

Clayton, Missouri



St. Louis Art Fair Commemorative Print
"Red Alley" by Loretta Petraitis



Comprehensive Annual Financial Report
For the year ended September 30, 2016

***CITY OF CLAYTON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT***
For The Fiscal Year Ended September 30, 2016

*Report prepared and submitted by the
Finance Department*

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INTRODUCTORY SECTION



March 29, 2017

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

Pursuant to City policy and in accordance with state law, the Comprehensive Annual Financial Report (CAFR) of the City of Clayton, Missouri, for the fiscal year (FY) ended September 30, 2016, 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, 2016, 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, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

CITY PROFILE AND STRUCTURE

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

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

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

FINANCIAL INFORMATION

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The City blends an active business district with an outstanding housing mix. The downtown area combines approximately 7,000,000 square feet of prestigious office space with the vitality of more than 1,000,000 square feet of retail space. The City's appealing residential neighborhoods provide a mix of housing, to include single-family homes, condominiums, and multi-family apartment dwellings. Much of the residential area is within walking distance of the downtown or neighborhood retail districts that include specialty boutiques, restaurants, services, fitness facilities, and cafes. In addition to its strong economy, the City has beautiful residential neighborhoods and has devoted nearly 90 acres of green space to passive and active park areas and recreation adding to its quality of life. Included in these resources is The Center of Clayton, a multi-use recreational facility operated in conjunction with the Clayton School District.

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

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

The City's stable retail community includes approximately 85 restaurants (many of which are award winning), 70 vibrant retail boutiques, and 230 personal service businesses. The City's downtown is the region's premier business district and home to numerous Forbes and Fortune 500 headquarters and branch offices. To name just a few, the City is home to Enterprise Holdings, Caleres (formerly Brown Shoe Group), Commerce Bank, Centene Corporation, Graybar, Barry-Wehmiller Companies, Olin Corporation, Apex Oil, and many of the largest law firms in the St. Louis area. The City maintains one of the highest commercial occupancy rates in the region, and it continues to be one of the steadiest submarkets in the St. Louis area. Occupancy rates are above 90% which results in one of the lowest vacancy rates in the metropolitan area.

The City is experiencing strong commercial and multi-family development. In 2016, the City had three residential developments significantly underway representing 621 downtown luxury rental apartments. These projects also include 26,000 sq. ft. of retail space. The City has since approved a \$755 million expansion of Centene Corporation's world headquarters which consists of over 3,000,000 square feet of office, retail, hotel, civic auditorium, and parking space. Other large mixed-use, residential and commercial projects are in the proposal process. In addition, the St. Louis County Juvenile Court Building is near occupancy which will also bring visitors to the downtown area daily. Clayton also remains the region's premiere dining destination. Within the

past year Clayton has seen the openings of Nami Ramen, Louie's Wine Dive, Qdoba, Wicked Greenz, Herbie's and Sardella. The Capital Grille currently has a restaurant under construction.

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

MAJOR INITIATIVES

Citizen Survey and Performance Management

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

Strategic Plan

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

VISION

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

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

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

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

Sustainability

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

LONG-TERM FINANCIAL PLANNING

The City prepares a five-year capital improvement plan annually and includes this information in the budget document. In the next three fiscal years, the capital plan includes \$35.7 million in infrastructure, parks, and facility improvements. Part of the plan was funded by a voter approved \$15 million General Obligation bond issue for neighborhood streets, and future bonds issuances are also included in the plan.

With the approval of the FY 2017 budget, the Board of Aldermen implemented the third year of a balanced General Fund budget and will maintain the strong General Fund balance of 62% of annual expenditures. The budget was balanced over a three-year period with the goal of reducing the annual operating deficit of approximately \$2.5 million by: 1) reducing staff as a result of a voluntary retirement incentive program; 2) a voter approved one-quarter cent sales tax for Fire and EMS services; and 3) reducing various operational expenditures.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2015. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 29 consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting this document to GFOA for award consideration.

Additionally, the GFOA awarded the Distinguished Budget Award to the City for FY 2016. This was the City's ninth consecutive Distinguished Budget Award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only and the City has already submitted the FY 2017 budget for award consideration.

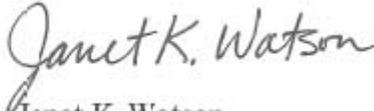
ACKNOWLEDGEMENTS

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

Respectfully submitted,



Craig S. Owens
City Manager



Janet K. Watson
Director of Finance and Administration

CITY OF CLAYTON, MISSOURI

PRINCIPAL OFFICIALS

Mayor Harold Sanger

Aldermen:

Ward I Joanne Boulton

Ward I Richard Lintz

Ward II.....Cynthia Garnholz

Ward II..... Ira Berkowitz

Ward IIIMark Winings

Ward III Alex Berger III

City ManagerCraig S. Owens

Department Directors:

..... Janet Watson, Finance and Administration

..... Gary Carter, Economic Development

.....Susan Istenes, Planning and Development

..... Kevin Murphy, Police

.....G. Mark Thorp, Fire

.....Dale Houdeshell, Public Works

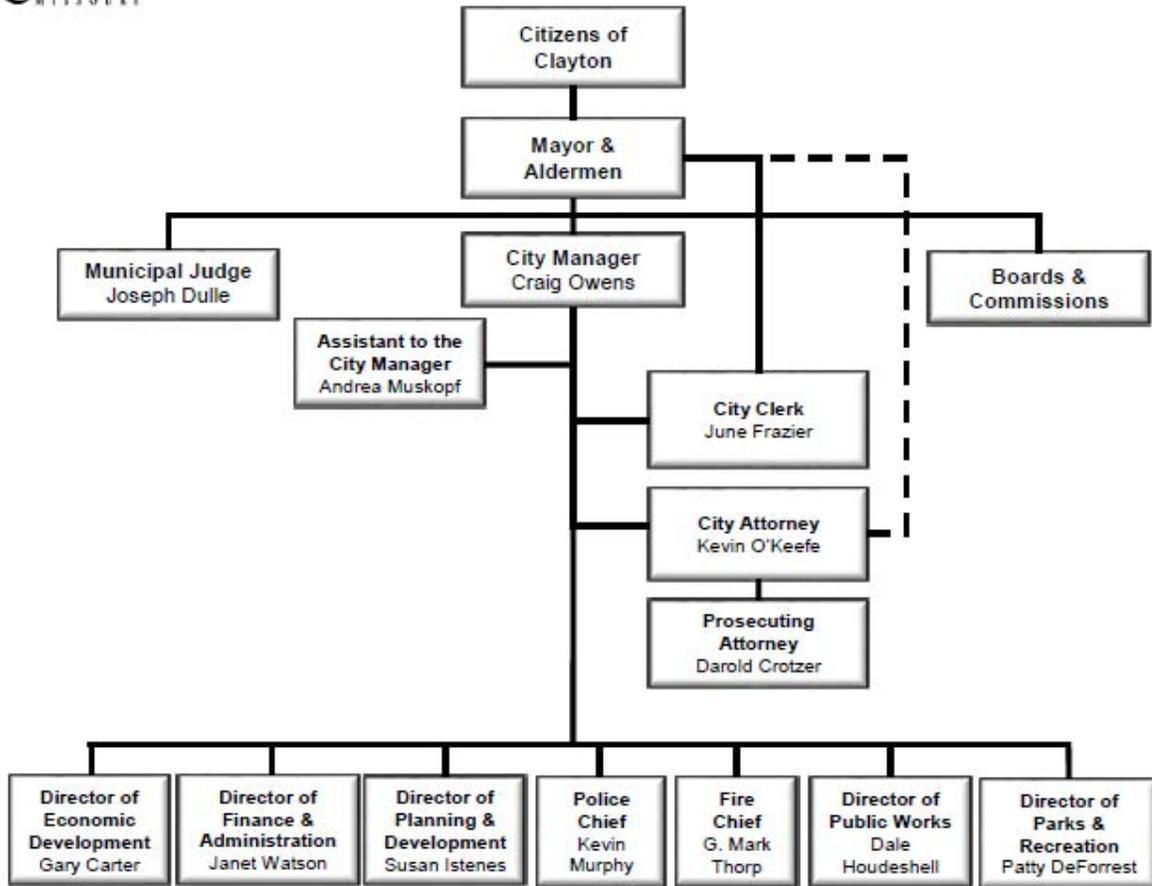
..... Patty DeForrest, Parks and Recreation

.....June Frazier, City Clerk

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



City of Clayton Organization Chart





Government Finance Officers Association

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

Presented to

**City of Clayton
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

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, 2016, 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, 2016, 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.

Changes In Accounting Principle

As discussed in Note 2 to the financial statements, in 2016, the City implemented GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2017 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 29, 2017

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, 2016. 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 \$82,608,750. Of this amount, \$15,857,391 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6,802,573 due to revenues exceeding expenses.
- At the close of fiscal year 2016, the City's governmental funds reported an ending fund balance of \$34,907,034, a decrease of \$454,294 in comparison to the prior year balance of \$35,361,328 due to the expenditures of a portion of the remaining General Obligation bond proceeds. Approximately 48% of the ending fund balance, or \$16,658,068, is unassigned and available for spending at the City's discretion.
- At the end of fiscal year 2016, unassigned fund balance for the general fund was \$16,658,068 or 72% of total general fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

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

Fund Financial Statements

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

Governmental Funds

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

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

The City utilizes the following major governmental funds:

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

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

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Clayton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$82,608,750 at the close of the most recent fiscal year, an increase of \$6,802,573.

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) and total \$63,730,611 or 77% of net position. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Unrestricted net position of \$15,857,391 is another major portion of the City's net position (19%) 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, 2016 and 2015:

	September 30		2016 Change	
	2016	2015	Amount	Percent
Assets				
Current and other assets	\$ 42,484,666	\$ 42,785,621	\$ (300,955)	-0.7%
Capital assets, net	93,427,356	88,844,410	4,582,946	5.2%
Total assets	135,912,022	131,630,031	4,281,991	3.3%
Deferred Outflows of Resources				
Deferred charges on refunding	234,270	280,592	(46,322)	-16.5%
Deferred amounts related to pensions	3,326,714	1,528,869	1,797,845	117.6%
Total deferred outflows of resources	3,560,984	1,809,461	1,751,523	96.8%
Liabilities				
Current liabilities	7,397,894	7,088,833	309,061	4.4%
Long-term liabilities	48,926,593	50,432,882	(1,506,289)	-3.0%
Total liabilities	56,324,487	57,521,715	(1,197,228)	-2.1%
Deferred Inflows of Resources				
Deferred amounts related to pensions	539,769	111,600	428,169	383.7%
Total deferred inflows of resources	539,769	111,600	428,169	383.7%
Net Position				
Net investment in capital assets	63,730,611	45,456,078	18,274,533	40.2%
Restricted	3,020,748	15,807,553	(12,786,805)	-80.9%
Unrestricted	15,857,391	14,542,546	1,314,845	9.0%
Total net position	\$ 82,608,750	\$ 75,806,177	\$ 6,802,573	9.0%

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		2016 Change	
	2016	2015	Amount	Percent
Revenues				
Program revenues:				
Charges for services	\$ 6,724,069	\$ 6,660,485	\$ 63,584	1.0%
Operating grants and contributions	1,143,239	1,966,370	(823,131)	-41.9%
Capital grants and contributions	1,983,200	1,230,820	752,380	61.1%
General revenues:				
Property tax	8,326,593	8,055,653	270,940	3.4%
Sales tax	7,257,356	7,085,858	171,498	2.4%
Utility tax	5,235,918	5,434,842	(198,924)	-3.7%
Other taxes	236,529	100,488	136,041	135.4%
Investment income	331,992	246,181	85,811	34.9%
Grants and contributions not restricted to specific programs	192,157	198,215	(6,058)	-3.1%
Gain on sale of capital assets	4,024,986	—	4,024,986	100.0%
Miscellaneous	185,115	245,587	(60,472)	-24.6%
Total revenues	35,641,154	31,224,499	4,416,655	14.1%
Program Expenses				
General government	4,965,846	4,462,401	503,445	11.3%
Public safety	11,240,555	11,243,156	(2,601)	0.0%
Public works	6,897,265	6,747,391	149,874	2.2%
Parks and recreation	2,747,973	2,834,322	(86,349)	-3.0%
Economic development	595,984	486,341	109,643	22.5%
Community development	917,979	832,718	85,261	10.2%
Interest on long-term debt	1,472,979	1,437,162	35,817	2.5%
Program expenses	28,838,581	28,043,491	795,090	2.8%
Change in net position	6,802,573	3,181,008	3,621,565	113.8%
Beginning of year net position:				
As previously stated	75,806,177	76,331,402	(525,225)	-0.7%
Restatement of net position - net pension liability	—	(3,706,233)	3,706,233	100.0%
Beginning of year net position	75,806,177	72,625,169	3,181,008	4.4%
End of year net position	\$ 82,608,750	\$ 75,806,177	\$ 6,802,573	9.0%

The City's overall net position of \$82,608,750 increased \$6,802,573 during the current fiscal year. Fiscal year 2016 revenues totaling \$35,641,154 are \$4,416,655 more than fiscal year 2015. Program revenue totaling \$9,850,508 are \$7,167 less than fiscal year 2015 are due to a small increase in service charges less a decrease in grants and contributions. These grants and contributions were for ongoing improvements to streets, pedestrian safety, and park improvements.

General revenue from property, sales, and utility taxes total \$20,819,867 or 81% of total general revenues of \$25,790,646, an increase of \$243,514 from fiscal year 2015. Property tax revenue increased \$270,940 to \$8,326,593 due to new construction and higher collection rates. Sales tax increased by \$171,498 to \$7,257,356 due to increasing economic activity in the community.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Program expenses totaling \$28,838,581 were \$795,090 greater than fiscal year 2015. The increase is primarily due to compensation enhancements related to a compensation and benefits study, a parking study, pension expense and other normal operating increases.

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 \$34,907,034, a decrease of \$454,294 in comparison with the prior year. Approximately 48% of this total amount (\$16,658,068) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances consists of nonspendable funds of \$133,928 for inventory and interfund advances; restricted funds of \$12,913,899 for capital projects, economic development, debt service, public safety, and sewer lateral; committed funds of \$5,049,806 for capital projects; and assigned funds of \$151,333 for purchases on order.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance is \$16,658,068 while total fund balance is \$16,943,329. Unassigned fund balance represents 72% 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 2016 General Fund balance increased \$580,205. Fiscal year 2016 revenue totaled \$23,638,381 and is \$412,922 more than fiscal year 2015. Most of this change is related to a decrease in transfers out for debt service due to a bond maturity; increases in revenue from property tax, sales tax, and building permits due to enhanced economic activity in the community; and investment revenue due to higher interest rates.

The Capital Improvement Fund balance of \$1,668,682 is restricted for capital projects. The increase in fund balance of \$1,936,953 was mostly due to the sale of land. Transfers in of \$4,541,954 are from the 2014 general obligation bond issue for construction, and transfers out of \$3,209,467 are to pay a portion of the debt service on the 2011 bonds and the 2014 refunding bonds, and to cover capital equipment replacement costs in the General Fund.

The Equipment Replacement Fund has a total fund balance of \$5,049,806, which is committed for the replacement of all the vehicles and large software and equipment in the City based on a long range replacement plan. The funding source is from a charge-back to the General Fund, and in 2016 a portion of the proceeds from the sale of land was received.

The 2014 General Obligation Bond Issue Fund has a total fund balance of \$10,639,999. This represents the remainder of the proceeds of the 2014 General Obligation bonds, which are restricted for expenditure on various capital improvements and for debt service.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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 \$23,519,358 and was \$630,432 lower than the original budget due to less property tax and utility tax being received than planned, a reduction in traffic fines due to a change in policy in the police department and a delay in implementing new parking fees and fines. The final budget for expenditures totaled \$23,454,869 and was \$936,784 lower than the original budget. As stated earlier, the City's policy on General Fund balance is a minimum of 25% of operating expenditures, with a target level of 33%. The current unassigned General Fund balance is at 72%.

Overall, the net change in fund balance on the budget basis was an increase of \$580,205. Actual General Fund revenue totaling \$23,498,496 was \$20,862 less than the final budget. Actual General Fund expenditures totaling \$22,922,478 were \$532,391 less than the final budget due to vacancies; a delay in some projects; and less contractual services, training and insurance costs than planned.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of September 30, 2016 totaled \$93,427,356 (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 \$4,582,946 with capital assets increasing \$4,958,702, construction in progress decreasing \$2,091,720 and offset by an increase in accumulated depreciation of \$3,158,427.

The following table details the net capital assets:

	September 30		2016 Change	
	2016	2015	Amount	Percent
Land	\$ 9,946,623	\$ 9,255,672	\$ 690,951	7.5%
Buildings	44,043,052	44,713,150	(670,098)	-1.5%
Improvements other than building	4,759,210	4,551,158	208,052	4.6%
Machinery and equipment	4,666,268	4,173,280	492,988	11.8%
Infrastructure	26,721,970	24,952,637	1,769,333	7.1%
Construction in progress	3,290,233	1,198,513	2,091,720	174.5%
Total capital assets, net	\$ 93,427,356	\$ 88,844,410	\$ 4,582,946	5.2%

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

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Long-term Debt

The City had government-wide debt outstanding of \$38,749,617 at the end of the current fiscal year. Of this amount, \$14,450,000 is general obligation debt backed by the full faith and credit of the City, \$23,445,000 is special obligation debt, \$503,984 represents a capital lease and \$350,633 is a note payable paid for from annual appropriations and special assessment fees.

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

	September 30		2016 Change	
	2016	2015	Amount	Percent
General obligation Series 2014	\$ 14,450,000	\$ 15,000,000	\$ (550,000)	-3.7%
Special obligation Series 2005 A&B	—	315,000	(315,000)	-100.0%
Special obligation Series 2009 A&B	11,330,000	11,975,000	(645,000)	-5.4%
Special obligation Series 2011	8,235,000	8,650,000	(415,000)	-4.8%
Special obligation Series 2014	3,880,000	5,330,000	(1,450,000)	-27.2%
Capital lease payable	503,984	595,375	(91,391)	-15.4%
Note payable	350,633	558,212	(207,579)	-37.2%
Total long-term debt	\$ 38,749,617	\$ 42,423,587	\$ (3,673,970)	-8.7%

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

The Outlook for Next Year's Budget

In FY 2016 the City maintained a General Fund surplus budget for the second year in a row. The FY 2017 budget also plans for a surplus through increases in revenue and continuing to monitor expenditures. The FY 2017 budget continues to maintain the high level of General Fund services and fee increases that come closer to full cost recovery for certain services. Economic development activity in the City is significant, which will result in long-term revenue gains.

Highlights of the FY 2017 budget are as follows:

- For all funds, revenue is \$37,715,563 and expenditures are \$43,689,051, excluding transfers. Expenditures remain high due to the continuing expenditure of the proceeds of the general obligation bonds.
- For the General Fund, revenue and transfers in total \$27,178,750, and expenditures and transfers out are \$26,894,048 with the resulting expectations of a surplus balance.
- Capital Improvements are budgeted to be \$10,447,475 and includes various infrastructure, facilities and parks improvements, and transfers out for debt and equipment replacement. The total capital improvement project plan for FY 2017 - FY 2019 totals \$24,844,326.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

Requests for Information

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

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

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION

September 30, 2016

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 3,618,621
Investments	35,266,054
Receivables:	
Property taxes	30,226
Intergovernmental	1,833,509
Public utility licenses	586,979
Special assessments	60,389
Ambulance, net	211,324
Court, net	30,856
Interest	184,000
Staff reimbursements	35,214
Other	424,854
Prepaid expense	189,739
Inventory	12,901
Capital assets:	
Land and construction in progress	13,236,856
Other capital assets, net	80,190,500
Total Assets	<u>135,912,022</u>
Deferred Outflows Of Resources	
Deferred charges on refunding	234,270
Deferred amounts related to pensions	3,326,714
Total Deferred Outflows Of Resources	<u>3,560,984</u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION (Continued) September 30, 2016

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	\$ 2,455,625
Accrued interest payable	269,377
Accrued liabilities	455,751
Unearned revenues	3,649,866
Deposits	567,275
Noncurrent liabilities:	
Due within one year	4,103,774
Due in more than one year	35,867,418
Net pension liability	8,495,788
Other post-employment benefit obligations	459,613
Total Liabilities	<u>56,324,487</u>
 Deferred Inflows Of Resources	
Deferred amounts related to pensions	<u>539,769</u>
 Net Position	
Net investment in capital assets	63,730,611
Restricted for:	
Economic development	135,282
Debt service	977,838
Public safety	113,322
Sewer lateral projects	125,624
Capital projects	1,668,682
Unrestricted	<u>15,857,391</u>
Total Net Position	<u>\$ 82,608,750</u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended September 30, 2016

<u>Functions</u>	<u>Expenses</u>	Program Revenues			<u>Net Revenues (Expenses) And Changes In Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>	<u>Capital Grants And Contributions</u>	
Governmental Activities					
General government	\$ 4,965,846	\$ 1,952,455	\$ 8,385	\$ —	\$ (3,005,006)
Public safety	11,240,555	2,374,798	664,941	—	(8,200,816)
Public works	6,897,265	1,354,173	423,669	1,983,200	(3,136,223)
Parks and recreation	2,747,973	1,042,643	46,244	—	(1,659,086)
Economic development	595,984	—	—	—	(595,984)
Community development	917,979	—	—	—	(917,979)
Interest and fiscal charges	1,472,979	—	—	—	(1,472,979)
Total Governmental Activities	28,838,581	6,724,069	1,143,239	1,983,200	(18,988,073)
General Revenues					
Taxes:					
Property					8,326,593
Sales					7,257,356
Utility					5,235,918
Other					236,529
Investment income					331,992
Grants and contributions not restricted to specific programs					192,157
Gain on sale of capital assets					4,024,986
Miscellaneous					185,115
Total General Revenues					25,790,646
Change In Net Position					6,802,573
Net Position - Beginning Of Year					75,806,177
Net Position - End Of Year					\$ 82,608,750

CITY OF CLAYTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS September 30, 2016

	General Fund	Capital Improvement Fund	Equipment Replacement Fund	2014 General Obligation Bond Issue Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 585,200	\$ 1,333,157	\$ 1,204,686	\$ 112,798	\$ 382,780	\$ 3,618,621
Investments	15,816,911	4,758,553	3,905,631	10,425,000	359,959	35,266,054
Receivables:						
Property taxes	—	11,081	—	—	19,145	30,226
Intergovernmental	1,019,634	813,875	—	—	—	1,833,509
Public utility licenses	586,979	—	—	—	—	586,979
Special assessments	—	60,389	—	—	—	60,389
Ambulance	211,324	—	—	—	—	211,324
Court	30,856	—	—	—	—	30,856
Interest	64,182	7,204	8,270	103,928	416	184,000
Staff reimbursements	35,214	—	—	—	—	35,214
Other	424,854	—	—	—	—	424,854
Inventory	12,901	—	—	—	—	12,901
Due from other funds	154,554	—	—	—	—	154,554
Advances to other funds	121,027	—	—	—	—	121,027
Total Assets	\$ 19,063,636	\$ 6,984,259	\$ 5,118,587	\$ 10,641,726	\$ 762,300	\$ 42,570,508
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ 897,759	\$ 1,445,568	\$ 65,312	\$ 1,727	\$ 45,259	\$ 2,455,625
Accrued liabilities	455,492	—	—	—	259	455,751
Due to other funds	—	59,554	—	—	95,000	154,554
Unearned revenue	60,589	3,585,808	3,469	—	—	3,649,866
Deposits	535,125	32,150	—	—	—	567,275
Advances from other funds	—	121,027	—	—	—	121,027
Total Liabilities	1,948,965	5,244,107	68,781	1,727	140,518	7,404,098
Deferred Inflows of Resources						
Unavailable revenues:						
Special assessments	—	71,470	—	—	16,564	88,034
Ambulance	140,487	—	—	—	—	140,487
Court	30,855	—	—	—	—	30,855
Total Deferred Inflows of Resources	171,342	71,470	—	—	16,564	259,376
Fund Balances (Deficit)						
Nonspendable:						
Inventory	12,901	—	—	—	—	12,901
Advances	121,027	—	—	—	—	121,027
Restricted for:						
Capital projects	—	1,668,682	—	9,893,151	—	11,561,833
Economic development	—	—	—	—	135,282	135,282
Debt service	—	—	—	746,848	230,990	977,838
Public safety	—	—	—	—	113,322	113,322
Sewer lateral	—	—	—	—	125,624	125,624
Committed for:						
Capital projects	—	—	5,049,806	—	—	5,049,806
Assigned to:						
Purchases on order	151,333	—	—	—	—	151,333
Unassigned	16,658,068	—	—	—	—	16,658,068
Total Fund Balances	16,943,329	1,668,682	5,049,806	10,639,999	605,218	34,907,034
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	\$ 19,063,636	\$ 6,984,259	\$ 5,118,587	\$ 10,641,726	\$ 762,300	\$ 42,570,508

CITY OF CLAYTON, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION September 30, 2016

Total Fund Balance - Governmental Funds \$ 34,907,034

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 \$127,741,882 and the accumulated depreciation is \$34,314,526. 93,427,356

Certain changes in the net pension liability are amortized over time and are not reported in the funds. 2,786,945

Property and other taxes assessed by the City, but not collected within 60 days after fiscal year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements. Likewise, assessments on certain properties are deferred within the fund financial statements until collected, but are recognized as revenue in the year of assessment in the government-wide statements. 259,376

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. 189,739

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	(269,377)
Net pension liability	(8,495,788)
Other post-employment benefit obligations	(459,613)
Compensated absences	(381,296)
Bonds payable	(38,749,617)
Unamortized bond premium	(840,279)
Unamortized deferred charges	234,270

Total Net Position - Governmental Activities \$ 82,608,750

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended September 30, 2016

	General	Capital Improvement Fund	Equipment Replacement Fund	2014 General Obligation Bond Issue Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
General property taxes	\$ 5,778,042	\$ —	\$ —	\$ 1,128,976	\$ 1,504,284	\$ 8,411,302
Special assessments	—	14,032	—	—	114,302	128,334
Sales taxes	4,330,748	2,926,608	—	—	—	7,257,356
Licenses and permits	1,934,515	—	—	—	—	1,934,515
Public utility licenses	5,235,918	—	—	—	—	5,235,918
Intergovernmental	1,184,328	1,294,172	—	—	192,157	2,670,657
Community programs	1,814,190	—	—	—	—	1,814,190
Parking facilities and meters	1,997,499	—	—	—	—	1,997,499
Fines and forfeitures	827,437	—	—	—	37,476	864,913
Donations and reimbursements	—	675,646	19,298	—	—	694,944
Investment income	164,738	30,426	21,738	111,697	3,393	331,992
Miscellaneous	370,966	16,590	1,200	—	10	388,766
Total Revenues	23,638,381	4,957,474	42,236	1,240,673	1,851,622	31,730,386
Expenditures						
Current:						
General government	3,148,997	—	—	—	—	3,148,997
Parks and recreation	2,131,223	—	—	—	—	2,131,223
Public safety	10,408,294	—	—	—	25,803	10,434,097
Public works	5,637,166	—	—	—	—	5,637,166
Economic development	598,487	—	—	—	—	598,487
Community development	920,584	—	—	—	—	920,584
Capital outlay	—	6,607,947	1,470,098	—	100,062	8,178,107
Debt service:						
Principal	207,579	—	—	550,000	2,825,000	3,582,579
Interest and fiscal charges	23,229	844	103,018	445,054	1,013,500	1,585,645
Total Expenditures	23,075,559	6,608,791	1,573,116	995,054	3,964,365	36,216,885
Revenues Over (Under) Expenditures	562,822	(1,651,317)	(1,530,880)	245,619	(2,112,743)	(4,486,499)
Other Financing Sources (Uses)						
Transfers in	1,622,126	4,541,954	1,345,342	—	2,424,085	9,933,507
Transfers out	(1,604,743)	(3,209,467)	—	(3,990,778)	(1,128,519)	(9,933,507)
Sale of capital assets	—	2,255,783	1,776,422	—	—	4,032,205
Total Other Financing Sources (Uses)	17,383	3,588,270	3,121,764	(3,990,778)	1,295,566	4,032,205
Net Change In Fund Balances	580,205	1,936,953	1,590,884	(3,745,159)	(817,177)	(454,294)
Fund Balances - Beginning Of Year	16,363,124	(268,271)	3,458,922	14,385,158	1,422,395	35,361,328
Fund Balances - End Of Year	\$ 16,943,329	\$ 1,668,682	\$ 5,049,806	\$ 10,639,999	\$ 605,218	\$ 34,907,034

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, 2016

Net Change In Fund Balances - Total Governmental Funds \$ (454,294)

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 \$7,978,185 over the capitalization threshold were less than depreciation of \$3,388,020 in the current period.

4,590,165

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.

(7,219)

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 \$84,709. 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 \$30,643 and \$6,933, respectively. Deferred inflows related to ambulance taxes increased this fiscal year by \$8,067.

(114,218)

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

Repayment of bond principal

3,673,970

Amortization of premiums and deferred amounts on refunding

78,144

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.

Write-off of Build America Bonds interest subsidy receivable

(72,467)

Accrued interest on debt

15,599

Prepaid expense

15,364

Compensated absences

(1,083)

Pension expense

(852,311)

Other post-employment benefits

(69,077)

Change In Net Assets Of Governmental Activities

\$ 6,802,573

CITY OF CLAYTON, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
September 30, 2016**

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 1,429,942
Investments:	
U.S. government and agency securities	1,393,361
Common stocks	5,313,083
Corporate bonds	4,268,672
Taxable municipal obligations	475,717
Mutual funds	34,784,542
Property funds	6,217,740
Interest receivable	89,085
Total Assets	<u>53,972,142</u>
Liabilities	
Accrued investment expenses	<u>7,347</u>
Net Position	
Held in trust for pension benefits	<u><u>\$ 53,964,795</u></u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For The Year Ended September 30, 2016

	Pension Trust Funds
Additions	
Contributions:	
Participant contributions	\$ 435,615
Employer contributions	1,504,878
Total Contributions	<u>1,940,493</u>
Investment Income:	
Net appreciation in fair value of investments and interest and dividends	5,414,748
Less: Investment expenses	<u>(233,901)</u>
Total Investment Income	<u>5,180,847</u>
Total Additions	7,121,340
Deductions	
Benefits paid	<u>2,738,837</u>
Change In Net Position	4,382,503
Net Position Held In Trust For Pension Benefits - Beginning Of Year	<u>49,582,292</u>
Net Position Held In Trust For Pension Benefits - End Of Year	<u>\$ 53,964,795</u>

CITY OF CLAYTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2016

1. Summary Of Significant Accounting Policies

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

Reporting Entity

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

Basis Of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Measurement Focus And Basis Of Accounting

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

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

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

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

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.

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 \$101,786 and \$16,512, respectively.

Inventories

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

Prepaid Items

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

Special Assessments Receivable

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

Capital Assets

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

<u>Asset</u>	<u>Years</u>
Building	15 - 50
Improvements other than buildings	5 - 20
Machinery and equipment	3 - 15
Infrastructure	30 - 50

Compensated Absences

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

Pensions

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

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

Net Position

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

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

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

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

Fund Balance

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

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

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

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

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the governmental funds. Since appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent year's budget to provide for the liquidation of prior commitments. Encumbrances do not constitute current year expenditures or liabilities. Encumbrances outstanding at year-end were \$151,333 for the General Fund, \$1,602,629 for the Capital Improvement Fund, \$3,000 for the Sewer Lateral Fund, and \$106,354 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).

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

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

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

Property Taxes

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Use Of Estimates

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

2. Deposits And Investments

Deposits

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

As of September 30, 2016, the City's bank balances were fully collateralized.

Investments

A summary of investments as of September 30, 2016 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	\$ 31,423,783	\$ —	\$ 18,362,522	\$ 13,061,261	\$ —	\$ —	Not rated
Repurchase agreements	1,500,000	—	1,500,000	—	—	—	Not rated
U.S. Agencies	2,342,271	—	—	2,342,271	—	—	AA +
Total Governmental Activities	35,266,054	—	19,862,522	15,403,532	—	—	
Fiduciary Funds							
U.S. government and agency securities:							
U.S. Treasuries	92,257	—	—	92,257	—	—	AA+
U.S. Agencies	1,301,104	—	457	320,287	16,347	964,013	AA+
Common stock	5,313,083	5,313,083	—	—	—	—	Not rated
Corporate bonds	202,286	—	—	—	132,099	70,187	AAA
Corporate bonds	492,384	—	—	262,742	92,091	137,551	AA
Corporate bonds	2,511,290	—	—	1,004,645	554,988	951,657	A
Corporate bonds	613,761	—	—	171,893	264,119	177,749	BBB
Corporate bonds	28,412	—	—	—	—	28,412	B
Corporate bonds	38,639	—	—	—	—	38,639	CCC
Corporate bonds	94,723	—	—	7,697	—	87,026	DDD
Corporate bonds	287,177	—	—	—	—	287,177	Not rated
Taxable municipal obligations	211,713	—	—	127,630	—	84,083	AA
Taxable municipal obligations	198,768	—	—	—	198,768	—	A
Taxable municipal obligations	65,236	—	—	65,236	—	—	Not rated
Mutual funds	34,784,542	34,784,542	—	—	—	—	Not rated
Property funds	6,217,740	6,217,740	—	—	—	—	Not rated
Total Fiduciary Funds	52,453,115	46,315,365	457	2,052,387	1,258,412	2,826,494	
Total Investments	\$ 87,719,169	\$ 46,315,365	\$ 19,862,979	\$ 17,455,919	\$ 1,258,412	\$ 2,826,494	

Investment Policy

Governmental Activities

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

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

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

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

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

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

Pension Trust Funds

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Investment Types And Maturities

Governmental Activities

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

Credit Risk

Governmental Activities

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

Pension Trust Funds

The investment policies of the pension funds do not address credit quality standards. The above table reflects the credit ratings for the two retirement plans associated with the securities invested in the pension trust funds as of September 30, 2016, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government.

Concentration Of Risk

Governmental Activities

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

Pension Trust Funds

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

Custodial Credit Risk

Governmental Activities

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

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

Pension Trusts

Custodial credit risk in the pension trust funds is the risk that in the event of the failure of the counterparty to a transaction, the pension funds will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The investment policies of the pension funds do not address custodial credit risk. At September 30, 2016, the City of Clayton Uniformed Employees' Pension Fund has \$6,137,750 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

During 2016, the City implemented GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72). GASB 72 requires additional disclosures regarding fair value and the methods used to determine the fair value of the City's investments.

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, 2016:

	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	\$ 31,423,783	\$ —	\$ 31,423,783	\$ —
Repurchase agreement	1,500,000	—	1,500,000	—
U.S. agency securities	2,342,271	—	2,342,271	—
Primary government investments at fair value level	35,266,054	—	35,266,054	—
Fiduciary Funds				
U.S. government and agency securities	1,393,361	—	1,393,361	—
Common stocks	5,313,083	5,313,083	—	—
Corporate bonds	4,268,672	—	4,268,672	—
Taxable municipal obligations	475,717	—	475,717	—
Mutual funds	30,030,468	30,030,468	—	—
Fiduciary funds investments at fair value level	41,481,301	35,343,551	6,137,750	—
Total investments by fair value level	76,747,355	35,343,551	41,403,804	—
Investments measured at net asset value (NAV):				
Fiduciary Funds				
Closely held mutual fund	4,754,074			
Property fund	6,217,740			
Total assets measured at the NAV	10,971,814			
Total assets measured at fair value	\$ 87,719,169			

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}	\$ 4,754,074	\$ —	Daily	1 Day
Property fund {b}	6,217,740	—	Quarterly	60 days notice
	<u>\$ 10,971,814</u>	<u>\$ —</u>		

(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, 2015	Increases	Decreases	Balance - September 30, 2016
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 9,255,672	\$ 690,951	\$ —	\$ 9,946,623
Construction in process	1,198,513	4,848,295	2,756,575	3,290,233
Total capital assets not being depreciated	10,454,185	5,539,246	2,756,575	13,236,856
Capital assets, being depreciated:				
Buildings	56,524,667	654,229	—	57,178,896
Improvements other than buildings	5,736,681	448,923	9,846	6,175,758
Machinery and equipment	10,053,213	1,335,787	226,966	11,162,034
Infrastructure	37,231,763	2,756,575	—	39,988,338
Total capital assets being depreciated	109,546,324	5,195,514	236,812	114,505,026
Less accumulated depreciation for:				
Buildings	11,811,517	1,324,327	—	13,135,844
Improvements other than buildings	1,185,523	239,047	8,022	1,416,548
Machinery and equipment	5,879,933	837,404	221,571	6,495,766
Infrastructure	12,279,126	987,242	—	13,266,368
Total accumulated depreciation	31,156,099	3,388,020	229,593	34,314,526
Total capital assets being depreciated, net	78,390,225	1,807,494	7,219	80,190,500
Governmental activities capital assets, net	\$ 88,844,410	\$ 7,346,740	\$ 2,763,794	\$ 93,427,356

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, 2016
Governmental activities:	
General government	\$ 656,125
Public safety	925,751
Public works	1,313,005
Parks and recreation	493,139
	<hr/>
	\$ 3,388,020
	<hr/> <hr/>

4. Interfund Balances

Interfund balances are the result of an advance of funds from the General Fund to the Capital Improvement Fund to finance an energy efficiency project and also the purchase of investments which are pooled in the General Fund. Interfund balances are expected to be repaid during the fiscal year ended September 30, 2017.

Interfund receivable and payable balances at September 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 59,554
General Fund	Special Taxing District Fund	80,000
General Fund	Sewer Lateral Fund	15,000
		<hr/>
		\$ 154,554
		<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, 2016</u>
General Fund	Special Taxing District Fund	\$ 474,194
General Fund	Capital Improvement Fund	1,147,932
Equipment Replacement Fund	General Fund	1,345,342
2014 Special Obligation Refunded Bonds Fund	General Fund	215,675
2014 Special Obligation Refunded Bonds Fund	Capital Improvement Fund	1,403,500
2014 Special Obligation Refunded Bonds Fund	2005 Bond Debt Service Fund	146,875
Capital Improvement Fund	General Fund	43,726
Capital Improvement Fund	2014 General Obligation Bond Fund	3,990,778
Capital Improvement Fund	2011 Bond Issue Fund	507,450
2011 Bond Issue Fund	Capital Improvement Fund	658,035
		<u>\$ 9,933,507</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, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance - September 30, 2016</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
General obligation bonds	\$ 15,000,000	\$ —	\$ 550,000	\$ 14,450,000	\$ 560,000
Special obligation capital improvement bonds	26,270,000	—	2,825,000	23,445,000	2,870,000
Unamortized premiums	964,745	—	124,466	840,279	—
Note payable	558,212	—	207,579	350,633	218,214
Capital lease payable	595,375	—	91,391	503,984	93,329
Compensated absences	380,213	764,846	763,763	381,296	362,231
Total Governmental Activities	<u>\$ 43,768,545</u>	<u>\$ 764,846</u>	<u>\$ 4,562,199</u>	<u>\$ 39,971,192</u>	<u>\$ 4,103,774</u>

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2016 was \$14,450,000.

Special Obligation Refunding Bonds, Series 2014 totaling \$6,735,000 were issued on October 7, 2014 with interest rates ranging from 3% to 4%, maturing March 15, 2019. The 2014 bonds were issued to refund the Series 2005A and Series 2007 special obligation bonds. The balance of the Series 2014 bonds at September 30, 2016 was \$3,880,000.

During 2015, the refunding of the 2005A bonds and 2007 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$274,781. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged to operations through 2018 using the straight-line method.

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, 2016 was \$8,235,000.

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 mature December 1, 2019 and December 1, 2029, respectively. The balance at September 30, 2016 was \$2,750,000 and \$8,580,000, respectively.

Special Obligation Bonds, Series 2005B totaling \$2,655,000 were issued on April 26, 2005 with interest rates ranging from 4.85%, maturing December 1, 2015. The 2005B bonds were issued to refund the 1998B bonds. During 2016, the balance was paid in full.

The City has an agreement with St. Louis County, Missouri (the County) to pay for a portion of the Shaw Park Parking Garage. The garage was completed in fiscal year 2005 and the City's portion of the garage to be repaid to the County is \$2,764,176. The note bears interest at rates similar to those found in the bonds the County issued, which range from 4.0% to 4.75%. Monthly payments of \$19,234 will continue through April 2018. The balance at September 30, 2016 was \$350,633.

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,	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 560,000	\$ 433,638	\$ 993,638
2018	580,000	422,238	1,002,238
2019	595,000	410,488	1,005,488
2020	620,000	392,138	1,012,138
2021	640,000	366,937	1,006,937
2022-2026	3,625,000	1,501,814	5,126,814
2027-2031	4,550,000	898,195	5,448,195
2032-2034	3,280,000	163,213	3,443,213
	\$ 14,450,000	\$ 4,588,661	\$ 19,038,661

For The Year Ending September 30,	Special Obligation Capital Improvement Bonds		
	Principal	Interest	Total
2017	\$ 2,870,000	\$ 903,480	\$ 3,773,480
2018	2,535,000	803,506	3,338,506
2019	1,805,000	727,113	2,532,113
2020	1,165,000	676,398	1,841,398
2021	1,200,000	630,998	1,830,998
2022-2026	6,560,000	2,347,681	8,907,681
2027-2031	6,675,000	770,837	7,445,837
2032	635,000	10,316	645,316
	\$ 23,445,000	\$ 6,870,329	\$ 30,315,329

For The Year Ending September 30,	Note Payable		
	Principal	Interest	Total
2017	\$ 218,214	\$ 12,594	\$ 230,808
2018	132,419	2,219	134,638
	\$ 350,633	\$ 14,813	\$ 365,446

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 \$462,774 at September 30, 2015.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

For The Year	
<u>Ending September 30,</u>	
2017	\$ 103,018
2018	103,018
2019	103,018
2020	103,018
2021	103,018
2022	<u>17,170</u>
Total minimum lease payments	532,260
Less: Amount representing interest	<u>(28,276)</u>
Present value of future minimum lease payments	<u>\$ 503,984</u>

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, 2016, there were three 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, 2016, \$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, 2016, \$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, 2016, \$2,860,717 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.

Current membership in the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	50
Active employees	<u>83</u>
	<u><u>180</u></u>

Benefits provided

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 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 \$559,056 were made by the City to the NUERF in fiscal year 2016. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at July 1, 2016. The Entry Age Normal actuarial funding method is used to determine contributions.

Net Pension Liability and Related Disclosures

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance At September 30, 2015	\$ 17,087,895	\$ 15,062,170	\$ 2,025,725
Changes For The Year:			
Service cost	478,954	—	478,954
Interest	1,195,165	—	1,195,165
Differences between expected and actual experience	(427,158)	—	(427,158)
Changes of assumptions	(130,351)	—	(130,351)
Contributions - employer	—	559,056	(559,056)
Contributions - employee	—	144,794	(144,794)
Net investment income	—	249,335	(249,335)
Benefit payments	(702,700)	(702,700)	—
Administrative expense	—	(52,551)	52,551
Net changes	413,910	197,934	215,976
Balance At September 30, 2016	\$ 17,501,805	\$ 15,260,104	\$ 2,241,701

Plan Fiduciary Net Position As A

Percentage Of The Total Pension Liability

87.19%

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, 2016
Inflation	2.0%
Salary increases	4.0%
Investment rate of return	7.0%

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected real future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation are summarized in the following table:

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

- 1) Long-term arithmetic average nominal return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.
- 2) Long-term arithmetic average real return is the long-term average nominal return minus an average annual inflation rate of 3.60%.

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 a 20-year amortization of unfunded liabilities. Based on this assumption, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

Sensitivity Of The NPL To Changes In The Discount Rate

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount rate	6.00%	7.00%	8.00%
Net pension liability	\$ 4,616,241	\$ 2,241,701	\$ 265,667

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

For the year ended September 30, 2016, the City recognized pension expense of \$633,505 related to the NUERF. At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the NUERF from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experience	\$ —	\$ 388,068
Changes of assumptions	267,408	106,207
Differences between expected and actual investment income	642,599	45,494
Balance At September 30, 2016	\$ 910,007	\$ 539,769

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:

Year Ended September 30,	Deferred Outflows Of Resources	Deferred Inflows Of Resources
2017	\$ 233,553	\$ 129,340
2018	233,553	129,340
2019	233,553	129,338
2020	209,348	110,552
2021	—	41,199
	<u>\$ 910,007</u>	<u>\$ 539,769</u>

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	70
Inactive employees entitled to but not yet receiving benefits	7
Active employees	<u>81</u>
	<u><u>158</u></u>

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.

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 \$945,822 were made by the City to the UERF in fiscal year 2016. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at January 1, 2016. The Entry Age Normal actuarial funding method is used to determine contributions.

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 September 30, 2015	\$ 41,013,316	\$ 36,765,240	\$ 4,248,076
Changes For The Year:			
Service cost	838,618	—	838,618
Interest	2,860,499	—	2,860,499
Differences between expected and actual experience	457,271	—	457,271
Contributions - employer	—	945,822	(945,822)
Contributions - employee	—	264,381	(264,381)
Net investment income	—	1,152,431	(1,152,431)
Benefit payments	(2,009,305)	(2,009,305)	—
Administrative expenses	—	(212,257)	212,257
Net Changes	2,147,083	141,072	2,006,011
Balance At September 30, 2016	\$ 43,160,399	\$ 36,906,312	\$ 6,254,087

Plan Fiduciary Net Position As A

Percentage Of The Total Pension Liability

85.51%

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	January 1, 2016
Inflation	2.0%
Salary increases	3.5%
Investment rate of return	7.0%

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected real future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target allocation are summarized in the following table:

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

- 1) Long-term arithmetic average nominal return is the average return assumption for any given year derived from long-term risk premiums and a long-term average risk-free rate.
- 2) Long-term arithmetic average real return is the long-term average nominal return minus an average annual inflation rate of 3.60%.

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to follow the current funding policy of contributing employer normal cost plus a 20-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 (asset) of the retirement system, calculated using the discount rate determined above, as well as what the system's NPL (asset) would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount rate	6.00%	7.00%	8.00%
Net pension liability (asset)	\$ 11,890,721	\$ 6,254,087	\$ 1,611,731

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

For the year ended September 30, 2016, the City recognized pension expense of \$1,723,684 related to the UERF. At September 30, 2016, the City reported deferred outflows of resources related to the UERF from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 1,025,147
Differences between expected and actual investment income	1,391,560
Balance at September 30, 2016	\$ 2,416,707

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 UERF will be recognized in pension expense as follows:

Year Ended September 30,		
2017	\$	615,460
2018	\$	615,460
2019	\$	615,460
2020	\$	504,557
2021	\$	65,770
	<u>\$</u>	<u>2,416,707</u>

8. Other Post Employment Benefits

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

	For The Year Ended September 30, 2016
Annual required contribution	\$ 116,298
Interest on OPEB obligation	12,819
Adjustment to annual required contribution	<u>(23,581)</u>
Annual OPEB cost	105,536
Contributions made	<u>36,459</u>
Increase in OPEB obligation	69,077
Net OPEB obligation - beginning of year	<u>390,536</u>
Net OPEB obligation - end of year	<u>\$ 459,613</u>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

<u>For The Years Ended September 30</u>	<u>Annual OPEB Cost</u>	<u>Contribution Made</u>	<u>Percentage Of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 105,536	\$ 36,459	34.55%	\$ 459,613
2015	105,536	35,475	33.61%	390,536
2014	86,827	41,642	47.96%	320,475

Actuarial Methods And Assumptions

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

In the October 1, 2014 actuarial valuation, the liabilities were computed using the Projected Unit Credit Method. The initial unfunded actuarial accrued liability is being amortized over 20 years. The actuarial assumptions utilized a 4% discount rate. The valuation assumes a 9% premium cost rate for fiscal year 2015, reduced by decrements to an ultimate 5% increase for 2030 and later years.

9. Deferred Compensation Plan

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

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

11. Joint Venture

Pursuant to an agreement authorized by City ordinance, the City joined with the Clayton School District to construct and operate a recreational facility. The construction was funded by the City and the Clayton School District. Administration, accounting, repair, and maintenance of the facility will be shared in accordance with the agreement. The City has contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the Clayton City Hall. The City is liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$100,000 for its share of the operational cash shortage incurred by the joint venture for the year ended September 30, 2016.

A condensed summary of financial information for the joint venture as of and for its fiscal year ended September 30, 2016 is as follows:

Assets	<u>\$ 11,824,450</u>
Liabilities	<u>534,168</u>
Net Position	
Net investment in capital assets	11,563,344
Unrestricted	<u>(273,062)</u>
Total Net Position	<u><u>\$ 11,290,282</u></u>
Operating revenue	\$ 2,896,904
Operating expenses	(3,648,564)
Nonoperating revenues (expenses)	43,196
Capital contributions	<u>200,000</u>
Change in net position	<u><u>\$ (508,464)</u></u>

12. Commitments And Contingencies

Litigation

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

Federal Grants

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

13. Net Position/Fund Balance

The government-wide statement of net position reports \$3,020,248 of restricted net position, of which \$374,228 is restricted by enabling legislation.

14. Lease Agreement

The City entered into a lease agreement to rent part of the police building. The lease term is May 2013 through May 2033. The amount paid in advance of \$4,325,269 will be recognized over 20 years. At September 30, 2016, the unearned rent was \$3,585,808.

15. Traffic Violations

House Bill 103 amending RSMo section 302.341 became effective August 28, 2013. The amendments to the statute now require 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 30% 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, forfeitures, and court costs for minor traffic violations of \$827,437 of which \$805,946 represent traffic violations and other traffic related items. This amount is approximately 3.7% of total general revenues of \$21,795,996 and, accordingly, the City believes it is in compliance with the requirements of the Statute.

House Bill 103 was amended effective January 1, 2016 to reduce the percentage of the general revenue that comes from traffic violations to an amount not to exceed 12.5% of total general revenues for municipalities located in St. Louis County. This will be effective for the City's fiscal year 2017.

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, 2016

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 6,027,100	\$ 5,777,100	\$ 5,778,042	\$ 942
Licenses and permits	1,926,160	1,926,160	1,934,515	8,355
Sales taxes	4,357,500	4,357,500	4,330,748	(26,752)
Public utility licenses	5,597,800	5,237,800	5,235,918	(1,882)
Intergovernmental	992,400	1,003,602	1,044,443	40,841
Community programs	1,912,230	1,962,402	1,814,190	(148,212)
Parking facilities and meters	1,970,950	1,945,950	1,997,499	51,549
Fines and forfeitures	986,200	819,200	827,437	8,237
Investment income	109,350	109,350	164,738	55,388
Miscellaneous	270,100	380,294	370,966	(9,328)
Total Revenues	24,149,790	23,519,358	23,498,496	(20,861)
Expenditures				
Current:				
General government				
Nondepartmental	535,346	535,214	468,309	(66,905)
Information systems	1,007,664	786,405	755,455	(30,950)
Finance	791,606	760,347	737,273	(23,074)
City manager's office	543,798	586,234	579,203	(7,031)
Municipal court	314,840	321,836	288,217	(33,619)
Board of aldermen and city clerk	97,342	89,430	81,314	(8,116)
Personnel administration	238,579	237,987	226,030	(11,957)
Public safety	10,523,610	10,341,948	10,268,409	(73,539)
Public works	6,124,282	5,828,946	5,637,166	(191,780)
Parks and recreation	2,148,519	2,165,534	2,131,223	(34,311)
Economic development	679,265	643,789	598,487	(45,302)
Community development	925,184	926,390	920,584	(5,806)
Debt service				
Principal	207,579	207,579	207,579	—
Interest and fiscal charges	23,230	23,230	23,229	(1)
Total Expenditures	24,160,844	23,454,869	22,922,478	(532,391)
Revenues Over (Under) Expenditures	(11,054)	64,489	576,018	511,530
Other Financing Sources (Uses)				
Transfers in	1,630,543	1,630,543	1,622,126	(8,417)
Transfers out	(1,613,160)	(1,613,160)	(1,604,743)	(8,417)
Total Other Financing Sources (Uses)	17,383	17,383	17,383	—
Net Change In Fund Balances	\$ 6,329	\$ 81,872	593,401	\$ 511,530
Nonbudgeted Activity			(13,196)	
Net Change In Fund Balances - GAAP Basis			580,205	
Fund Balance - Beginning Of Year			16,363,124	
Fund Balance - End Of Year			\$ 16,943,329	

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION September 30, 2016

Explanation Of Budgetary Process

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

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

Expenditures exceeded appropriations in the following funds and departments at September 30, 2016:

<u>Fund</u>	<u>Amount</u>
Nonuniformed Employees' Retirement Fund	\$ 68,725

CITY OF CLAYTON, MISSOURI

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

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

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

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

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS NONUNIFORMED EMPLOYEES' RETIREMENT FUND

	Fiscal Year Ended September 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 547,815	\$ 531,691	\$ 453,411	\$ 582,958	\$ 396,443	\$ 423,850	\$ 353,902	\$ 251,507	\$ 255,620	\$ 256,078
Contributions in relation to the actuarially determined contribution	559,056	544,097	473,909	639,229	363,049	243,242	161,614	—	—	—
Contribution deficiency (excess)	\$ (11,241)	\$ (12,406)	\$ (20,498)	\$ (56,271)	\$ 33,394	\$ 180,608	\$ 192,288	\$ 251,507	\$ 255,620	\$ 256,078
Covered employee payroll*	\$ 5,005,772	\$ 4,793,040	\$ 4,864,905	\$ 4,173,224	\$ 4,333,343	\$ 4,367,581	\$ 4,724,615	\$ 4,690,330	\$ 4,477,087	\$ 4,201,226
Contributions as a percentage of covered employee payroll	11.17%	11.35%	9.74%	15.32%	8.38%	5.57%	3.42%	0.00%	0.00%	0.00%

Valuation date: July 1, 2016

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

* Covered employee payroll for the City's fiscal year is not available as the City only calculates covered employee payroll once per year as of the plan measurement date as part of the process of preparing the actuarial valuation. Thus, covered employee payroll reported for each fiscal year relates to the most recently completed plan year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open period
Remaining amortization period	20 years
Asset valuation method	Assumed-yield method, with a 20% adjustment to market value
Inflation	2%
Salary increases	4%
Investment rate of return	7%, net of expenses
Retirement age	Probabilities of retirement are assigned to ages between 55 and 69, with all employees assumed to retire by age 69
Mortality	2016 and 2015: RP-2000 Combined Healthy Table Generational projection using Scale BB 2014: 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,		
	2016	2015	2014
Annual money-weighter rate of return, net of investment expense	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,	
	2015	2014
Total pension liability		
Service cost	\$ 838,618	\$ 839,544
Interest	2,860,499	2,753,542
Differences between expected and actual experience	457,271	977,634
Benefit payments	(2,009,305)	(3,094,899)
Net change in total pension liability	2,147,083	1,475,821
Total pension liability - beginning	41,013,316	39,537,495
Total pension liability - ending	\$ 43,160,399	\$ 41,013,316
Plan fiduciary net position		
Contributions - employer	\$ 945,822	\$ 857,131
Contributions - employee	264,381	249,647
Net investment income	1,152,431	1,876,874
Benefit payments	(2,009,305)	(3,094,899)
Administrative expenses	(212,257)	—
Net change in fiduciary net position	141,072	(111,247)
Plan fiduciary net position - beginning	36,765,240	36,876,487
Plan fiduciary net position - ending	\$ 36,906,312	\$ 36,765,240
Net pension liability - ending	\$ 6,254,087	\$ 4,248,076
Plan fiduciary net position as a percentage of the total net pension liability	85.51%	89.64%
Covered employee payroll	\$ 5,319,108	\$ 5,493,694
Net pension liability as a percentage of covered employee payroll	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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 1,000,892	\$ 777,547	\$ 1,004,082	\$ 1,029,534	\$ 965,627	\$ 990,993	\$ 1,125,201	\$ 677,396	\$ 733,009	\$ 756,282
Contributions in relation to the actuarially determined contribution	945,822	857,131	1,004,082	1,333,906	965,627	990,993	1,125,201	677,396	733,009	756,282
Contribution deficiency (excess)	\$ 55,070	\$ (79,584)	\$ —	\$ (304,372)	\$ —					
Covered employee payroll*	\$ 5,319,108	\$ 5,493,694	\$ 4,909,329	\$ 5,511,753	\$ 5,735,000	\$ 5,502,000	\$ 5,688,000	\$ 5,274,000	\$ 5,102,000	\$ 5,171,000
Contributions as a percentage of covered employee payroll	17.78%	15.60%	20.45%	24.20%	16.84%	18.01%	19.78%	12.84%	14.37%	14.63%

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, 2015 in the fiscal year prior to the fiscal year in which contributions are reported.

* Covered employee payroll for the City's fiscal year is not available as the City only calculates covered employee payroll once per year as of the plan measurement date as part of the process of preparing the actuarial valuation. Thus, covered employee payroll reported for each fiscal year relates to the most recently completed plan year.

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	18 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	2016 and 2015: RP-2000 Blue Collar Table with Generational improvement using Scale BB 2014: 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,		
	2016	2015	2014
Annual money-weighter rate of return, net of investment expense	3.18%	5.69%	16.85%

Note to Schedule:

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

CITY OF CLAYTON, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
OTHER POST-EMPLOYMENT BENEFIT PLAN
September 30, 2016**

Actuarial Valuation Dated October 1	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll ((b - a) / c)
2014	\$ —	\$ 816,449	\$ (816,449)	0%	\$ 9,427,076	8.66%
2012	—	713,009	(713,009)	0%	10,185,513	7.00%
2010	—	838,489	(838,489)	0%	10,322,076	8.12%

Other Supplementary Information

CITY OF CLAYTON, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

DEBT SERVICE FUNDS

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

2005 Bond Debt Service Fund - This fund is used to account for the accumulation of resources for, and the payment of, special obligation refunding bond principal and interest.

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

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

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

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 147,514	\$ 235,266	\$ 382,780
Investments	359,959	—	359,959
Property taxes receivable	1,773	17,372	19,145
Interest receivable	416	—	416
Total Assets	\$ 509,662	\$ 252,638	\$ 762,300
Liabilities And Fund Balances			
Liabilities			
Accounts payable	\$ 40,175	\$ 5,084	\$ 45,259
Accrued liabilities	259	—	259
Due to other funds	95,000	—	95,000
Total Liabilities	135,434	5,084	140,518
Deferred Inflows Of Resources			
Unavailable revenues:			
Special assessments	—	16,564	16,564
	—	16,564	16,564
Fund Balances			
Restricted for:			
Economic development	135,282	—	135,282
Debt service	—	230,990	230,990
Public safety	113,322	—	113,322
Sewer lateral	125,624	—	125,624
Total Fund Balances	374,228	230,990	605,218
Total Liabilities, Deferred Inflows, And Fund Balances	\$ 509,662	\$ 252,638	\$ 762,300

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS September 30, 2016

	Special Taxing District	Sewer Lateral	Drug Forfeiture	Total
Assets				
Cash and cash equivalents	\$ 10,925	\$ 5,243	\$ 131,346	\$ 147,514
Investments	214,781	145,178	—	359,959
Property tax receivable	—	1,773	—	1,773
Interest receivable	236	180	—	416
Total Assets	225,942	152,374	131,346	509,662
Liabilities And Fund Balances				
Liabilities				
Accounts payable	10,401	11,750	18,024	40,175
Accrued liabilities	259	—	—	259
Due to other funds	80,000	15,000	—	95,000
Total Liabilities	90,660	26,750	18,024	135,434
Fund Balances				
Restricted for:				
Economic development	135,282	—	—	135,282
Public safety	—	—	113,322	113,322
Sewer lateral	—	125,624	—	125,624
Total Fund Balances	135,282	125,624	113,322	374,228
Total Liabilities And Fund Balances	\$ 225,942	\$ 152,374	\$ 131,346	\$ 509,662

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2016**

	2005 Bond Debt Service Fund	2009 Build America Bond Fund	2011 Bond Issue Fund	2014 Special Obligation Bond Fund	Total
Assets					
Cash and cash equivalents	\$ —	\$ 64,380	\$ 8,348	\$ 162,538	\$ 235,266
Property taxes receivable	—	—	—	17,372	17,372
Total Assets	\$ —	\$ 64,380	\$ 8,348	\$ 179,910	\$ 252,638
Liabilities, Deferred Inflows Of Resources And Fund Balances					
Liabilities					
Accounts payable	\$ —	\$ 5,084	\$ —	\$ —	\$ 5,084
Deferred Inflows Of Resources					
Unavailable revenues:					
Special assessments	—	—	—	16,564	16,564
Fund Balances					
Restricted for:					
Debt service	—	59,296	8,348	163,346	230,990
Total Fund Balances	—	59,296	8,348	163,346	230,990
Total Liabilities And Fund Balances	\$ —	\$ 64,380	\$ 8,348	\$ 179,910	\$ 252,638

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended September 30, 2016

	Special Revenue	Debt Service Fund	Total
Revenues			
General property taxes	\$ 437,184	\$ 1,067,100	\$ 1,504,284
Assessment income	94,107	20,195	114,302
Intergovernmental	—	192,157	192,157
Fines and forfeitures	37,476	—	37,476
Investment income	1,977	1,416	3,393
Miscellaneous	—	10	10
Total Revenues	570,744	1,280,878	1,851,622
Expenditures			
Current:			
Public safety	25,803	—	25,803
Capital outlay	100,062	—	100,062
Debt service:			
Principal	—	2,825,000	2,825,000
Interest and fiscal charges	—	1,013,500	1,013,500
Total Expenditures	125,865	3,838,500	3,964,365
Revenues Over (Under) Expenditures	444,879	(2,557,622)	(2,112,743)
Other Financing Sources (Uses)			
Transfers in	—	2,424,085	2,424,085
Transfers out	(474,194)	(654,325)	(1,128,519)
Total Other Financing Sources (Uses)	(474,194)	1,769,760	1,295,566
Net Change In Fund Balances	(29,315)	(787,862)	(817,177)
Fund Balances			
Beginning of year	403,543	1,018,852	1,422,395
End of year	\$ 374,228	\$ 230,990	\$ 605,218

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2016

	Special Taxing District	Sewer Lateral	Drug Forfeiture	Total
Revenues				
General property taxes	\$ 437,184	\$ —	\$ —	\$ 437,184
Assessment income	—	94,107	—	94,107
Fines and forfeitures	—	—	37,476	37,476
Investment income	952	755	270	1,977
Total Revenues	438,136	94,862	37,746	570,744
Expenditures				
Current:				
Public safety	—	—	25,803	25,803
Capital outlay	—	100,062	—	100,062
Total Expenditures	—	100,062	25,803	125,865
Revenues Over (Under)				
Expenditures	438,136	(5,200)	11,943	444,879
Other Financing Sources (Uses)				
Transfers out	(474,194)	—	—	(474,194)
Total Other Financing Sources (Uses)	(474,194)	—	—	(474,194)
Net Change In Fund Balances	(36,058)	(5,200)	11,943	(29,315)
Fund Balances				
Beginning of year	171,340	130,824	101,379	403,543
End of year	<u>\$ 135,282</u>	<u>\$ 125,624</u>	<u>\$ 113,322</u>	<u>\$ 374,228</u>

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For The Year Ended September 30, 2016

	2005 Bond Debt Service Fund	2009 Build America Bond Fund	2011 Bond Issue Fund	2014 Special Obligation Bond Fund	Total
Revenues					
General property taxes	\$ —	\$ 1,067,100	\$ —	\$ —	\$ 1,067,100
Assessment income	—	—	—	20,195	20,195
Intergovernmental	—	192,157	—	—	192,157
Investment income	158	861	291	106	1,416
Miscellaneous income	—	—	—	10	10
Total Revenues	158	1,260,118	291	20,311	1,280,878
Expenditures					
Debt service:					
Principal	315,000	645,000	415,000	1,450,000	2,825,000
Interest and fiscal charges	7,683	589,925	235,104	180,788	1,013,500
Total Expenditures	322,683	1,234,925	650,104	1,630,788	3,838,500
Revenues Under Expenditures	(322,525)	25,193	(649,813)	(1,610,477)	(2,557,622)
Other Financing Sources (Uses)					
Transfers in	—	—	658,035	1,766,050	2,424,085
Transfers out	(146,875)	—	(507,450)	—	(654,325)
Total Other Financing Sources (Uses)	(146,875)	—	150,585	1,766,050	1,769,760
Net Change In Fund Balances	(469,400)	25,193	(499,228)	155,573	(787,862)
Fund Balances					
Beginning of year	469,400	34,103	507,576	7,773	1,018,852
End of year	\$ —	\$ 59,296	\$ 8,348	\$ 163,346	\$ 230,990

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, 2016

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 423,424	\$ 439,424	\$ 437,184	\$ (2,240)
Investment income	770	770	952	182
Total Revenues	424,194	440,194	438,136	(2,058)
Expenditures				
Economic development	—	—	—	—
Revenues Over (Under) Expenditures	424,194	440,194	438,136	(2,058)
Other Financing Sources (Uses)				
Transfers out	(474,194)	(474,194)	(474,194)	—
Net Change In Fund Balances	\$ (50,000)	\$ (34,000)	(36,058)	\$ (2,058)
Fund Balances				
Beginning of year			171,340	
End of year			\$ 135,282	

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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
Assessment income	\$ 90,600	\$ 90,600	\$ 94,107	\$ 3,507
Investment income	550	550	755	205
Total Revenues	<u>91,150</u>	<u>91,150</u>	<u>94,862</u>	<u>3,712</u>
Expenditures				
Capital outlay	<u>120,000</u>	<u>120,000</u>	<u>100,062</u>	<u>(19,938)</u>
Net Change In Fund Balance	<u>\$ (28,850)</u>	<u>\$ (28,850)</u>	<u>(5,200)</u>	<u>\$ 23,650</u>
Fund Balances				
Beginning of year			<u>130,824</u>	
End of year			<u>\$ 125,624</u>	

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 2005 BOND DEBT SERVICE FUND - BUDGET BASIS

For The Year Ended September 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
Investment income	\$ 150	\$ 150	\$ 158	\$ 8
Expenditures				
Debt service:				
Principal	315,000	315,000	315,000	—
Interest and fiscal charges	10,639	10,639	7,683	(2,956)
Total Expenditures	<u>325,639</u>	<u>325,639</u>	<u>322,683</u>	<u>(2,956)</u>
Revenues Over (Under) Expenditures	<u>(325,489)</u>	<u>(325,489)</u>	<u>(322,525)</u>	<u>2,964</u>
Other Financing Sources (Uses)				
Transfers out	<u>(142,059)</u>	<u>(142,059)</u>	<u>(146,875)</u>	<u>(4,816)</u>
Net Change In Fund Balances	<u>\$ (467,548)</u>	<u>\$ (467,548)</u>	<u>(469,400)</u>	<u>\$ (1,852)</u>
Fund Balances				
Beginning of year			<u>469,400</u>	
End of year			<u>\$ —</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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
General property taxes	\$ 1,137,200	\$ 1,137,200	\$ 1,067,100	\$ (70,100)
Intergovernmental	191,126	191,126	192,157	\$ 1,031
Investment income	1,600	1,600	861	(739)
Total Revenues	<u>1,329,926</u>	<u>1,329,926</u>	<u>1,260,118</u>	<u>(69,808)</u>
Expenditures				
Debt service:				
Principal	645,000	645,000	645,000	—
Interest and fiscal charges	592,078	592,078	589,925	(2,153)
Total Expenditures	<u>1,237,078</u>	<u>1,237,078</u>	<u>1,234,925</u>	<u>(2,153)</u>
Net Change In Fund Balances	<u>\$ 92,848</u>	<u>\$ 92,848</u>	25,193	<u>\$ 67,655</u>
Fund Balances				
Beginning of year			<u>34,103</u>	
End of year			<u>\$ 59,296</u>	

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – 2011 BOND ISSUE DEBT SERVICE FUND – BUDGET BASIS For The Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Investment income	\$ —	\$ —	\$ 291	\$ 291
Expenditures				
Debt service:				
Principal	415,000	415,000	415,000	—
Interest and fiscal charges	240,313	235,313	235,104	(209)
Total Expenditures	655,313	650,313	650,104	(209)
Revenues Under Expenditures	(655,313)	(650,313)	(649,813)	(500)
Other Financing Sources (Uses)				
Transfers in	658,035	658,035	658,035	—
Transfers out	(140,000)	(507,500)	(507,450)	50
Total Other Financing Sources (Uses)	518,035	150,535	150,585	50
Net Change In Fund Balances	\$ (137,278)	\$ (499,778)	(499,228)	\$ (550)
Fund Balances				
Beginning of year			507,576	
End of year			\$ 8,348	

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – 2014 S.O. BOND ISSUE DEBT SERVICE FUND – BUDGET BASIS For The Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Assessment income	\$ 11,325	\$ 11,325	\$ 20,195	\$ 8,870
Investment income	—	—	106	106
Total Revenues	<u>11,325</u>	<u>11,325</u>	<u>20,301</u>	<u>8,976</u>
Expenditures				
Debt service:				
Principal	1,450,000	1,450,000	1,450,000	—
Interest and fiscal charges	180,500	181,500	180,788	(712)
Total Expenditures	<u>1,630,500</u>	<u>1,631,500</u>	<u>1,630,788</u>	<u>(712)</u>
Revenues Under Expenditures	<u>(1,619,175)</u>	<u>(1,620,175)</u>	<u>(1,610,487)</u>	<u>(9,688)</u>
Other Financing Sources (Uses)				
Transfers in	1,761,234	1,761,234	1,766,050	4,816
Net Change In Fund Balances	<u>\$ 142,059</u>	<u>\$ 141,059</u>	155,563	<u>\$ (14,504)</u>
Fund Balances				
Beginning of year			<u>7,773</u>	
End of year			<u>\$ 163,336</u>	

CITY OF CLAYTON, MISSOURI

MAJOR GOVERNMENTAL FUNDS – BUDGETARY INFORMATION

CAPITAL PROJECTS FUNDS

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

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

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

DEBT SERVICE FUNDS

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

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

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND - BUDGET BASIS For The Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Assessment income	\$ 7,602	\$ 7,602	\$ 14,032	\$ 6,430
Sales tax	3,232,050	3,232,050	2,926,608	(305,442)
Intergovernmental	1,207,913	1,359,688	1,294,172	(65,516)
Donations and reimbursements	2,974,987	458,659	675,646	216,987
Investment income	22,100	22,100	30,426	8,326
Miscellaneous	42,300	42,300	16,590	(25,710)
Total Revenues	7,486,952	5,122,399	4,957,474	(164,925)
Expenditures				
Capital outlay	10,338,968	6,670,958	6,607,947	(63,011)
Debt service:				
Interest and fiscal charges	845	845	844	(1)
Total Expenditures	10,339,813	6,671,803	6,608,791	(63,012)
Revenues Under Expenditures	(2,852,861)	(1,549,404)	(1,651,317)	(101,913)
Other Financing Sources (Uses)				
Transfers in	5,296,362	4,534,530	4,541,954	7,424
Transfers out	(3,217,884)	(3,217,884)	(3,209,467)	8,417
Sale of capital assets	—	2,255,783	2,255,783	—
Total Other Financing Sources (Uses)	2,078,478	3,572,429	3,588,270	15,841
Net Change In Fund Balances	\$ (774,383)	\$ 2,023,025	1,936,953	\$ (86,072)
Fund Balances				
Beginning of year			(268,271)	
End of year			<u>\$ 1,668,682</u>	

CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Donations and reimbursements	\$ —	\$ —	\$ 19,298	\$ 19,298
Investment income	17,500	17,500	21,738	4,238
Miscellaneous	—	—	1,200	1,200
Total Revenues	17,500	17,500	42,236	24,736
Expenditures				
Capital outlay	1,952,063	1,697,723	1,470,098	(227,625)
Debt service:				
Interest and fiscal charges	111,435	111,435	103,018	(8,417)
Total Expenditures	2,063,498	1,809,158	1,573,116	(236,042)
Revenues Over (Under) Expenditures	(2,045,998)	(1,791,658)	(1,530,880)	260,778
Other Financing Sources (Uses)				
Transfers in	1,353,759	1,353,759	1,345,342	(8,417)
Sale of capital assets	93,330	1,815,307	1,776,422	(38,885)
Total Other Financing Sources (Uses)	1,447,089	3,169,066	3,121,764	(47,302)
Net Change In Fund Balances	\$ (598,909)	\$ 1,377,408	1,590,884	\$ (213,476)
Fund Balances				
Beginning of year			3,458,922	
End of year			\$ 5,049,806	

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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
General property taxes	\$ 1,078,550	\$ 1,078,550	\$ 1,128,976	\$ 50,426
Investment income	72,000	72,000	111,697	39,697
Total Revenues	<u>1,150,550</u>	<u>1,150,550</u>	<u>1,240,673</u>	<u>90,123</u>
Expenditures				
Debt service:				
Principal	550,000	550,000	550,000	—
Interest and fiscal charges	447,738	447,738	445,054	(2,684)
Total Expenditures	<u>997,738</u>	<u>997,738</u>	<u>995,054</u>	<u>(2,684)</u>
Revenues Over Expenditures	<u>152,812</u>	<u>152,812</u>	<u>245,619</u>	<u>92,807</u>
Other Financing Sources (Uses)				
Transfers out	(5,112,636)	(3,990,804)	(3,990,778)	26
Net Change In Fund Balances	<u>\$ (4,959,824)</u>	<u>\$ (3,837,992)</u>	<u>(3,745,159)</u>	<u>\$ (92,833)</u>
Fund Balances				
Beginning of year			<u>14,385,158</u>	
End of year			<u>\$ 10,639,999</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, 2016

	Clayton Non- Uniformed Employees' Retirement Fund	Clayton Uniformed Employees' Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 35,517	\$ 1,394,425	\$ 1,429,942
Investments:			
U.S. government and agency securities	—	1,393,361	1,393,361
Common stocks	—	5,313,083	5,313,083
Corporate bonds	—	4,268,672	4,268,672
Taxable municipal obligations	—	475,717	475,717
Mutual funds	13,802,450	20,982,092	34,784,542
Property funds	1,770,853	4,446,887	6,217,740
Interest receivable	20,249	68,836	89,085
Total Assets	15,629,069	38,343,073	53,972,142
Liabilities			
Accrued investment expenses	7,347	—	7,347
Net Position			
Held in trust for pension benefits	\$ 15,621,722	\$ 38,343,073	\$ 53,964,795

CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2016

	City Of Clayton Non- Uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
Additions			
Contributions:			
Participant contributions	\$ 151,618	\$ 283,997	\$ 435,615
Employer contributions	559,056	945,822	1,504,878
Total Contributions	710,674	1,229,819	1,940,493
Investment Income (Loss):			
Net appreciation (depreciation) in fair value of investments and interest and dividends	1,299,318	4,115,430	5,414,748
Investment expense	(53,166)	(180,735)	(233,901)
Total Investment Income (Loss)	1,246,152	3,934,695	5,180,847
Total Additions	1,956,826	5,164,514	7,121,340
Deductions			
Benefits	705,465	2,033,372	2,738,837
Change In Net Assets	1,251,361	3,131,142	4,382,503
Net Position Held In Trust For Pension Benefits, Beginning Of Year	14,370,361	35,211,931	49,582,292
Net Position Held In Trust For Pension Benefits, End Of Year	\$ 15,621,722	\$ 38,343,073	\$ 53,964,795

CITY OF CLAYTON, MISSOURI

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND ACTUAL – CITY OF CLAYTON NON-UNIFORMED EMPLOYEES’ RETIREMENT PENSION TRUST FUND For The Year Ended September 30, 2016

	Original Budget	Final Budget	Actual	Over (Under) Budget
Additions				
Contributions:				
Participant contributions	\$ 145,450	\$ 145,450	\$ 151,618	\$ 6,168
Employer contributions	565,900	559,056	559,056	—
Total Contributions	711,350	704,506	710,674	6,168
Investment Income (Loss):				
Net appreciation (depreciation) in fair value of investments and interest and dividends	1,095,750	1,095,750	1,299,318	203,568
Investment expense	(49,000)	(49,000)	(53,166)	4,166
Total Investment Income	1,046,750	1,046,750	1,246,152	199,402
Total Additions	1,758,100	1,751,256	1,956,826	205,570
Deductions				
Benefits	636,740	636,740	705,465	68,725
Change In Net Position	\$ 1,121,360	\$ 1,114,516	1,251,361	\$ 136,845
Net Position Held In Trust For Pension Benefits - Beginning Of Year			14,370,361	
Net Position Held In Trust For Pension Benefits - End Of Year			\$ 15,621,722	

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION - BUDGET AND
ACTUAL - CITY OF CLAYTON UNIFORMED EMPLOYEES'
PENSION TRUST FUND
For The Year Ended September 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Additions				
Contributions:				
Participant contributions	\$ 274,160	\$ 274,160	\$ 283,997	\$ 9,837
Employer contributions	945,822	945,822	945,822	—
<u>Total Contributions</u>	<u>1,219,982</u>	<u>1,219,982</u>	<u>1,229,819</u>	<u>9,837</u>
Investment Income (Loss):				
Net appreciation (depreciation) in fair value of investments and interest and dividends	2,740,760	2,740,760	4,115,430	1,374,670
Investment expense	(196,200)	(196,200)	(180,735)	15,465
<u>Net Investment Income (Loss)</u>	<u>2,544,560</u>	<u>2,544,560</u>	<u>3,934,695</u>	<u>1,390,135</u>
Total Additions	3,764,542	3,764,542	5,164,514	1,399,972
Deductions				
Benefits	2,100,000	2,100,000	2,033,372	(66,628)
Change In Net Position	<u>\$ 1,664,542</u>	<u>\$ 1,664,542</u>	3,131,142	<u>\$ 1,466,600</u>
Net Position Held In Trust For Pension Benefits - Beginning Of Year			<u>35,211,931</u>	
Net Position Held In Trust For Pension Benefits - End Of Year			<u>\$ 38,343,073</u>	

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.									
	2016	2015	2014	2013	2012	2010 (1)	2010	2009	2008	2007
Governmental activities:										
Invested in capital assets, net of related debt	\$ 63,730,611	\$ 59,213,835	\$ 57,476,317	\$ 54,149,471	\$ 47,823,828	\$ 37,682,326	\$ 26,675,814	\$ 15,329,996	\$ 12,335,368	\$ 11,295,023
Restricted	3,020,748	2,049,796	2,615,467	2,769,794	3,133,907	4,723,377	3,717,214	3,782,799	3,636,576	2,729,192
Unrestricted	15,857,391	14,542,546	16,239,618	16,558,707	18,799,802	20,789,148	26,909,957	18,326,512	19,131,152	15,591,402
Total governmental activities net assets	\$ 82,608,750	\$ 75,806,177	\$ 76,331,402	\$ 73,477,972	\$ 69,757,537	\$ 63,194,851	\$ 57,302,985	\$ 37,439,307	\$ 35,103,096	\$ 29,615,617
Business-type activities:										
Invested in capital assets, net of related debt	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —		\$ 9,397,875	\$ 9,404,409	\$ 9,415,507
Restricted	—	—	—	—	—	—		265,500	265,500	285,195
Unrestricted	—	—	—	—	—	—		10,203,839	10,221,756	10,306,400
Total business-type activities net assets	\$ —	\$ 19,867,214	\$ 19,891,665	\$ 20,007,102						
Primary government:										
Invested in capital assets, net of related debt	\$ 63,730,611	\$ 59,213,835	\$ 57,476,317	\$ 54,149,471	\$ 47,823,828	\$ 37,682,326	\$ 26,675,814	\$ 24,727,871	\$ 21,739,777	\$ 20,710,530
Restricted	3,020,748	2,049,796	2,615,467	2,769,794	3,133,907	4,723,377	3,717,214	4,048,299	3,902,076	3,014,387
Unrestricted	15,857,391	14,542,546	16,239,618	16,558,707	18,799,802	20,789,148	26,909,957	28,530,351	29,352,908	25,897,802
Total primary government net assets	\$ 82,608,750	\$ 75,806,177	\$ 76,331,402	\$ 73,477,972	\$ 69,757,537	\$ 63,194,851	\$ 57,302,985	\$ 57,306,521	\$ 54,994,761	\$ 49,622,719

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,									
	2016	2015	2014	2013	2012	2011	2010 (1)	2009	2008	2007
EXPENSES										
Governmental Activities										
General government	\$ 4,965,846	\$ 4,462,401	\$ 5,015,781	\$ 5,009,171	\$ 5,050,212	\$ 5,006,261	\$ 6,066,181	\$ 5,184,518	\$ 5,286,324	\$ 4,585,667
Public safety	11,240,555	11,243,156	11,133,094	11,980,104	10,148,499	10,240,914	9,784,707	9,153,714	8,495,262	8,246,154
Public works	6,897,265	6,747,391	6,297,163	6,472,311	5,968,351	6,060,451	6,847,543	7,133,404	5,411,338	5,919,304
Parks and recreation	2,747,973	2,834,322	2,778,702	3,038,435	2,990,170	2,808,620	2,938,071	2,135,837	2,079,965	1,975,986
Economic development	595,984	486,341	—	—	—	—	—	—	—	—
Community development	917,979	832,718	311,973	274,020	298,989	318,787	432,432	199,035	173,316	220,788
Interest and fiscal charges	1,472,979	1,437,162	1,525,218	1,485,657	1,799,671	1,525,947	1,571,301	779,891	963,747	910,350
Total Governmental Activities Expenses	<u>28,838,581</u>	<u>28,043,491</u>	<u>27,061,931</u>	<u>28,259,698</u>	<u>26,255,892</u>	<u>25,960,980</u>	<u>27,640,235</u>	<u>24,586,399</u>	<u>22,409,952</u>	<u>21,858,249</u>
Business-type Activities										
Parking facility	—	—	—	—	—	—	—	1,081,979	1,210,118	1,155,318
Total Primary Government Expenses	<u>28,838,581</u>	<u>28,043,491</u>	<u>27,061,931</u>	<u>28,259,698</u>	<u>26,255,892</u>	<u>25,960,980</u>	<u>27,640,235</u>	<u>25,668,378</u>	<u>23,620,070</u>	<u>23,013,567</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	1,952,455	1,819,017	1,667,576	1,618,158	1,462,385	1,549,918	1,773,196	662,163	867,722	735,781
Public safety	2,374,798	2,493,473	2,449,170	3,334,775	2,367,393	2,481,302	2,125,691	1,295,680	1,286,279	1,141,418
Public works	1,354,173	1,323,109	1,223,177	1,238,118	1,161,444	1,174,765	1,068,315	233,699	187,215	277,604
Parks and recreation	1,042,643	1,024,886	1,038,084	982,734	881,990	917,628	885,857	850,860	824,989	739,568
Economic development	—	—	—	—	—	—	—	1,354,083	1,398,448	1,331,109
Operating grants and contributions	1,143,239	1,966,370	1,895,184	1,828,807	1,859,222	2,010,033	1,865,220	1,098,553	1,270,321	1,232,687
Capital grants and contributions	1,983,200	1,230,820	2,441,406	3,923,903	5,285,025	5,997,466	372,500	1,024,386	569,600	287,100
Total Governmental Activities Program Revenues	<u>9,850,508</u>	<u>9,857,675</u>	<u>10,714,597</u>	<u>12,926,495</u>	<u>13,017,459</u>	<u>14,131,112</u>	<u>8,090,779</u>	<u>6,519,424</u>	<u>6,404,574</u>	<u>5,745,267</u>
Business-type Activities										
Charges for services:										
Parking facility	—	—	—	—	—	—	—	1,521,683	1,420,803	1,416,686
Total Primary Government Program Revenues	<u>9,850,508</u>	<u>9,857,675</u>	<u>10,714,597</u>	<u>12,926,495</u>	<u>13,017,459</u>	<u>14,131,112</u>	<u>8,090,779</u>	<u>8,041,107</u>	<u>7,825,377</u>	<u>7,161,953</u>
Net Revenues (Expenses)										
Governmental activities	(18,988,073)	(18,185,816)	(16,347,334)	(15,333,203)	(13,238,433)	(11,829,868)	(19,549,456)	(18,066,975)	(16,005,378)	(16,112,982)
Business-type activities	—	—	—	—	—	—	—	439,704	210,685	261,368
Total Primary Government Net Revenues (Expenses)	<u>\$ (18,988,073)</u>	<u>\$ (18,185,816)</u>	<u>\$ (16,347,334)</u>	<u>\$ (15,333,203)</u>	<u>\$ (13,238,433)</u>	<u>\$ (11,829,868)</u>	<u>\$ (19,549,456)</u>	<u>\$ (17,627,271)</u>	<u>\$ (15,794,693)</u>	<u>\$ (15,851,614)</u>

CITY OF CLAYTON, MISSOURI

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

	For The Years Ended September 30.									
	2016	2015	2014	2013	2012	2011	2010 (1)	2009	2008	2007
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental Activities										
Taxes:										
Property	\$ 8,326,593	\$ 8,055,653	\$ 7,051,113	\$ 7,340,797	\$ 6,707,168	\$ 6,665,628	\$ 6,388,623	\$ 6,886,241	\$ 6,643,277	\$ 6,332,125
Sales	7,257,356	7,085,858	6,186,273	5,723,220	5,650,981	5,486,472	5,260,745	5,541,603	6,043,834	6,226,794
Utility	5,235,918	5,434,842	5,452,949	5,364,645	5,206,297	5,450,458	6,172,511	4,894,278	5,701,276	4,758,606
Other	236,529	100,488	100,488	100,489	100,489	100,488	100,488	538,881	556,272	565,780
Grants and contributions not restricted to specific programs	192,157	198,215	202,533	214,458	1,797,555	309,426	—	—	—	—
Investment income	331,992	246,181	138,456	122,293	167,766	320,728	667,936	659,833	771,380	884,333
Gain (loss) on sale of capital assets	4,024,986	—	6,323	—	12,554	—	264,774	4,887	—	—
Miscellaneous	185,115	245,587	62,629	187,736	158,309	349,838	652,450	1,092,730	1,022,818	400,027
Transfers	—	—	—	—	—	—	—	784,733	754,000	1,124,409
Total Governmental Activities General Revenues And Other Changes in Net Position	<u>25,790,646</u>	<u>21,366,824</u>	<u>19,200,764</u>	<u>19,053,638</u>	<u>19,801,119</u>	<u>18,683,038</u>	<u>19,507,527</u>	<u>20,403,186</u>	<u>21,492,857</u>	<u>20,292,074</u>
Business-type Activities										
Investment income	—	—	—	—	—	—	—	320,578	427,878	586,580
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	—	—	330,776
Transfers	—	—	—	—	—	—	—	(784,733)	(754,000)	(1,124,409)
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>(464,155)</u>	<u>(326,122)</u>	<u>(207,053)</u>
Total Primary Government General Revenues And Other Changes in Net Position	<u>25,790,646</u>	<u>21,366,824</u>	<u>19,200,764</u>	<u>19,053,638</u>	<u>19,801,119</u>	<u>18,683,038</u>	<u>19,507,527</u>	<u>19,939,031</u>	<u>21,166,735</u>	<u>20,085,021</u>
CHANGES IN NET POSITION BEFORE RESTATEMENT										
Governmental activities	6,802,573	3,181,008	2,853,430	3,720,435	6,562,686	6,853,170	(41,929)	2,336,211	5,487,479	4,179,092
Business-type activities	—	—	—	—	—	—	—	(24,451)	(115,437)	54,315
Total Primary Government Changes in Net Position Before Restatement	<u>6,802,573</u>	<u>3,181,008</u>	<u>2,853,430</u>	<u>3,720,435</u>	<u>6,562,686</u>	<u>6,853,170</u>	<u>(41,929)</u>	<u>2,311,760</u>	<u>5,372,042</u>	<u>4,233,407</u>
RESTATEMENT										
Governmental activities	—	(3,706,233)	—	—	—	(961,304)	—	—	—	—
CHANGES IN NET POSITION										
Governmental activities	6,802,573	(525,225)	2,853,430	3,720,435	6,562,686	5,891,866	(41,929)	2,336,211	5,487,479	4,179,092
Business-type activities	—	—	—	—	—	—	—	(24,451)	(115,437)	54,315
Total Primary Government Change In Net Position	<u>\$ 6,802,573</u>	<u>\$ (525,225)</u>	<u>\$ 2,853,430</u>	<u>\$ 3,720,435</u>	<u>\$ 6,562,686</u>	<u>\$ 5,891,866</u>	<u>\$ (41,929)</u>	<u>\$ 2,311,760</u>	<u>\$ 5,372,042</u>	<u>\$ 4,233,407</u>

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

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	September 30,									
	2016	2015	2014	2013	2012	2011	2010 (1)	2009	2008	2007
General Fund:										
Nonspendable	\$ 133,928	\$ 196,165	\$ 24,339	\$ 17,715	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Assigned	151,333	162,249	107,705	1,030,039	3,663,374	2,838,638	—	—	—	—
Unassigned	16,658,068	16,004,710	16,207,104	15,389,726	14,673,064	17,927,718	—	—	—	—
Reserved	—	—	—	—	—	—	434,493	46,246	50,748	124,339
Unreserved	—	—	—	—	—	—	22,623,263	12,590,092	11,816,465	9,552,077
Total General Fund	<u>\$ 16,943,329</u>	<u>\$ 16,363,124</u>	<u>\$ 16,339,148</u>	<u>\$ 16,437,480</u>	<u>\$ 18,336,438</u>	<u>\$ 20,766,356</u>	<u>\$ 23,057,756</u>	<u>\$ 12,636,338</u>	<u>\$ 11,867,213</u>	<u>\$ 9,676,416</u>
All Other Governmental Funds										
Restricted	\$ 12,913,899	\$ 15,807,553	\$ 3,328,388	\$ 5,017,628	\$ 7,914,614	\$ 9,733,471	\$ —	\$ —	\$ —	\$ —
Committed	5,049,806	3,458,922	2,621,045	2,167,454	2,349,061	1,974,198	—	—	—	—
Unassigned	—	(268,271)	(1,636,835)	(913,659)	(555,647)	—	—	—	—	—
Reserved:										
Capital Improvement Fund	—	—	—	—	—	—	2,266,413	601,000	1,074,715	—
Equipment Replacement Fund	—	—	—	—	—	—	2,887	1,433	76,455	250
1997-98 Bond Debt Service Fund	—	—	—	—	—	—	—	—	—	—
2009 Build America Bond Fund	—	—	—	—	—	—	7,149,194	—	—	—
Other Governmental Funds	—	—	—	—	—	—	2,953,109	3,626,688	2,333,652	2,317,646
Unreserved, reported in:										
Capital Improvement Fund	—	—	—	—	—	—	398,512	1,689,633	2,358,173	2,249,824
Equipment Replacement Fund:	—	—	—	—	—	—	2,355,125	2,272,303	2,551,415	2,662,744
Other governmental funds:										
Special Revenue Funds	—	—	—	—	—	—	386,822	570,813	559,631	357,866
Capital Projects Funds	—	—	—	—	—	—	—	581,651	1,755,975	440,311
Total All Other Governmental Funds	<u>\$ 17,963,705</u>	<u>\$ 18,998,204</u>	<u>\$ 4,312,598</u>	<u>\$ 6,271,423</u>	<u>\$ 9,708,028</u>	<u>\$ 11,707,669</u>	<u>\$ 15,512,062</u>	<u>\$ 9,343,521</u>	<u>\$ 10,710,016</u>	<u>\$ 8,028,641</u>

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

Source: Basic financial statements

GASB 54 was implemented in 2011.

CITY OF CLAYTON, MISSOURI

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

For The Years Ended September 30

	2016	2015	2014	2013	2012	2010 (1)	2010	2009	2008	2007
Revenues										
General property taxes	\$ 8,411,302	\$ 8,058,411	\$ 7,095,591	\$ 7,403,480	\$ 6,717,939	\$ 6,619,357	\$ 6,374,580	\$ 6,846,052	\$ 6,693,072	\$ 6,310,263
Assessment income	128,334	151,706	131,814	180,111	222,394	172,250	162,842	201,676	177,136	185,843
Sales taxes	7,257,356	6,954,159	6,065,100	5,620,069	5,554,236	5,389,764	5,173,479	5,458,802	5,945,807	6,096,902
Licenses and permits	1,934,515	1,793,424	1,617,546	1,577,390	1,387,155	1,523,861	1,780,141	1,671,897	1,644,961	1,415,552
Public utility licenses	5,235,918	5,434,842	5,452,949	5,364,645	5,206,297	5,450,458	6,172,511	4,894,278	5,701,276	4,758,606
Intergovernmental	2,670,657	2,547,724	4,242,718	4,030,845	5,106,728	7,696,966	2,428,712	2,822,037	2,545,061	2,290,411
Community programs	1,814,190	1,853,324	1,806,270	1,713,754	1,549,301	1,460,533	1,413,736	1,193,102	1,281,421	1,249,216
Parking facilities and meters	1,997,499	1,928,908	1,790,473	1,707,401	1,587,248	1,653,514	1,474,297	—	—	—
Fines and forfeitures	864,913	1,200,721	1,067,415	2,012,156	1,111,217	1,302,852	1,078,799	1,097,872	1,189,598	929,316
Donations and reimbursements	694,944	559,030	470,190	2,008,212	3,879,251	—	—	—	—	—
Investment income	331,992	246,181	138,456	122,293	167,766	320,728	667,936	659,833	771,380	884,333
Miscellaneous	388,766	513,165	151,949	305,347	305,778	346,602	653,957	1,278,934	1,349,506	825,518
Total Revenues	31,730,386	31,241,595	30,030,471	32,045,703	32,795,310	31,936,885	27,380,990	26,124,483	27,299,218	24,945,960
Expenditures										
General government	3,148,997	3,112,501	4,424,982	4,438,505	4,494,963	4,430,545	4,828,548	4,794,723	4,752,688	4,070,285
Parks and recreation	2,131,223	2,140,523	4,850,023	4,992,413	4,827,147	2,322,392	1,991,742	1,878,493	1,839,134	1,759,570
Public safety	10,434,097	10,459,971	2,255,175	2,451,301	2,330,063	9,678,202	9,458,242	8,658,593	8,362,366	8,119,616
Public works	5,637,166	5,652,642	10,231,631	11,331,936	9,760,295	4,801,188	4,636,808	3,888,910	3,822,033	3,754,718
Economic development	598,487	484,908	—	—	—	—	—	—	—	—
Community development	920,584	828,552	314,959	275,160	299,774	314,280	432,432	199,035	173,316	220,788
Capital outlay	8,178,107	3,049,893	5,625,574	8,089,679	20,061,767	11,477,048	12,094,749	5,004,207	2,585,407	2,918,374
Debt service:										
Principal	3,582,579	3,013,765	2,900,407	4,397,690	3,764,825	3,586,804	2,924,263	2,345,000	8,960,000	2,395,000
Interest and fiscal charges	1,585,645	1,587,457	1,505,084	1,487,881	1,490,748	1,492,390	1,289,215	786,175	894,912	882,260
Bond issuance costs	—	16,647	—	—	217,195	—	—	56,446	76,239	—
Total Expenditures	36,216,885	30,346,859	32,107,835	37,464,565	47,246,777	38,102,849	37,927,352	27,611,582	31,466,095	24,120,611
Excess Of Expenditures Over Revenues	(4,486,499)	894,736	(2,077,364)	(5,418,862)	(14,451,467)	(6,165,964)	(10,546,362)	(1,487,099)	(4,166,877)	825,349
Other Financing Sources (Uses)										
Bond proceeds	—	21,735,000	—	—	9,845,000	—	15,000,000	3,950,000	8,175,000	—
Premium on issuance of debt	—	920,519	—	—	150,600	—	40,020	134,548	73,266	—
Payments to refunding escrow agent	—	(8,904,781)	—	—	—	—	—	(4,025,342)	—	—
Proceeds from capital lease	—	—	—	—	—	—	1,020,000	—	—	—
Special item	—	—	—	—	—	—	—	—	—	—
Sale of capital assets	4,032,205	64,108	20,207	34,106	26,308	70,171	228,577	45,790	36,783	45,917
Transfers in	9,933,507	8,252,504	7,205,701	8,914,942	16,099,102	5,630,967	11,580,668	3,073,696	2,303,079	4,796,573
Transfers out	(9,933,507)	(8,252,504)	(7,205,701)	(8,914,942)	(16,099,102)	(5,630,967)	(11,580,688)	(2,288,963)	(1,549,079)	(3,672,164)
Total Other Financing Sources (Uses)	4,032,205	13,814,846	20,207	34,106	10,021,908	70,171	16,288,577	889,729	9,039,049	1,170,326
Net Change In Fund Balances	\$ (454,294)	\$ 14,709,582	\$ (2,057,157)	\$ (5,384,756)	\$ (4,429,559)	\$ (6,095,793)	\$ 5,742,215	\$ (597,370)	\$ 4,872,172	\$ 1,995,675
Debt service as a percentage of noncapital expenditures	18.43%	16.92%	17.80%	19.50%	19.00%	18.70%	15.10%	12.50%	33.40%	15.50%
Fines and forfeitures as a percentage of general revenues (2)	3.70%	4.10%	4.90%	4.90%	N/A	N/A	N/A	N/A	N/A	N/A

Note:

- (1) Enterprise and Internal Service Funds combined with General Fund and Capital Improvement Project Fund combined with Revolving Public Improvement Fund.
- (2) Beginning in 2013 Missouri House Bill (HB) 103 requires cities to report the percentage of fines and forfeitures for traffic violations to the annual general operating revenue. For 2016 total fines and forfeitures of all types were \$805,946 and general operating revenues were \$21,795,996.

CITY OF CLAYTON, MISSOURI

SALES TAX COLLECTION BY YEAR LAST TEN YEARS

Fiscal Year	General Fund			Capital Improvement Fund		Total
	1 Cent County- Wide Sales Tax	1/4 Cent Local Option Sales Tax *	1/4 Cent Fire Sales Tax **	1/2 Cent Capital Improvement Sales Tax	1/2 Cent Parks & Storm Water Sales Tax	
2016	\$ 2,863,801	\$ 678,838	\$ 788,109	\$ 1,344,658	\$ 1,581,950	\$ 7,257,356
2015	2,664,119	668,865	744,481	1,321,725	1,554,970	6,954,159
2014	2,647,827	643,165	—	1,274,591	1,499,517	6,065,100
2013	2,416,650	605,126	—	1,193,810	1,404,482	5,620,069
2012	2,519,937	572,259	—	1,131,208	1,330,832	5,554,236
2011	2,330,356	570,792	—	1,143,419	1,345,197	5,389,764
2010	2,769,622	—	—	1,104,475	1,299,382	5,173,479
2009	3,040,054	—	—	1,114,641	1,304,107	5,458,802
2008	3,192,985	—	—	1,261,486	1,491,336	5,945,807
2007	3,330,383	—	—	1,271,180	1,495,339	6,096,902

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

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

CITY OF CLAYTON, MISSOURI

UTILITY TAX AND FRANCHISE FEES LAST TEN FISCAL YEARS

Fiscal Year	Utility Tax				Franchise Fee	Total
	Electric	Gas	Water	Telephone	Cable T.V.	
2016	\$ 2,716,761	\$ 609,240	\$ 356,242	\$ 1,553,676	\$ 262,049	\$ 5,497,968
2015	2,792,032	811,152	312,802	1,518,856	267,938	5,702,780
2014	2,750,215	847,509	314,708	1,540,517	262,125	5,715,074
2013	2,683,072	784,469	302,916	1,594,188	234,154	5,598,800
2012	2,516,075	702,112	347,365	1,617,257	219,568	5,402,376
2011	2,548,213	884,411	311,286	1,684,442	205,914	5,634,265
2010	2,228,739	908,190	273,305	2,755,674 *	178,766	6,344,675
2009	1,983,434	1,076,986	271,053	1,558,743 *	173,837	5,064,053
2008	1,950,700	1,070,077	226,079	2,450,800 *	170,009	5,867,665
2007	1,727,853	1,064,359	184,182	1,201,184	163,361	4,340,940
% Increase	57%	-43%	93%	29%	60%	27%

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

CITY OF CLAYTON, MISSOURI

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

Fiscal Year	Real Property		Personal Property	Railroads And Utilities	Total Taxable Assessed Value	Estimated Actual Value	Total Direct Tax Rate
	Residential Property	Commercial Property					
2016	\$ 478,102	\$ 337,307	\$ 79,323	\$ 3,153	\$ 897,886	\$ 3,818,176	0.865
2015	450,190	335,444	79,252	2,841	867,727	3,664,286	0.898
2014	450,536	336,201	77,352	2,794	866,883	3,662,604	0.787
2013	457,137	325,844	74,813	2,727	860,522	3,657,151	0.789
2012	455,763	326,175	75,590	3,042	860,570	3,654,239	0.717
2011	472,317	335,399	75,385	2,959	886,060	3,769,305	0.692
2010	470,815	335,157	84,470	2,986	893,428	3,787,977	0.673
2009	480,595	347,077	83,620	2,795	914,087	3,873,569	0.689
2008	459,370	346,326	84,556	2,881	893,133	3,762,594	0.691
2007	367,607	307,107	86,612	2,820	764,147	3,163,050	0.779

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
City of Clayton:										
General	\$ 0.614	\$ 0.646	\$ 0.659	\$ 0.659	\$ 0.626	\$ 0.601	\$ 0.582	\$ 0.568	\$ 0.566	\$ 0.634
General Obligation Debt	0.251	0.252	0.128	0.130	0.091	0.091	0.091	0.122	0.125	0.145
Total City of Clayton	<u>0.865</u>	<u>0.898</u>	<u>0.787</u>	<u>0.789</u>	<u>0.717</u>	<u>0.692</u>	<u>0.673</u>	<u>0.690</u>	<u>0.691</u>	<u>0.779</u>
Overlapping Governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
St. Louis County	0.515	0.523	0.523	0.523	0.523	0.523	0.523	0.558	0.558	0.558
St. Louis County Library	0.246	0.250	0.250	0.173	0.163	0.157	0.140	0.140	0.140	0.150
Special School District	1.235	1.261	1.240	1.012	1.013	0.995	0.938	0.918	0.908	0.824
St. Louis Community College	0.218	0.220	0.220	0.220	0.220	0.218	0.214	0.201	0.200	0.223
Metropolitan St. Louis Sewer District (Extension)	0.088	0.088	0.107	0.082	0.082	0.079	—	—	0.067	0.069
Metropolitan Zoological Park and Museum District	0.278	0.280	0.280	0.268	0.267	0.255	0.249	0.234	0.233	0.261
Sheltered Workshop	0.088	0.090	0.089	0.084	0.084	0.079	0.074	0.069	0.070	0.082
Clayton School District	3.849	4.103	4.017	3.743	3.899	3.743	3.628	3.230	3.254	3.716
Deer Creek Sewer District	0.083	0.086	0.086	0.840	0.840	0.081	—	—	0.060	0.060
U. City Storm Sewer District	0.093	0.093	—	—	—	0.092	—	—	0.060	0.060
Total Overlapping Governments	<u>6.722</u>	<u>7.024</u>	<u>6.842</u>	<u>6.976</u>	<u>7.121</u>	<u>6.251</u>	<u>5.796</u>	<u>5.380</u>	<u>5.580</u>	<u>6.033</u>
Total	<u>\$ 7.587</u>	<u>\$ 7.922</u>	<u>\$ 7.629</u>	<u>\$ 7.765</u>	<u>\$ 7.838</u>	<u>\$ 6.943</u>	<u>\$ 6.469</u>	<u>\$ 6.070</u>	<u>\$ 6.271</u>	<u>\$ 6.812</u>

Source - St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PRINCIPAL PROPERTY TAXPAYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage Of Total City Taxable Assessed Value (2)
KBSII Pierre Laclede Center LLC	\$ 22,290,720	1	2.48%	\$ —	—	—
KBS Clayton Plaza LLC	21,984,410	2	2.45%	17,309,850	3	2.27%
Clayton Corporate Park Mgmt. Co.	20,160,000	3	2.25%	25,319,460	1	3.31%
Clayton St Louis Property LLC	16,079,590	4	1.79%	—	—	—
Chapter 100 City of Clayton	15,938,430	5	1.78%	—	—	—
KBSIII 101 South Hanley LLC	15,356,550	6	1.71%	—	—	—
Clayton Central Owner LLC	12,350,810	7	1.38%	—	—	—
MEPT Shaw Park Plaza LLC	11,875,330	8	1.32%	—	—	—
8182 Maryland Associates	9,312,770	9	1.04%	11,049,800	5	1.45%
Forsyth Centre Associates LLC	8,126,430	10	0.91%	8,160,000	10	1.07%
Pierre Laclede LLC	—	—	—	21,136,160	2	2.77%
Duke Realty Limited Partnership	—	—	—	14,432,000	4	1.89%
HEF 1 - StL No. 1 LLC	—	—	—	10,880,000	6	1.42%
Realty Associates Funds VI and VII	—	—	—	10,688,490	7	1.40%
Riggs & Company Trustee	—	—	—	9,920,000	8	1.30%
Realty Associates Funds V	—	—	—	9,481,600	9	1.24%
Total	\$ 153,475,040		17.09%	\$ 138,377,360		18.11%

Notes:

(1) Total assessed value of the City was \$897,885,520 as of January 1, 2015

(2) Total assessed value of the City was \$764,146,675 as of January 1, 2006

Source - St. Louis County Assessor, ten highest property tax valuations

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
2016	\$ 7,906,598	\$ 8,064,432	102.0	\$ (134,913)	\$ 7,929,519	100.3%
2015	7,919,542	7,882,414	99.5	(162,741)	7,719,673	97.5
2014	6,960,444	6,866,868	98.7	(152,247)	6,714,622	96.5
2013	7,104,828	6,941,019	97.7	70,521	7,011,541	98.7
2012	6,406,061	6,285,537	98.1	(44,170)	6,241,367	97.4
2011	6,452,891	6,319,990	97.9	84,864	6,404,854	99.3
2010	6,255,287	6,162,067	98.5	62,071	6,224,138	99.5
2009	6,664,208	6,592,851	98.9	108,933	6,701,784	100.6
2008	6,566,784	6,458,568	98.4	70,990	6,529,558	99.4
2007	6,206,413	6,123,300	98.7	114,431	6,237,731	100.5

Notes:

- (1) Originally adjusted for strikeouts and additions by St. Louis Board of Equalization after 1978.
- (2) St. Louis County Collectors Office charges a collection fee of 1.5%.
- (3) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year. St. Louis County will need more time to make system updates to track this information

Source: St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage Of Personal Income (2)	Per Capita (2)
	Capital Improvement Bonds	General Obligation Bonds	Note Payable	Capital Leases	Capital Improvement Bonds	Note Payable	—			
2016	\$ 23,874	\$ 14,861	\$ 351	\$ 504	\$ —	\$ —	\$ 39,590	2.67	\$ 2,484	
2015 (7)	26,800	15,434	558	595	—	—	43,387	2.85	2,722	
2014	31,092	—	756	677	—	—	32,525	2.28	2,041	
2013	33,743	—	944	754	—	—	35,441	2.51	2,224	
2012 (6)	36,966	945	1,122	829	—	—	39,862	2.85	2,501	
2011	29,525	1,960	1,292	893	—	—	33,670	2.52	2,112	
2010 (5)	31,958	2,955	1,431	961	—	—	37,305	3.65	2,341	
2009 (4)	16,680	3,950	—	—	1,835	1,576	24,041	2.35	1,509	
2008 (3)	18,110	4,885	—	—	2,040	1,716	26,751	2.62	1,679	
2007	18,020	5,760	—	4	2,240	1,846	27,870	2.72	1,749	

Notes:

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

CITY OF CLAYTON, MISSOURI

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

Fiscal Year	General Obligation Bonds (1)	Percentage Of Actual Taxable Value Of Property (2)	Per Capita (3)
2016	\$ 14,861	1.66	\$ 932
2015	15,434	1.78	941
2014	—	—	—
2013	—	—	—
2012	945	0.11	59
2011	1,960	0.22	123
2010	2,955	0.33	185
2009	3,950	0.43	249
2008	4,885	0.55	307
2007	5,760	0.75	361

Notes:

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

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

CITY OF CLAYTON, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Dollars In Thousands)

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To City Of Clayton</u>	<u>Amount Applicable To City Of Clayton</u>
St. Louis County	\$ 111,939,158	3.96 %	\$ 4,432,791
Clayton School District	85,107,000	86.60 %	73,702,662
Subtotal	197,046,158		78,135,453
City of Clayton	39,589,895	100.00 %	39,589,895
Total	<u>\$ 236,636,053</u>		<u>\$ 117,725,348</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										
	<u>\$</u>										
Assessed Valuation	897,886										
Debt Limit - 10% of assessed valuation	89,789										
Amount of debt applicable to debt limit											
Total general obligation debt	14,861										
Less: Amount available in debt service fund	747										
Net bond indebtedness applicable to debt limit	14,114										
Legal Debt margin	75,675										
		2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Debt Limit (1)	\$	89,789	\$ 86,773	\$ 86,688	\$ 86,052	\$ 86,057	\$ 88,606	\$ 89,343	\$ 91,409	\$ 89,313	\$ 76,415
Total net debt applicable to Debt Limit		14,115	14,807	—	—	910	1,678	2,383	3,092	4,097	4,993
Legal debt margin	\$	75,674	\$ 71,966	\$ 86,688	\$ 86,052	\$ 85,147	\$ 86,928	\$ 86,960	\$ 88,317	\$ 85,216	\$ 71,422
Total net debt applicable to the limit as a percentage of debt limit		15.72%	17.06%	0.00%	0.00%	1.06%	1.89%	2.67%	3.38%	4.59%	6.53%

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)
2016	15,939	\$ 1,482,470	\$ 93,009	2,522	2.1 %
2015	15,939	1,522,175	95,500	2,485	2.0 %
2014	15,939	1,426,206	89,479	2,549	3.4 %
2013	15,939	1,409,518	88,432	2,588	3.8 %
2012	15,939	1,398,743	87,756	2,504	3.4 %
2011	15,939	1,337,920	83,940	2,455	4.6 %
2010	15,935	1,022,772	64,184	2,509	5.2 %
2009	15,935	1,022,772	64,184	2,478	5.4 %
2008	15,935	1,022,772	64,184	2,490	3.5 %
2007	15,935	1,022,772	64,184	2,479	2.8 %

- (1) Source - Data for 2005-2010 from 2000 revised census from the U.S. Bureau of Census dated December 7, 2001. Source Data for 2011-2016 from 2010 U.S. Census Bureau
- (2) Sources of data from 2005 to 2010 from 2000 U.S. Bureau of Census. Sources of data for 2011 - 2016 from American Community Survey Estimates.
- (3) Source - Administrative Office - School District of Clayton.
- (4) Source: 2007 through 2015 - Missouri Department of Economic Development. 2016 - Missouri Economic Research & Information Center

CITY OF CLAYTON, MISSOURI

PRINCIPAL EMPLOYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage Of Total City Employment (1)	Employees	Rank	Percentage Of Total City Employment (2)
St. Louis County	1,827	1	3.97	1,850	1	5.60
Enterprise Holdings, Inc.	1,367	2	2.97	675	3	2.05
Centene Corporation	1,288	3	2.80	474	6	1.44
Washington University	727	4	1.58	—		0.00
Caleres (Brown Shoe Co., Inc.)	666	5	1.45	605	4	1.83
Commerce Bank NA	523	6	1.14	531	5	1.61
Clayton School District	473	7	1.03	469	7	1.42
Husch Blackwell	418	8	0.91	—		—
Armstrong Teasdale	355	9	0.77	—		—
RubinBrown LLP	333	10	0.72	—		—
Ernest & Young U.S. LLP	323	11	0.70	—		—
Ritz Carlton	300	12	0.65	301	9	0.91
Sheraton Clayton Plaza Hotel/Restaurant	259	13	0.56	—		—
Moneta Group, LLC	242	14	0.53	—		—
Crowne Plaza St. Louis - Clayton Hotel	238	15	0.52	—		—
BG Retail, LLC	229		0.50	—		—
Clayton Corporate Management	—		—	852	2	2.58
Restaurant at Ritz Carlton	—		—	375	8	1.14
Rehab Care Group Inc.	—		—	275	10	0.83
	9,568		20.80	6,407		19.41

Notes:

(1) Percentage for 2015 based on estimate of 46,000 total daytime employees in the Downtown area.

(2) Percentage for 2007 based on estimate of 30,000 total daytime employees in the Downtown Area.

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

CITY OF CLAYTON, MISSOURI

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

Function/Program	Full-Time Equivalent Employees As Of September 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government:										
City Manager (9)	2.50	2.50	2.60	2.75	3.00	4.00	4.00	5.00	5.00	5.00
Economic Development (9)	1.50	1.50	1.65	1.75	1.75	1.75	1.00	-	-	-
Events (10)	1.00	1.00	-	-	-	-	-	-	-	-
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance (11)	7.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Municipal court (13)	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00	3.00	3.00
Information systems (14)	3.75	3.75	3.75	3.50	4.00	4.00	4.00	3.00	3.00	3.00
Planning and development (4)	9.00	9.00	9.00	10.00	10.00	11.00	11.00	10.00	10.00	10.00
Police:										
Officers (5)	49.00	49.00	49.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00
Civilians (15)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00	7.00	8.00
Fire:										
Firefighters and officers	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works:										
Engineering (2)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Street maintenance (3)	14.00	14.00	14.00	15.00	16.00	16.00	16.00	16.00	16.00	16.00
Vehicle maintenance (6)	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Building maintenance (7)	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Parking maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks and Recreation:										
Administration/recreation (1)(10)	5.75	5.75	6.50	7.50	7.50	7.50	7.50	9.00	9.00	8.00
Parks maintenance (8)	7.00	7.00	7.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Total	161.5	160.5	160.5	168.5	170.25	173.25	173.5	172	171	173

Notes:

- (1) Community Resource Coordinator position added in 2008, and Recreation Assistant Supervisor position eliminated in 2014.
- (2) Civil Engineer 1 position added in 2009.
- (3) Laborer position eliminated in 2013, and Assistant Forester position eliminated in 2014.
- (4) Deputy Building Official position eliminated in 2014 and Planner/Sustainability Coordinator added in 2010 and eliminated in 2012.
- (5) Staffing positions reduced in 2014 due to retirements.
- (6) Fleet and Building Manager position eliminated in 2014, and one Mechanic position eliminated in 2008.
- (7) Facilities Maintenance Supervisor position transferred from Park Maintenance in 2014, and one Maintenance Worker I eliminated in 2006.
- (8) Staffing for Parks Supervisor transferred to Building Maintenance and one laborer position eliminated in 2014.
- (9) Transfer of Director of Economic Development position to Economic Development (new program) from City Manager's office in 2010, and Deputy City Manager position eliminated in 2012.
- (10) Transfer of Event Specialist position to Events (new program) from Parks and Recreation Administration & Recreation in 2015.
- (11) Temporary staffing increase in 2016 due to a new financial system implementation, and Accounts Supervisor reduced in 2011.
- (12) Restated beginning 2010 as Full Time Equivalents
- (13) One full-time Court Assistant was replaced with part-time positions in 2012
- (14) Technology Specialist added in 2010.
- (15) One parking Controller was eliminated in 2008, and an Administrative Secretary was added in 2010.

Source: City of Clayton Annual Budgets (2007-2016)

CITY OF CLAYTON, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:										
Arrests	898	894	1,281	1,540	1,253	1,217	1,334	1,127	959	1,176
Parking violations	3,221	3,269	1,400	1,846	1,654	2,182	2,046	2,448	2,890	3,729
Traffic violations	3,221	3,576	5,892	6,171	6,583	7,061	6,831	7,248	7,053	6,011
Parking tickets *	47,103	49,684	37,905	28,944	29,888	37,198	41,366	41,624	44,200	43,427
Fire:										
Emergency response ambulance	1,597	1,655	1,619	1,577	1,639	1,524	1,474	1,511	1,648	1,497
Emergency response- fire	1,440	1,747	1,904	1,378	1,661	1,639	1,763	1,863	1,739	1,665
Inspections	569	656	683	709	640	787	660	691	717	656
Parks and recreation:										
Shaw Park Pool - Passes	804	809	915	1,006	1,281	1,189	1,145	913	1,025	871
Shaw Park Ice Rink - Passes	28	34	36	55	42	53	38	17	15	—
Platinum Passes	463	449	448	452	420	525	402	348	267	152
Tennis Court - Passes	54	89	120	157	—	43	40	13	17	9
Pool/Tennis - Passes	NA	44	56	66						
Tri Passes (pool/rink/tennis)	NA	—	4	—						
Shelter Rentals (including picnic pads)	302	313	322	177	302	305	282	245	269	306
Community development:										
Residential permits issued	348	310	325	324	278	308	273	219	299	282
Estimated cost of construction										
for residential permits	\$ 56,122,533	\$ 56,085,206	\$ 31,818,681	\$ 22,738,220	\$ 15,533,472	\$ 22,374,538	\$ 16,600,417	\$ 15,892,142	\$ 26,602,257	\$ 33,021,571
Commercial permits issued	133	138	122	134	142	153	150	147	183	135
Est. cost of construction										
for commercial permits	\$ 20,635,084	\$ 30,080,212	\$ 38,585,373	\$ 26,620,710	\$ 33,232,912	\$ 52,113,313	\$ 71,793,104	\$ 123,209,999	\$ 71,511,966	\$ 28,898,204
Finance and administration:										
Business licenses issued	813	873	936	942	935	805	816	807	787	791
Liquor licenses issued	69	71	70	65	59	60	62	56	63	62

Notes:

* Parking tickets not included in parking violations.

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

Sources: City of Clayton Annual Reports (2005-2015), various City departments

CITY OF CLAYTON, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	23	23	23	23	25	25	26	26	26	25
Parking Control*	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	1	1	1	1	1	1	1	1	1	1
Rescue Trucks (7)	2	2	1	1	1	1	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Command Vehicles	3	3	3	3	3	3	3	3	3	3
Public Works:										
Miles of streets - paved (1)	98.7	98.7	98.7	98.7	98.7	98.7	98.7	99.1	38.0	46.7
Miles of alleys (2)	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	5.3	5.3
Miles of sidewalks (4)	54	54	54	54	54	54	54	39	39	39
Number of street lights (6)	2,035	2,024	2,024	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Number of traffic signals (3)	22	22	22	22	22	24	24	24	28	28
Parks and recreation:										
Acres of Parks (5) (8)	74.2	74.2	89.0	89.0	89.0	84.4	84.4	84.4	84.4	84.4
Number of Parks (5)	11	11	11	11	11	10	10	10	10	10
Athletic Complex	1	1	1	1	1	1	1	1	1	1
Aquatic Center	1	1	1	1	1	1	1	1	1	1

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

Notes:

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