$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, 2020, \$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, 2020, \$15,423,367 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, 2020, \$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, 2020, \$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, 2020, \$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, 2020, \$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	63
Inactive employees entitled to but not yet receiving benefits	52
Active employees	91
	<hr/>
	206
	<hr/> <hr/>

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 \$502,464 were made by the City to the NUERF in plan year ending June 30, 2020. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at July 1, 2019. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2020, 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, 2020 is as follows:

Assets	\$ 20,750,549
Liabilities	<u>7,358</u>
Net position restricted for pensions	<u>\$ 20,743,191</u>
Contributions	\$ 677,555
Total Investment Income	<u>1,403,943</u>
Total Additions	2,081,498
Benefits	<u>942,006</u>
Change In Net Position	<u>\$ 1,139,492</u>

Net Pension Liability And Related Disclosures

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

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balance At June 30, 2019	\$ 20,376,308	\$ 18,867,059	\$ 1,509,249
Changes For The Year:			
Service cost	523,913	—	523,913
Interest	1,432,062	—	1,432,062
Differences between expected and actual experience	158,266	—	158,266
Changes of assumptions	138,110	—	138,110
Contributions - employer	—	502,464	(502,464)
Contributions - employee	—	173,203	(173,203)
Net investment income	—	573,282	(573,282)
Benefit payments	(899,597)	(899,597)	—
Administrative expense	—	(65,509)	65,509
Net changes	<u>1,352,754</u>	<u>283,843</u>	<u>1,068,911</u>
Balance At June 30, 2020	<u>\$ 21,729,062</u>	<u>\$ 19,150,902</u>	<u>\$ 2,578,160</u>
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability			88.13%

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, 2020
Measurement date	June 30, 2020
Inflation	2.0%
Salary increases	4.0%
Investment rate of return	7.0%

Mortality rates were based on Pub-2020 General Employees table, amount-weighted, projected generationally with scale MP-2019.

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%	5.35%	2.60%
Multi-sector bonds	15%	6.18%	3.43%
U.S. large cap equity	30%	9.89%	7.14%
U.S. small cap equity	15%	11.18%	8.43%
Non-U.S. equity	15%	11.12%	8.37%
Core real estate	10%	9.48%	6.73%
	<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 arithmetic average nominal return minus an average annual inflation rate of 2.75%.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

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 an 16-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	\$ 5,446,080	\$ 2,578,160	\$ 193,394

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

For the year ended September 30, 2020, the City recognized pension expense of \$187,487 related to the NUERF. At September 30, 2020, 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	\$ 218,244	\$ 164,983	\$ 53,261
Changes of assumptions	110,934	9,631	101,303
Net differences between expected and actual investment income	665,428	—	665,428
Balance At September 30, 2020	\$ 994,606	\$ 174,614	\$ 819,992

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 NUERF will be recognized in pension expense as follows:

Amortization Schedule

Fiscal Year Ending September 30:	Net Deferred Outflows (Inflows) Of Resources
2021	12,408
2022	252,494
2023	335,345
2024	214,961
2025	4,784
	<hr/>
	\$ 819,992

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	73
Inactive employees entitled to but not yet receiving benefits	7
Active employees	88
	<hr/>
	168

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 \$1,141,253 were made by the City to the UERF in plan year 2019. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at January 1, 2020. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2020, the City made a prepaid contribution of \$1,078,842 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, 2020 is as follows:

Assets	\$ 49,612,650
Liabilities	<u>12,000</u>
Net position restricted for pensions	<u>\$ 49,600,650</u>
Contributions	\$ 1,607,179
Total Investment Income	<u>3,680,679</u>
Total Additions	5,287,858
Benefits	<u>2,380,327</u>
Change In Net Position	<u>\$ 2,907,531</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, 2018	\$ 48,472,362	\$ 41,618,299	\$ 6,854,063
Changes For The Year:			
Service cost	1,005,464	—	1,005,464
Interest	3,384,479	—	3,384,479
Differences between expected and actual experience	(320,836)	—	(320,836)
Contributions - employer	—	1,141,253	(1,141,253)
Contributions - employee	—	336,825	(336,825)
Net investment income	—	8,119,976	(8,119,976)
Benefit payments	(2,295,082)	(2,295,082)	—
Administrative expenses	—	(222,244)	222,244
Net Changes	1,774,025	7,080,728	(5,306,703)
Balance At December 31, 2019	\$ 50,246,387	\$ 48,699,027	\$ 1,547,360

Plan Fiduciary Net Position As A

Percentage Of The Total Pension Liability

96.92%

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

Actuarial valuation date	January 1, 2020
Measurement date	December 31, 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, projected with scale BB on a fully generational basis.

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%	5.35%	2.60%
Multi-sector bonds	10%	6.18%	3.43%
U.S. large cap equity	30%	9.89%	7.14%
U.S. small cap equity	15%	11.18%	8.43%
Non-U.S. equity	15%	11.12%	8.37%
Core real estate	10%	9.48%	6.73%
	<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 arithmetic 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 14-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)	\$ 8,165,120	\$ 1,547,360	\$ (3,906,717)

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

For the year ended September 30, 2020, the City recognized pension expense of \$(288,736) related to the UERF. At September 30, 2020, 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	\$ 65,772	\$ 500,668	\$ (434,896)
Net differences between expected and actual investment income	—	2,810,355	(2,810,355)
Balance at September 30, 2020	\$ 65,772	\$ 3,311,023	\$ (3,245,251)

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

<u>Fiscal Year Ending September 30:</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
2020	\$ (984,109)
2021	(872,302)
2022	(267,890)
2023	(1,114,476)
2024	(6,474)
	\$ (3,245,251)

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.

Employees Covered by Benefit Terms. As of September 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	12
Active employees	182
	<hr/>
	194
	<hr/> <hr/>

Net OPEB Liability. The City’s net OPEB liability of \$1,588,069 was measured as of September 30, 2020 and was determined by an actuarial valuation as of October 1, 2020.

Actuarial Assumptions and Methods. The net OPEB liability in the October 1, 2020 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	2.14%
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 2028 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.

Mortality rates were based on the RP-2000 Blue Collar Mortality table projected with Scale BB generationally for the Uniformed Plan; and were revised from the RP-2000 Mortality table with generational projection using Scale BB to the Pub-2010 General table, projected generationally with scale MP-2019 for the Non-Uniformed Plan.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Changes in the Net OPEB Liability:

Balance At September 30, 2019	<u>\$ 1,346,396</u>
Service cost	83,477
Interest	49,578
Differences between expected and actual experience	—
Changes of assumptions or other input	199,421
Benefit payments	<u>(90,803)</u>
Net changes	<u>241,673</u>
 Balance At September 30, 2020	 <u><u>\$ 1,588,069</u></u>

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

- The discount rate has been decreased from 3.58% to 2.14% since the previous valuation. The discount rate of 2.14% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2020. The decrease in the discount rate increased the liability.
- Mortality rates were based on the RP-2000 Blue Collar Mortality table projected with Scale BB generationally for the Uniformed Plan; and were revised from the RP-2000 Mortality table with generational projection using Scale BB to the Pub-2010 General table, projected generationally with scale MP-2019 for the Non-Uniformed Plan.

Sensitivity Results. The following presents the net OPEB liability of the City as of September 30, 2020, 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 (1.14%) or 1-percentage-point higher (3.14%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	(1.14%)	Rate	(3.14%)
	<hr/>		
Net OPEB Liability	\$ 1,746,103	\$ 1,588,069	\$ 1,446,364

The following presents the net OPEB liability of the City as of September 30, 2020, 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	Current Health-	1% Increase
	(6.0%)	Care Trend	(8.0%)
	<hr/>		
	Rate		
	(7.0%)		
	<hr/>		
Net OPEB Liability	\$ 1,391,161	\$ 1,588,069	\$ 1,823,882

Net OPEB Liability. The City's net OPEB liability of \$1,588,069 was measured as of September 30, 2020 and was determined by an actuarial valuation as of October 1, 2020.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

For the year ended September 30, 2020, the City recognized OPEB expense of \$65,621. At September 30, 2020, 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	\$ 229,635	\$ 22,906	\$ 206,729
Differences between expected and actual experience	—	6,934	(6,934)
Balance At September 30, 2020	\$ 229,635	\$ 29,840	\$ 199,795

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
2021	\$ 23,369
2022	23,369
2023	23,369
2024	23,369
2025	23,369
Thereafter	82,950
	<u>199,795</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 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 near completion on 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 \$200,000 for its annual operational subsidy for the year ended September 30, 2020 and an additional \$93,973 for its share of the recreation facility's fiscal year 2019 deficit. As of September 30, 2020, the joint venture has assets of approximately \$19,700,000, liabilities of approximately \$1,100,000 and equity of approximately \$18,600,000.

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 \$6,447,836 of restricted net position, of which \$365,088 is restricted by enabling legislation.

The Capital Projects Fund reported a fund deficit of \$1,811,011 as of September 30, 2020. The fund deficit results from (a) the usage of bond proceeds received in the previous year for the City's share of Center of Clayton renovation project costs and (b) ice rink project expenditures with no related revenue in fiscal year 2020. The Capital Projects Fund received an advance from the Capital Improvements Fund, and the deficit and advance will be offset by the proceeds of planned future bonded debt.

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, 2020, the unearned rent was \$2,720,889.

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 \$518,380 of which \$499,329 represent fines, forfeitures, court costs, and other related items for minor traffic violations. This amount is approximately 2.3% of total general revenues of \$21,325,107 and, accordingly, the City believes it is in compliance with the State requirements.

16. Tax Abatements

As of September 30, 2020, 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 2020 was \$151,501. The Urban Redevelopment Corporation law provides real property tax abatement to encourage the redevelopment of blighted areas throughout the State under Chapter 353 of the Revised Statutes of Missouri, as amended. The amount abated under this program totaled \$16,818. In total, the amount of City property taxes abated by these arrangements during the year ended September 30, 2020, was approximately \$168,319.

17. COVID-19

During 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. COVID-19 has spread across the globe and is impacting worldwide economic activity. The COVID-19 breakout poses the risk that the City or its employees, contractors, residents, local businesses, and other partners may be prevented from conducting business activities for a period of time, including due to shutdowns that may be requested or mandated by governmental authorities. The City was closed to the public for two months, although maintained essential services during that time. In recent months, local economic activity has increased but not yet to the pre-pandemic levels. The City is monitoring the status of COVID-19, and continues to reassess plans and procedures. The extent to which COVID-19 will impact the City on a longer-term basis will depend on future economic recovery and resumed full business activity in Clayton and the region.

During fiscal year 2020, the City expended \$1,096,141 under the Coronavirus Relief Fund passed through St. Louis County, and has received smaller supplemental COVID-19 grants from FEMA and the CARES Act.

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, 2020

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 6,642,796	\$ 6,862,796	\$ 6,835,478	\$ (27,318)
Sales taxes	5,241,650	4,405,908	4,402,005	(3,903)
Licenses and permits	2,625,965	2,560,965	2,575,902	14,937
Public utility licenses	5,465,032	4,765,032	4,773,931	8,899
Intergovernmental	1,918,687	2,982,987	2,981,278	(1,709)
Community programs	1,938,753	1,312,277	1,331,322	19,045
Parking facilities and meters	2,393,600	1,747,600	1,750,570	2,970
Fines and forfeitures	863,500	509,000	518,380	9,380
Investment income	380,647	330,647	328,468	(2,179)
Miscellaneous	349,025	291,825	230,555	(61,270)
Total Revenues	27,819,655	25,769,037	25,727,889	(41,147)
Expenditures				
Current:				
General government				
Nondepartmental	584,211	573,222	564,795	(8,427)
Information systems	1,505,075	1,338,845	1,309,938	(28,907)
Finance	738,323	721,323	703,292	(18,031)
City manager's office	812,052	626,783	607,194	(19,589)
Municipal court	453,354	361,654	336,046	(25,608)
Board of aldermen and city clerk	110,472	103,582	71,740	(31,842)
Personnel administration	308,115	268,275	260,664	(7,611)
Parking control	238,093	232,093	215,165	(16,928)
Public safety	12,983,801	12,653,501	12,619,042	(34,459)
Public works	6,808,664	6,147,144	5,941,193	(205,951)
Parks and recreation	2,594,415	2,061,195	2,010,596	(50,599)
Economic development	598,276	382,112	370,173	(11,939)
Community development	1,246,870	1,068,570	1,048,198	(20,372)
Total Expenditures	28,981,721	26,538,299	26,058,036	(480,263)
Revenues Over (Under) Expenditures	(1,162,066)	(769,262)	(330,147)	439,116
Other Financing Sources (Uses)				
Transfers in	2,941,149	2,941,149	2,941,149	—
Transfers out	(2,071,980)	(1,821,980)	(1,821,980)	—
Total Other Financing Sources (Uses)	869,169	1,119,169	1,119,169	—
Net Change In Fund Balances	\$ (292,897)	\$ 349,907	789,022	\$ 439,116
Fund Balance - Beginning Of Year			18,012,711	
Fund Balance - End Of Year			\$ 18,801,733	

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION September 30, 2020

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						
	2020	2019	2018	June 30, 2017	2016	2015	2014
Total pension liability							
Service cost	\$ 523,913	\$ 504,137	\$ 539,453	\$ 500,005	\$ 478,954	\$ 478,857	\$ 378,669
Interest	1,432,062	1,351,398	1,291,687	1,235,787	1,195,165	1,104,645	1,041,305
Differences between expected and actual experience	158,266	145,765	(170,492)	(269,014)	(427,158)	(61,854)	51,094
Changes of assumptions	138,110	—	—	—	(130,351)	413,213	—
Benefit payments	(899,597)	(838,896)	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Net change in total pension liability	1,352,754	1,162,404	952,696	759,403	413,910	1,373,891	718,119
Total pension liability - beginning	20,376,308	19,213,904	18,261,208	17,501,805	17,087,895	15,714,004	14,995,885
Total pension liability - ending	\$ 21,729,062	\$ 20,376,308	\$ 19,213,904	\$ 18,261,208	\$ 17,501,805	\$ 17,087,895	\$ 15,714,004
Plan fiduciary net position							
Contributions - employer	\$ 502,464	\$ 481,932	\$ 534,824	\$ 538,890	\$ 559,056	\$ 544,097	\$ 473,909
Contributions - employee	173,203	169,259	159,800	150,996	144,794	139,616	137,488
Net investment income	573,282	728,198	1,438,824	1,841,090	249,335	1,053,742	1,859,720
Benefit payments	(899,597)	(838,896)	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Administrative expense	(65,509)	(66,685)	(58,265)	(57,685)	(52,551)	(47,672)	(49,687)
Net change in fiduciary net position	283,843	473,808	1,367,231	1,765,916	197,934	1,128,813	1,668,481
Plan fiduciary net position - beginning	18,867,059	18,393,251	17,026,020	15,260,104	15,062,170	13,933,357	12,264,876
Plan fiduciary net position - ending	19,150,902	\$ 18,867,059	\$ 18,393,251	\$ 17,026,020	\$ 15,260,104	\$ 15,062,170	\$ 13,933,357
Net pension liability - ending	\$ 2,578,160	\$ 1,509,249	\$ 820,653	\$ 1,235,188	\$ 2,241,701	\$ 2,025,725	\$ 1,780,647
Plan fiduciary net position as a percentage of the total net pension liability	88.13%	92.59%	95.73%	93.24%	87.19%	88.15%	88.67%
Covered payroll	\$ 5,609,363	\$ 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	45.96%	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%.

In 2020, amounts reported as changes in assumptions resulted primarily from an update to the mortality tables used; from RP-2000 Blue Collar Scale BB to PubG-2010 with MP-2019 Scale. The change in mortality tables resulted in an increase in liability, as well as an updated actuarial value of assets valuation method to spread the difference between the actual investment income and expected income over a three-year period.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS NONUNIFORMED EMPLOYEES' RETIREMENT FUND

	Fiscal Year Ended September 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 500,128	\$ 473,176	\$ 525,359	\$ 529,622	\$ 547,815	\$ 531,691	\$ 453,411	\$ 539,154	\$ 396,443	\$ 423,850
Contributions in relation to the actuarially determined contribution	502,464	481,932	534,824	538,890	559,056	544,097	473,909	539,154	400,000	252,495
Contribution deficiency (excess)	\$ (2,336)	\$ (8,756)	\$ (9,465)	\$ (9,268)	\$ (11,241)	\$ (12,406)	\$ (20,498)	\$ —	\$ (3,557)	\$ 171,355
Covered payroll	\$ 5,565,522	\$ 5,492,499	\$ 5,415,836	\$ 5,341,921	\$ 5,382,226	\$ 4,914,959	\$ 4,859,875	\$ 4,787,179	\$ 4,852,803	\$ 4,968,938
Contributions as a percentage of covered payroll	9.03%	8.77%	9.88%	10.09%	10.39%	11.07%	9.75%	11.26%	8.24%	5.08%

Valuation date: July 1, 2020

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	16 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	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	2020: Pre-Retirement Mortality: Pub-2010 General Employees table, amount-weighted, projected generationally with scale MP-2019 Post-Retirement Mortality: Retired members: Pub-2010 General Retirees table, amount-weighted, projected generationally with scale MP-2019 Disabled members: Pub-2010 General/Teachers Disabled table, amount-weighted, projected generationally with scale MP-2019, Beneficiary members: Pub-2010 Contingent Survivor table, amount weighted, projected generationally with scale MP-2019 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,						
	<u>2020</u>	<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	3.06%	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,					
	2019	2018	2017	2016	2015	2014
Total pension liability						
Service cost	\$ 1,005,464	\$ 994,484	\$ 941,122	\$ 888,793	\$ 838,618	\$ 839,544
Interest	3,384,479	3,258,781	3,141,917	3,013,562	2,860,499	2,753,542
Differences between expected and actual experience	(320,836)	(143,420)	(279,615)	(92,530)	457,271	977,634
Benefit payments	(2,295,082)	(2,354,204)	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Net change in total pension liability	1,774,025	1,755,641	1,777,472	1,778,850	2,147,083	1,475,821
Total pension liability - beginning	48,472,362	46,716,721	44,939,249	43,160,399	41,013,316	39,537,495
Total pension liability - ending	50,246,387	\$ 48,472,362	\$ 46,716,721	\$ 44,939,249	\$ 43,160,399	\$ 41,013,316
Plan fiduciary net position						
Contributions - employer	\$ 1,141,253	\$ 1,109,879	\$ 1,137,681	\$ 1,053,439	\$ 945,822	\$ 857,131
Contributions - employee	336,825	327,813	303,847	277,605	264,381	249,647
Net investment income	8,119,976	(1,446,798)	5,599,207	3,405,344	1,152,431	1,876,874
Benefit payments	(2,295,082)	(2,354,204)	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Administrative expenses	(222,244)	(234,931)	(203,696)	(206,272)	(212,257)	—
Net change in fiduciary net position	7,080,728	(2,598,241)	4,811,087	2,499,141	141,072	(111,247)
Plan fiduciary net position - beginning	41,618,299	44,216,540	39,405,453	36,906,312	36,765,240	36,876,487
Plan fiduciary net position - ending	48,699,027	\$ 41,618,299	\$ 44,216,540	\$ 39,405,453	\$ 36,906,312	\$ 36,765,240
Net pension liability - ending	\$ 1,547,360	\$ 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	96.92%	85.86%	94.65%	87.69%	85.51%	89.64%
Covered payroll	\$ 6,763,010	\$ 6,564,009	\$ 5,888,391	\$ 5,643,996	\$ 5,319,108	\$ 5,493,694
Net pension liability as a percentage of covered payroll	22.88%	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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 1,108,910	\$ 1,078,425	\$ 1,082,658	\$ 1,000,892	\$ 898,643	\$ 814,376	\$ 1,004,082	\$ 1,029,534	\$ 965,627	\$ 990,993
Contributions in relation to the actuarially determined contribution	<u>1,078,842</u>	<u>1,141,253</u>	<u>1,137,681</u>	<u>1,053,439</u>	<u>945,822</u>	<u>857,131</u>	<u>1,004,082</u>	<u>965,627</u>	<u>965,627</u>	<u>990,993</u>
Contribution deficiency (excess)	\$ 30,068	\$ (62,828)	\$ (55,023)	\$ (52,547)	\$ (47,179)	\$ (42,755)	\$ —	\$ 63,907	\$ —	\$ —
Covered payroll	\$ 7,157,605	\$ 7,416,189	\$ 6,453,084	\$ 6,318,542	\$ 5,984,753	\$ 5,629,787	\$ 5,519,943	\$ 5,697,480	\$ 5,667,849	\$ 5,545,608
Contributions as a percentage of covered payroll	15.07%	15.39%	17.63%	16.67%	15.80%	15.22%	18.19%	16.95%	17.04%	17.87%

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	14 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	2020 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,						
	2020	2019	2018	2017	2016	2015	2014
Annual rate of return, net of investment expense	19.75%	-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, 2020

	Measurement Date		
	As Of September 30:		
	2020	2019	2018
Service cost	\$ 83,477	\$ 72,392	\$ 72,917
Interest cost	49,578	46,747	42,890
Differences between expected and actual experience	—	(6,654)	(2,417)
Changes in assumptions or other input	199,421	64,696	(33,043)
Net benefits paid by employer	(90,803)	(84,559)	(67,377)
Net change in total OPEB liability	241,673	92,622	12,970
Total OPEB liability - beginning of year	1,346,396	1,253,774	1,240,804
Total OPEB liability - end of year	\$ 1,588,069	\$ 1,346,396	\$ 1,253,774
Covered payroll	12,723,127	12,908,688	11,868,920
Total OPEB liability as a percentage of covered payroll	12.48%	10.43%	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, 2020

Schedule Of City's Contributions

	Fiscal Year End As Of September 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Required contribution	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Less: Contributions in relation to the required contribu	—	—	—	—	—	—	—	—	—	—
City's covered payroll	12,723,127	12,908,688	11,868,920	11,660,469	11,366,979	10,544,746	10,379,818	10,484,658	10,520,653	10,514,546
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Changes In Assumptions

In FY20: (1) The discount rate has been decreased from 3.58% to 2.14% since the previous valuation. The discount rate of 2.14% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2020. The decrease in the discount rate increased the liability. (2) Consistent with the actuarial valuation of the City of Clayton Non-Uniformed Employees Retirement Plan, the mortality assumption was updated for Non-Uniformed Employees from the RP-2000 Mortality Table, projected generationally with Scale BB to the Pub-2010 Amount-Weighted General Retirees Table, projected generationally with scale MP-2019. The change in the mortality assumption decreased the liability.

In FY19: (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.

In FY18: (1) The actuarial cost method used was revised to the Entry Age Normal level percent of pay method, consistent with the requirements of GASB 75. (2) The discount rate has been decreased from 4.00% to 3.64% since the previous valuation. Additionally, a discount rate of 3.35% was used to measure the liability as of October 1, 2017. Under GASB 75, unfunded plans are required to use a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate. Thus, the discount rates of 3.64% and 3.35% are based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 28, 2018 and September 29, 2017, respectively. The 4.00% discount rate used in the GASB 45 valuation was selected by the plan sponsor. Since both of these rates are lower than the rate used in the prior valuation, the changes to the discount rate caused the liability to increase. (3) The following decrements were updated to match the pension valuation: (a) Non-Uniformed Termination; did not materially affect the liability (b) Uniformed Disability; created very small increase in liability. (c) Uniformed Mortality was changed to RP-2000 Blue Collar with Scale BB improvement; created a small decrease in liability.

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.

Asset and 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.

2019 S.O. Bond Issue Fund - This fund is used to account for the accumulation of resources for and the repayment of, special obligation bond principal and interest.

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2020

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 3,474	\$ 3,081	\$ 6,555
Investments	381,338	319,317	700,655
Property taxes receivable	537	—	537
Intergovernmental receivable	—	25,618	25,618
Interest receivable	2,197	1,890	4,087
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 387,546	\$ 349,906	\$ 737,452
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities And Fund Balances			
Liabilities			
Accounts payable	\$ 21,115	\$ 504	\$ 21,619
Property tax payable	—	4,171	4,171
	<hr/>	<hr/>	<hr/>
Total Liabilities	21,115	4,675	25,790
	<hr/>	<hr/>	<hr/>
Deferred Inflows Of Resources			
Unavailable revenues:			
Property taxes	1,343	2,081	3,424
	<hr/>	<hr/>	<hr/>
Fund Balances			
Restricted for:			
Economic development	94,975	—	94,975
Debt service	—	343,150	343,150
Public safety	217,404	—	217,404
Sewer lateral	52,709	—	52,709
	<hr/>	<hr/>	<hr/>
Total Fund Balances	365,088	343,150	708,238
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows, And Fund Balances	\$ 387,546	\$ 349,906	\$ 737,452
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2020**

	Special Taxing District	Sewer Lateral	Drug and Asset Forfeiture	Total
Assets				
Cash and cash equivalents	\$ 909	\$ 555	\$ 2,010	\$ 3,474
Investments	101,173	61,157	219,008	381,338
Property tax receivable	—	537	—	537
Interest receivable	921	460	816	2,197
Total Assets	103,003	62,709	221,834	387,546
Liabilities And Fund Balances				
Liabilities				
Accounts payable	6,685	10,000	4,430	21,115
Total Liabilities	6,685	10,000	4,430	21,115
Deferred Inflows Of Resources				
Unavailable revenues				
Property taxes	1,343	—	—	1,343
Total Deferred Inflows Of Resources	1,343	—	—	1,343
Fund Balances				
Restricted for:				
Economic development	94,975	—	—	94,975
Public safety	—	—	217,404	217,404
Sewer lateral	—	52,709	—	52,709
Total Fund Balances	94,975	52,709	217,404	365,088
Total Liabilities And Fund Balances	\$ 103,003	\$ 62,709	\$ 221,834	\$ 387,546

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS September 30, 2020

	2009 Build America Bond Fund	2011 Bond Issue Fund	2019 S.O. Bond Issue Fund	Total
Assets				
Cash and cash equivalents	\$ —	\$ 121	\$ 2,960	\$ 3,081
Investments - restricted	—	13,294	306,023	319,317
Intergovernmental receivable	—	—	25,618	25,618
Interest receivable	—	87	1,803	1,890
Total Assets	\$ —	\$ 13,502	\$ 336,404	\$ 349,906
Liabilities, Deferred Inflows Of Resources And Fund Balances				
Liabilities				
Property tax payable	\$ —	\$ —	\$ 4,171	\$ 4,171
Accounts payable	—	186	318	504
Total Liabilities	—	186	4,489	4,675
Deferred Inflows Of Resources				
Unavailable revenues:				
Property taxes	—	—	2,081	2,081
Fund Balances				
Restricted for:				
Debt service	—	13,316	329,834	343,150
Total Liabilities And Fund Balances	\$ —	\$ 13,502	\$ 336,404	\$ 349,906

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended September 30, 2020

	Special Revenue	Debt Service Fund	Total
Revenues			
General property taxes	\$ 530,531	\$ 1,203,060	\$ 1,733,591
Special assessments	95,343	—	95,343
Sales taxes	—	125,999	125,999
Intergovernmental	—	81,150	81,150
Fines and forfeitures	152,058	—	152,058
Investment income	6,685	5,717	12,402
Total Revenues	784,617	1,415,926	2,200,543
Expenditures			
Current:			
Public safety	19,985	—	19,985
Capital outlay	74,128	—	74,128
Debt service:			
Principal	—	1,165,000	1,165,000
Interest and fiscal charges	—	795,930	795,930
Bond issuance costs	—	92,391	92,391
Total Expenditures	94,113	2,053,321	2,147,434
Revenues Over (Under) Expenditures	690,504	(637,395)	53,109
Other Financing Sources (Uses)			
Transfers in	—	649,700	649,700
Transfers out	(504,970)	—	(504,970)
Total Other Financing Sources (Uses)	(504,970)	743,243	238,273
Net Change In Fund Balances	185,534	105,848	291,382
Fund Balances			
Beginning of year	179,554	237,302	416,856
End of year	\$ 365,088	\$ 343,150	\$ 708,238

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2020

	Special Taxing District	Sewer Lateral	Drug and Asset Forfeiture	Total
Revenues				
General property taxes	\$ 530,531	\$ —	\$ —	\$ 530,531
Special assessments	—	95,343	—	95,343
Fines and forfeitures	—	—	152,058	152,058
Investment income	2,586	1,330	2,769	6,685
Total Revenues	533,117	96,673	154,827	784,617
Expenditures				
Current:				
Public safety	—	—	19,985	19,985
Capital outlay	—	74,128	—	74,128
Total Expenditures	—	74,128	19,985	94,113
Revenues Over Expenditures	533,117	22,545	134,842	690,504
Other Financing Sources (Uses)				
Transfers out	(504,970)	—	—	(504,970)
Net Change In Fund Balances	28,147	22,545	134,842	185,534
Fund Balances				
Beginning of year	66,828	30,164	82,562	179,554
End of year	\$ 94,975	\$ 52,709	\$ 217,404	\$ 365,088

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For The Year Ended September 30, 2020

	2009 Build America Bond Fund	2011 Bond Issue Fund	2019 S.O. Bond Issue Fund	Total
Revenues				
General property taxes	\$ 656,001	\$ —	\$ 547,059	\$ 1,203,060
Special assessments	—	—	—	—
Sales taxes	—	—	125,999	125,999
Intergovernmental	81,150	—	—	81,150
Investment income	1,209	257	4,251	5,717
Total Revenues	738,360	257	677,309	1,415,926
Expenditures				
Debt service:				
Principal	715,000	450,000	—	1,165,000
Interest and fiscal charges	247,417	199,886	348,627	795,930
Bond issuance costs	—	—	92,391	92,391
Total Expenditures	962,417	649,886	441,018	2,053,321
Revenues Over (Under) Expenditures	(224,057)	(649,629)	236,291	(637,395)
Other Financing Sources (Uses)				
Proceeds from issuance of debt	—	—	7,600,000	7,600,000
Premium on issuance of debt	—	—	1,046,627	1,046,627
Payments to refunding escrow agent	—	—	(8,553,084)	(8,553,084)
Transfers in	—	649,700	—	649,700
Total Other Financing Sources (Uses)	—	649,700	93,543	743,243
Net Change In Fund Balances	(224,057)	71	329,834	105,848
Fund Balances				
Beginning of year	224,057	13,245	—	237,302
End of year	\$ —	\$ 13,316	\$ 329,834	\$ 343,150

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
General property taxes	\$ 503,190	\$ 523,190	\$ 530,531	\$ 7,341
Investment income	1,780	1,780	2,586	806
Total Revenues	504,970	524,970	533,117	8,147
Expenditures				
Economic development	—	—	—	—
Revenues Over Expenditures	504,970	524,970	533,117	8,147
Other Financing Sources (Uses)				
Transfers out	(504,970)	(504,970)	(504,970)	—
Net Change In Fund Balances	\$ —	\$ 20,000	28,147	\$ 8,147
Fund Balances				
Beginning of year			66,828	
End of year			\$ 94,975	

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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
Special assessments	\$ 94,488	\$ 94,488	\$ 95,343	\$ 855
Investment income	2,552	2,552	1,330	(1,222)
Total Revenues	<u>97,040</u>	<u>97,040</u>	<u>96,673</u>	<u>(367)</u>
Expenditures				
Capital outlay	<u>105,000</u>	<u>75,000</u>	<u>74,128</u>	<u>(872)</u>
Net Change In Fund Balance	<u>\$ (7,960)</u>	<u>\$ 22,040</u>	<u>22,545</u>	<u>\$ 505</u>
Fund Balances				
Beginning of year			<u>30,164</u>	
End of year			<u>\$ 52,709</u>	

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL -
2009 BUILD AMERICA BOND DEBT SERVICE FUND - BUDGET BASIS
For The Year Ended September 30, 2020**

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 673,171	\$ 655,171	\$ 656,001	\$ 830
Intergovernmental	70,961	80,961	81,150	189
Investment income	2,395	2,395	1,209	(1,186)
Total Revenues	746,527	738,527	738,360	(167)
Expenditures				
Debt service:				
Principal	715,000	715,000	715,000	—
Interest and fiscal charges	249,893	249,893	247,417	(2,476)
Total Expenditures	964,893	964,893	962,417	(2,476)
Net Change In Fund Balances	\$ (218,366)	\$ (226,366)	(224,057)	\$ (2,309)
Fund Balances				
Beginning of year			224,057	
End of year			\$ —	

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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
Investment income	\$ 205	\$ 205	\$ 257	\$ 52
Expenditures				
Debt service:				
Principal	450,000	450,000	450,000	—
Interest and fiscal charges	203,200	203,200	199,886	(3,314)
Total Expenditures	<u>653,200</u>	<u>653,200</u>	<u>649,886</u>	<u>(3,314)</u>
Revenues Under Expenditures	(652,995)	(652,995)	(649,629)	(3,366)
Other Financing Sources (Uses)				
Transfers in	654,700	654,700	649,700	(5,000)
Net Change In Fund Balances	<u>\$ 1,705</u>	<u>\$ 1,705</u>	71	<u>\$ 1,634</u>
Fund Balances				
Beginning of year			<u>13,245</u>	
End of year			<u>\$ 13,316</u>	

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL - 2019 BOND ISSUE DEBT SERVICE FUND - BUDGET BASIS For The Year Ended September 30, 2020

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 467,649	\$ 537,649	\$ 547,059	\$ 9,410
Sales taxes	131,585	131,585	125,999	(5,586)
Investment income	—	—	4,251	4,251
Total Revenues	599,234	669,234	677,309	8,075
Expenditures				
Debt service:				
Bond issuance costs	—	92,400	92,391	(9)
Interest and fiscal charges	340,340	355,310	348,627	(6,683)
Total Expenditures	340,340	447,710	441,018	(6,692)
Revenues Over Expenditures	258,894	221,524	236,291	(14,767)
Other Financing Sources (Uses)				
Proceeds from issuance of debt	—	7,599,373	7,600,000	(627)
Premium on issuance of debt	—	1,046,627	1,046,627	—
Payments to refunding escrow agent	—	(8,554,000)	(8,553,084)	(916)
Total Other Financing Sources (Uses)	—	92,000	93,543	(1,543)
Net Change In Fund Balances	\$ 258,894	\$ 313,524	329,834	\$ (16,310)
Fund Balances				
Beginning of year			—	
End of year			\$ 329,834	

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 the City's share of Center of Clayton renovations and the City's ice rink demolition and replacement project.

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, 2020

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ 5,995	\$ 5,995	\$ 5,192	\$ (803)
Sales tax	3,085,499	3,305,499	3,323,386	17,887
Intergovernmental	2,761,256	1,508,769	1,517,030	8,261
Donations and reimbursements	21,396	21,396	244,153	222,757
Investment income	101,161	134,161	134,871	710
Miscellaneous	—	167,118	165,754	(1,364)
Total Revenues	5,975,307	5,142,938	5,390,386	247,448
Expenditures				
Capital outlay	4,458,002	3,906,297	3,864,447	(41,850)
Debt service:				
Interest and fiscal charges	336	336	336	—
Total Expenditures	4,458,338	3,906,633	3,864,783	(41,850)
Revenues Over Expenditures	1,516,969	1,236,305	1,525,603	289,298
Other Financing Sources (Uses)				
Transfers in	2,414,450	3,191,533	3,190,662	(871)
Transfers out	(3,090,879)	(3,135,879)	(3,130,879)	5,000
Sale of capital assets	—	2,624,575	2,624,575	—
Total Other Financing Sources (Uses)	(676,429)	2,680,229	2,684,358	4,129
Net Change In Fund Balances	\$ 840,540	\$ 3,916,534	4,209,961	\$ 293,427
Fund Balances				
Beginning of year			2,125,850	
End of year			\$ 6,335,811	

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, 2020

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Intergovernmental	\$ —	\$ 40,000	\$ 41,972	\$ 1,972
Donations and reimbursements	—	21,000	20,190	(810)
Federal grants	—	—	—	—
Investment income	142,337	156,337	127,965	(28,372)
Miscellaneous	—	—	4,502	4,502
Total Revenues	142,337	217,337	194,629	(22,708)
Expenditures				
Capital outlay	2,930,859	2,080,416	2,025,631	(54,785)
Debt service:				
Principal	103,018	103,018	103,018	—
Total Expenditures	3,033,877	2,183,434	2,128,649	(54,785)
Revenues Over (Under) Expenditures	(2,891,540)	(1,966,097)	(1,934,020)	32,077
Other Financing Sources (Uses)				
Transfers in	2,038,405	1,788,405	1,788,405	—
Sale of capital assets	65,790	65,790	240,700	174,910
Total Other Financing Sources (Uses)	2,104,195	1,854,195	2,029,105	174,910
Net Change In Fund Balances	\$ (787,345)	\$ (111,902)	95,085	\$ (206,987)
Fund Balances				
Beginning of year			6,229,291	
End of year			\$ 6,324,376	

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, 2020

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Donations and reimbursements	\$ —	\$ 220,700	\$ 265,080	\$ 44,380
Investment income	—	35,000	35,144	144
Total Revenues	—	255,700	300,224	44,524
Expenditures				
Capital outlay	9,200,000	1,257,700	1,312,455	54,755
Parks and recreation	2,650,000	3,255,000	3,236,207	(18,793)
Debt service:				
Bond issuance costs	—	59,000	58,968	(32)
Total Expenditures	11,850,000	4,571,700	4,607,630	35,930
Revenues Over (Under) Expenditures	(11,850,000)	(4,316,000)	(4,307,406)	8,594
Other Financing Sources (Uses)				
Issuance of debt	10,200,000	4,830,000	4,830,000	—
Premium on issuance of debt	—	470,000	531,618	61,618
Transfers in	—	45,000	45,000	—
Transfers out	—	(892,208)	(892,208)	—
Total Other Financing Sources (Uses)	10,200,000	4,452,792	4,514,410	61,618
Net Change In Fund Balances	\$ (1,650,000)	\$ 136,792	207,004	\$ 70,212
Fund Balances				
Beginning of year			(2,018,015)	
End of year			\$ (1,811,011)	

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
General property taxes	\$ 1,224,190	\$ 829,190	\$ 834,201	\$ 5,011
Investment income	104,113	127,113	127,186	73
Total Revenues	<u>1,328,303</u>	<u>956,303</u>	<u>961,387</u>	<u>5,084</u>
Expenditures				
Debt service:				
Principal	620,000	620,000	620,000	—
Interest and fiscal charges	397,138	397,138	396,116	(1,022)
Total Expenditures	<u>1,017,138</u>	<u>1,017,138</u>	<u>1,016,116</u>	<u>(1,022)</u>
Revenues Over (Under) Expenditures	311,165	(60,835)	(54,729)	6,106
Other Financing Sources (Uses)				
Transfers out	(2,380,875)	(2,265,750)	(2,264,879)	871
Net Change In Fund Balances	<u>\$ (2,069,710)</u>	<u>\$ (2,326,585)</u>	<u>(2,319,608)</u>	<u>\$ (6,977)</u>
Fund Balances				
Beginning of year			<u>7,261,717</u>	
End of year			<u>\$ 4,942,109</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, 2020

	Clayton Non- Uniformed Employees' Retirement Fund	Clayton Uniformed Employees' Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 5,448	\$ 1,390,689	\$ 1,396,137
Investments:			
U.S. government and agency securities	—	2,624,036	2,624,036
Common stocks	—	6,839,217	6,839,217
Corporate bonds	—	4,981,911	4,981,911
Taxable municipal obligations	—	770,059	770,059
Mutual funds	18,853,338	28,226,600	47,079,938
Property funds	1,874,835	4,708,001	6,582,836
Interest receivable	16,928	72,137	89,065
Total Assets	20,750,549	49,612,650	70,363,199
Liabilities			
Accrued investment expenses	7,358	12,000	19,358
Net Position			
Net position restricted for pensions	\$ 20,743,191	\$ 49,600,650	\$ 70,343,841

CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2020

	City Of Clayton Non- Uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
	Fund	Fund	Total
Additions			
Contributions:			
Participant contributions	\$ 175,091	\$ 528,337	\$ 703,428
Employer contributions	502,464	1,078,842	1,581,306
Total Contributions	677,555	1,607,179	2,284,734
Investment Income (Loss):			
Net appreciation (depreciation) in fair value of investments and interest and dividends	1,470,627	3,879,972	5,350,599
Investment expense	(66,684)	(199,293)	(265,977)
Total Investment Income (Loss)	1,403,943	3,680,679	5,084,622
Total Additions	2,081,498	5,287,858	7,369,356
Deductions			
Benefits	942,006	2,380,327	3,322,333
Change In Net Position	1,139,492	2,907,531	4,047,023
Net Position Restricted For Pensions, Beginning Of Year	19,603,699	46,693,119	66,296,818
Net Position Restricted For Pensions, End Of Year	\$ 20,743,191	\$ 49,600,650	\$ 70,343,841

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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in										
capital assets	\$ 73,053,128	\$ 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
Restricted	6,447,836	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
Unrestricted	16,930,909	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
Total governmental activities net position	\$ 96,431,873	\$ 94,867,444	\$ 92,583,317	\$ 88,013,327	\$ 82,608,750	\$ 75,806,177	\$ 76,331,402	\$ 73,477,972	\$ 69,757,537	\$ 63,194,851
Business-type activities:										
Net investment in										
capital assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	—	—	—	—	—	—	—	—	—	—
Unrestricted	—	—	—	—	—	—	—	—	—	—
Total business-type activities net position	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Primary government:										
Net investment in										
capital assets	\$ 73,053,128	\$ 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
Restricted	6,447,836	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
Unrestricted	16,930,909	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
Total primary government net position	\$ 96,431,873	\$ 94,867,444	\$ 92,583,317	\$ 88,013,327	\$ 82,608,750	\$ 75,806,177	\$ 76,331,402	\$ 73,477,972	\$ 69,757,537	\$ 63,194,851

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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
EXPENSES										
Governmental Activities										
General government	\$ 4,770,338	\$ 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
Public safety	13,642,622	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
Public works	7,986,159	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
Parks and recreation	6,123,640	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
Economic development	370,375	577,677	508,248	535,756	595,984	486,341	—	—	—	—
Community development	1,055,055	1,006,341	1,040,674	1,058,584	917,979	832,718	311,973	274,020	298,989	318,787
Interest and fiscal charges	1,198,883	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
Total Governmental Activities Expenses	<u>35,147,072</u>	<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>
Business-Type Activities										
Parking facility	—	—	—	—	—	—	—	—	—	—
Total Primary Government Expenses	<u>35,147,072</u>	<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>
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	2,608,679	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
Public safety	2,156,797	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
Public works	1,209,263	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
Parks and recreation	330,933	971,692	997,971	1,050,064	1,042,643	1,024,886	1,038,084	982,734	881,990	917,628
Economic development	1,191	19,177	12,182	—	—	—	—	—	—	—
Operating grants and contributions	3,260,578	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
Capital grants and contributions	2,065,607	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
Total Governmental Activities Program Revenues	<u>11,633,048</u>	<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>
Business-Type Activities										
Charges for services:										
Parking facility	—	—	—	—	—	—	—	—	—	—
Total Primary Government Program Revenues	<u>11,633,048</u>	<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>
Net Revenues (Expenses)										
Governmental activities	(23,514,024)	(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)
Business-type activities	—	—	—	—	—	—	—	—	—	—
Total Primary Government Net Revenues (Expenses)	<u>\$ (23,514,024)</u>	<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>

CITY OF CLAYTON, MISSOURI

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

	For The Years Ended September 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes:										
Property	\$ 9,376,040	\$ 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
Sales	7,851,390	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
Utility	4,773,931	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
Other	249,752	242,728	246,369	240,183	236,529	100,488	100,488	100,489	100,489	100,488
Grants and contributions not restricted to specific programs	81,150	167,192	175,559	183,866	192,157	198,215	202,533	214,458	1,797,555	309,426
Investment income	764,478	790,982	560,330	283,949	331,992	246,181	138,456	122,293	167,766	320,728
Gain (loss) on sale of capital assets	1,967,646	—	(50,851)	41,001	4,024,986	—	6,323	—	12,554	—
Miscellaneous	14,066	2,506,887	408,926	214,256	185,115	245,587	62,629	187,736	158,309	349,838
Transfers	—	—	—	—	—	—	—	—	—	—
Total Governmental Activities General Revenues And Other Changes in Net Position	<u>25,078,453</u>	<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>
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>25,078,453</u>	<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>
CHANGES IN NET POSITION BEFORE RESTATEMENT										
Governmental activities	1,564,429	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
Business-type activities	—	—	—	—	—	—	—	—	—	—
Total Primary Government Changes in Net Position Before Restatement	<u>1,564,429</u>	<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>
RESTATEMENT										
Governmental activities	—	—	—	—	—	(3,706,233)	—	—	—	(961,304)
CHANGES IN NET POSITION										
Governmental activities	1,564,429	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
Business-type activities	—	—	—	—	—	—	—	—	—	—
Total Primary Government Change In Net Position	<u>\$ 1,564,429</u>	<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>

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

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

	September 30,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund:										
Nondisposable	\$ 1,447,225	\$ 1,540,355	\$ 1,561,882	\$ 137,521	\$ 133,928	\$ 196,165	\$ 24,339	\$ 17,715	\$ —	\$ —
Assigned	248,876	112,724	101,865	75,447	151,333	162,249	107,705	1,030,039	3,663,374	2,838,638
Unassigned	17,105,672	16,359,632	15,803,748	16,774,553	16,658,068	16,004,710	16,207,104	15,389,726	14,673,064	17,927,718
Total General Fund	\$ 18,801,773	\$ 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
All Other Governmental Funds										
Nondisposable	\$ 1,814,543	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Restricted	10,171,615	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	6,324,376	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
Assigned	283,051	—	—	—	—	—	—	—	—	—
Unassigned	(2,094,062)	(2,018,015)	—	—	—	(268,271)	(1,636,835)	(913,659)	(555,647)	—
Total All Other Governmental Funds	\$ 16,499,523	\$ 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

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									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
General property taxes	\$ 9,403,270	\$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
Assessment income	100,535	99,334	113,595	107,721	128,334	151,706	131,814	180,111	222,394	172,250
Sales taxes	7,851,390	8,421,580	8,148,321	7,101,367	7,257,356	6,954,159	6,065,100	5,620,068	5,554,236	5,389,764
Licenses and permits	2,575,902	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
Public utility licenses	4,773,931	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
Intergovernmental	4,785,080	3,146,709	3,340,241	2,498,143	2,670,657	2,547,724	4,242,718	4,030,845	5,106,728	7,696,966
Community programs	1,331,322	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
Parking facilities and meters	1,750,570	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
Fines and forfeitures	670,438	664,861	970,319	948,652	864,913	1,200,721	1,067,415	2,012,156	1,111,217	1,302,852
Donations and reimbursements	529,423	529,020	899,713	4,016,959	694,944	559,030	470,190	2,008,212	3,879,251	—
Investment income	766,036	790,982	560,330	283,949	331,992	246,181	138,456	122,293	167,766	320,728
Miscellaneous	400,811	392,021	508,245	417,411	388,766	513,165	151,949	305,347	305,778	346,602
Total Revenues	34,938,708	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
Expenditures										
General government	4,068,834	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
Parks and recreation	5,246,803	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
Public safety	12,802,677	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
Public works	5,941,193	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
Economic development	370,173	575,607	507,434	536,541	598,487	484,908	—	—	—	—
Community development	1,048,198	999,210	1,041,255	1,055,687	920,584	828,552	314,959	275,160	299,774	314,280
Capital outlay	7,276,661	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
Debt service:										
Principal	1,888,018	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
Interest and fiscal charges	1,192,382	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
Bond issuance costs	151,359	—	—	—	—	16,647	—	—	217,195	—
Total Expenditures	39,986,298	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
Excess Of Expenditures Over Revenues	(5,047,590)	(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)
Other Financing Sources (Uses)										
Bond proceeds	12,430,000	—	—	—	—	21,735,000	—	—	9,845,000	—
Premium on issuance of debt	1,578,245	—	—	—	—	920,519	—	—	150,600	—
Payments to refunding escrow agent	(8,553,084)	—	—	—	—	(8,904,781)	—	—	—	—
Proceeds from capital lease	—	—	—	—	—	—	—	—	—	—
Special item	—	—	—	—	—	—	—	—	—	—
Sale of capital assets	2,865,275	2,512,637	175,459	106,699	4,032,205	64,108	20,207	34,106	26,308	70,171
Transfers in	8,614,916	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
Transfers out	(8,614,916)	(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)
Total Other Financing Sources (Uses)	8,320,436	2,512,637	175,459	106,699	4,032,205	13,814,846	20,207	34,106	10,021,908	70,171
Net Change In Fund Balances	\$ 3,272,846	\$ (258,373)	\$ 736,592	\$ (3,356,843)	\$ (454,294)	\$ 14,709,582	\$ (2,057,157)	\$ (5,384,757)	\$ (4,429,559)	\$ (6,095,793)
Debt service as a percentage of noncapital expenditures	9.79%	11.13%	14.80%	16.95%	18.43%	16.92%	17.80%	19.50%	19.00%	15.70%
Fines and forfeitures as a percentage of general revenues (2)	2.30%	2.80%	3.80%	3.80%	3.70%	4.10%	4.90%	4.90%	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 2020 total fines and forfeitures of all types were \$499,329 and general operating revenues were \$21,325,107										

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 ****	
2020	\$ 2,364,158	\$ 557,019	\$ 637,562	\$ 843,266	\$ 1,084,728	\$ 1,276,220	\$ 1,088,437	\$ 7,851,390
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

* 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.	
2020	\$ 2,412,118	\$ 638,504	\$ 394,823	\$ 1,328,486	\$ 236,658	\$ 5,010,589
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
(Decrease)	95%	72%	127%	79%	115%	89%

* 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					
2020	\$ 642,785	\$ 439,919	\$ 82,963	\$ 3,097	\$ 1,168,764	\$ 5,016,334	\$ 0.688
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

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>2020</u>	<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>
City of Clayton:										
General	\$ 0.515	\$ 0.583	\$ 0.571	\$ 0.629	\$ 0.614	\$ 0.646	\$ 0.659	\$ 0.659	\$ 0.626	\$ 0.601
Police Building Debt	0.101	0.114	0.113	0.123	0.122	0.128	—	—	—	—
General Obligation Debt	0.072	0.120	0.141	0.244	0.251	0.252	0.128	0.130	0.091	0.091
Total City of Clayton	<u>0.688</u>	<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>
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	0.443	0.489	0.489	0.515	0.515	0.523	0.523	0.523	0.523	0.523
St. Louis County Library	0.212	0.234	0.234	0.246	0.246	0.250	0.250	0.173	0.163	0.157
Special School District	1.108	1.198	1.191	1.241	1.235	1.261	1.240	1.012	1.013	0.995
St. Louis Community College	0.199	0.213	0.211	0.219	0.218	0.220	0.220	0.220	0.220	0.218
Metropolitan St. Louis Sewer District (Extension)	0.108	0.117	0.116	0.120	0.088	0.088	0.107	0.082	0.082	0.079
Metropolitan Zoological Park and Museum District	0.255	0.272	0.269	0.280	0.278	0.280	0.280	0.268	0.267	0.255
Sheltered Workshop	0.075	0.084	0.084	0.088	0.088	0.090	0.089	0.084	0.084	0.079
Clayton School District	4.155	3.692	3.649	3.842	3.849	4.103	4.017	3.743	3.899	3.743
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>6.585</u>	<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>
 Total	 <u>\$ 7.273</u>	 <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>

Source - St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PRINCIPAL PROPERTY TAXPAYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Taxpayer	2020				2011			
	Taxable Assessed		Percentage Of Total City		Taxable Assessed		Percentage Of Total City	
	Value	Rank	Value (1)	(%)	Value	Rank	Value (2)	(%)
LCP Forsyth Blvd Property Owner LLC	\$ 27,253,990	1	2.33%	—		\$ —	—	—
Clayton Franklin Clayton Plaza LLC	23,569,310	2	2.02%	—		—	—	—
Prime US 101 South Hanley LLC	20,943,810	3	1.79%	—		—	—	—
BLR Properties LLC	20,148,250	4	1.72%	—		—	—	—
Clayton Corporate Park Mgmt. Co.	19,460,580	5	1.67%	28,712,830	1	3.24%		
Clayton Central Owner LLC	16,571,200	6	1.42%	11,764,570	6	1.33%		
Chapter 100 City of Clayton	16,380,780	7	1.40%	—		—	—	—
MEPT Shaw Park Plaza LLC	14,510,910	8	1.24%	12,279,450	5	1.39%		
8182 Maryland Associates	11,867,170	9	1.02%	10,463,780	9	1.18%		
8000 Maryland Holdings LLC	11,274,460	10	0.96%	—		—	—	—
KBS Clayton Plaza LLC	—		—	22,327,590	2	2.52%		
KBSII Pierre Laclede Center LLC	—		—	21,332,300	3	2.41%		
Duke Realty Limited Partnership	—		—	13,959,200	4	1.58%		
HEF 1 - StL No. 1 LLC	—		—	11,354,330	7	1.28%		
Brown Shoe Company	—		—	11,056,110	8	1.25%		
Forsyth Centre Associates LLC	—		—	8,149,920	10	0.92%		
Total	<u>\$ 181,980,460</u>		<u>15.57%</u>	<u>\$ 151,400,080</u>		<u>17.10%</u>		

Source - St. Louis County Assessor

Notes:

- (1) Total assessed value of the City was \$1,168,764,406 as of January 1, 2020.
- (2) Total assessed value of the City was \$886,059,776 as of January 1, 2011.

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
2020	\$ 8,722,815	\$ 8,696,307	99.7	\$ 124,228	\$ 8,820,535	101.1%
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

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				
2020	\$ 20,467	\$ 12,415	\$ —	\$ 119	\$ —	\$ —	\$ 33,025	3.06	\$ 2,072	
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 (4)	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 (3)	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	

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 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.
- (4) 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)
2020	\$ 12,415	1.06	\$ 779
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

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	\$ 92,181,384	4.12 %	\$ 3,797,873
Clayton School District	62,717,000	89.43 %	56,087,813
Subtotal	<u>154,898,384</u>		<u>59,885,686</u>
City of Clayton	<u>32,882,283</u>	100.00 %	<u>32,882,283</u>
Total	<u>\$ 187,780,667</u>		<u>\$ 92,767,969</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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Assessed Valuation	\$ 1,168,764										
Debt Limit - 10% of assessed valuation	116,876										
Amount of debt applicable to debt limit											
Total general obligation debt	12,415										
Less: Amount available in debt service fund	1,218										
Net bond indebtedness applicable to debt limit	11,197										
Legal Debt margin	105,679										
Debt Limit (1)		\$ 116,876	\$ 100,281	\$ 101,619	\$ 90,217	\$ 89,789	\$ 86,773	\$ 86,688	\$ 86,052	\$ 86,057	\$ 88,606
Total net debt applicable to Debt Limit		11,197	11,683	12,469	13,463	14,115	14,807	—	—	910	1,678
Legal debt margin		\$ 105,679	\$ 88,598	\$ 89,150	\$ 76,754	\$ 75,674	\$ 71,966	\$ 86,688	\$ 86,052	\$ 85,147	\$ 86,928
Total net debt applicable to the limit as a percentage of debt limit		9.58%	11.65%	12.27%	14.92%	15.72%	17.06%	0.00%	0.00%	1.06%	1.89%

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)
2020	15,939	\$ 1,079,485	\$ 67,726	\$ 2,529	2.2 %
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 %

(1) Source: Data 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 2020 - Missouri Economic Research & Information Center.

CITY OF CLAYTON, MISSOURI

PRINCIPAL EMPLOYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Employer	2020			2011		
	Employees	Rank	Percentage Of Total City Employment (1)	Employees	Rank	Percentage Of Total City Employment (2)
Centene Corporation	2,441	1	5.31	866	4	2.47
St. Louis County	1,573 *	2	3.42	2,195	1	6.27
Enterprise Holdings, Inc.	956	3	2.08	1,499	2	4.28
Washington University	723	4	1.57	—	—	—
Commerce Bank NA	562	5	1.22	506	5	1.45
Caleres (Brown Shoe Co., Inc.)	503	6	1.09	988	3	2.82
Clayton School District	486	7	1.06	450	6	1.29
Husch Blackwell	389	8	0.85	—	—	—
Ernest & Young U.S. LLP	348	9	0.76	266	9	0.76
RubinBrown LLP	332	10	0.72	—	—	—
Armstrong Teasdale	—	—	—	412	7	1.18
Ritz Carlton	—	—	—	286	8	0.82
Sheraton Clayton Plaza Hotel/Restaurant	—	—	—	259	10	0.74
	8,313		18.08	7,727		22.08

Notes:

(1) Percentage for 2020 based on estimate of 46,000 total daytime employees in the Downtown Area.

(2) Percentage for 2011 based on estimate of 35,000 total daytime employees in the Downtown Area.

* The number of employees listed for St. Louis County is the same as was listed in 2019. Per St Louis County they are unable to provide data.

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,									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
City Manager	2.50	2.50	2.50	2.50	2.50	2.50	2.60	2.75	3.00	4.00
Economic Development	1.50	1.50	1.50	1.50	1.50	1.50	1.65	1.75	1.75	1.75
Events (8)	1.00	1.00	1.00	1.00	1.00	1.00	—	—	—	—
Parking Control	3.00	—	—	—	—	—	—	—	—	—
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	6.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00
Municipal court (9)	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Information systems (12)	7.90	7.90	5.75	3.75	3.75	3.75	3.75	3.50	4.00	4.00
Planning and development (3) (10)	11.00	11.00	11.00	10.00	9.00	9.00	9.00	10.00	10.00	11.00
Police:										
Officers (4)	50.00	50.00	50.00	49.00	49.00	49.00	49.00	52.00	52.00	52.00
Civilians	4.85	7.85	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Fire:										
Firefighters and officers (12)	42.00	42.00	36.00	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	14.00	15.00	16.00	16.00
Vehicle maintenance (5)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Building maintenance (6) (7)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	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) (8) (11)	6.75	6.75	6.75	6.75	5.75	5.75	6.50	7.50	7.50	7.50
Parks maintenance (6) (7)	8.00	8.00	8.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00
Total	177.50	177.50	169.50	163.50	161.50	160.50	160.50	168.50	170.25	173.25

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 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 Event Specialist position to Events (new program) from Parks and Recreation Administration & Recreation in 2015.
- (9) Court Assistant added in 2018. One full-time Court Assistant was replaced with part-time positions in 2012.
- (10) Plans Examiner added in 2018. New Administrative Specialist position added in 2017.
- (11) New Inclusion Services Coordinator position added in 2017.
- (12) Training Officer added in 2018. Six firefighters/paramedics added in 2019. Three were added for the full year and 3 were added the 2nd half of 2019.

Source: City of Clayton Annual Budgets

CITY OF CLAYTON, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Arrests	385	484	729	719	898	894	1,281	1,540	1,253	1,217
Parking violations	469	1,112	886	931	3,221	3,269	1,400	1,846	1,654	2,182
Traffic violations	809	1,381	2,065	2,095	3,221	3,576	5,892	6,171	6,583	7,061
Parking tickets *	18,618	27,404	33,308	35,585	47,103	49,684	37,905	28,944	29,888	37,198
Fire:										
Emergency response ambulance	1,242	1,435	1,604	1,592	1,597	1,655	1,619	1,577	1,639	1,524
Emergency response- fire	1,308	1,394	1,504	1,598	1,440	1,747	1,904	1,378	1,661	1,639
Inspections	674	660	686	661	569	656	683	709	640	787
Parks and recreation:										
Shaw Park Pool - Passes	394	547	766	785	804	809	915	1,006	1,281	1,189
Shaw Park Ice Rink - Passes	—	—	11	29	28	34	36	55	42	53
Platinum Passes	260	344	402	447	463	449	448	452	420	525
Tennis Court - Passes	33	39	45	52	54	89	120	157	—	43
Shelter Rentals (including picnic pads) **	149	349	285	305	302	313	322	177	302	305
Community development:										
Residential permits issued	313	327	304	278	348	310	325	324	278	308
Estimated cost of construction										
for residential permits	\$ 46,479,336	\$ 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
Commercial permits issued	123	134	146	133	133	138	122	134	142	153
Est. cost of construction										
for commercial permits	\$ 233,065,786	\$ 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
Finance and administration:										
Business licenses issued	939	923	920	883	813	873	936	942	935	805
Liquor licenses issued	72	70	70	71	69	71	70	65	59	60

Notes:

* Parking tickets not included in parking violations.

** No shelter rentals held from April 2020 - June 2020 due to COVID-19 restrictions.

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

Sources: City of Clayton Annual Reports (2010-2019), various City departments

CITY OF CLAYTON, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	19	19	19	23	23	23	23	23	25	25
Parking Control*	3	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	2	1	1	1	1	1	1
Rescue Trucks (6)	-	-	1	2	2	2	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Command Vehicles	4	4	4	3	3	3	3	3	3	3
Public Works:										
Miles of streets - paved	106.7	106.7	106.7	98.8	98.7	98.7	98.7	98.7	98.7	98.7
Miles of alleys (1)	6.4	6.4	6.4	6.4	6.5	6.5	6.5	6.5	6.5	6.5
Miles of sidewalks (3)	62	52	62	54	54	54	54	54	54	54
Number of street lights (2)	2,134	2,103	2,103	2,036	2,035	2,024	2,024	2,200	2,200	2,200
Number of traffic signals (5)	24	23	22	22	22	22	22	22	22	24
Parks and recreation:										
Acres of Parks (4) (7)	78.5	78.4	78.4	78.4	74.2	74.2	89.0	89.0	89.0	84.4
Number of Parks (4)	11	11	11	11	11	11	11	11	11	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