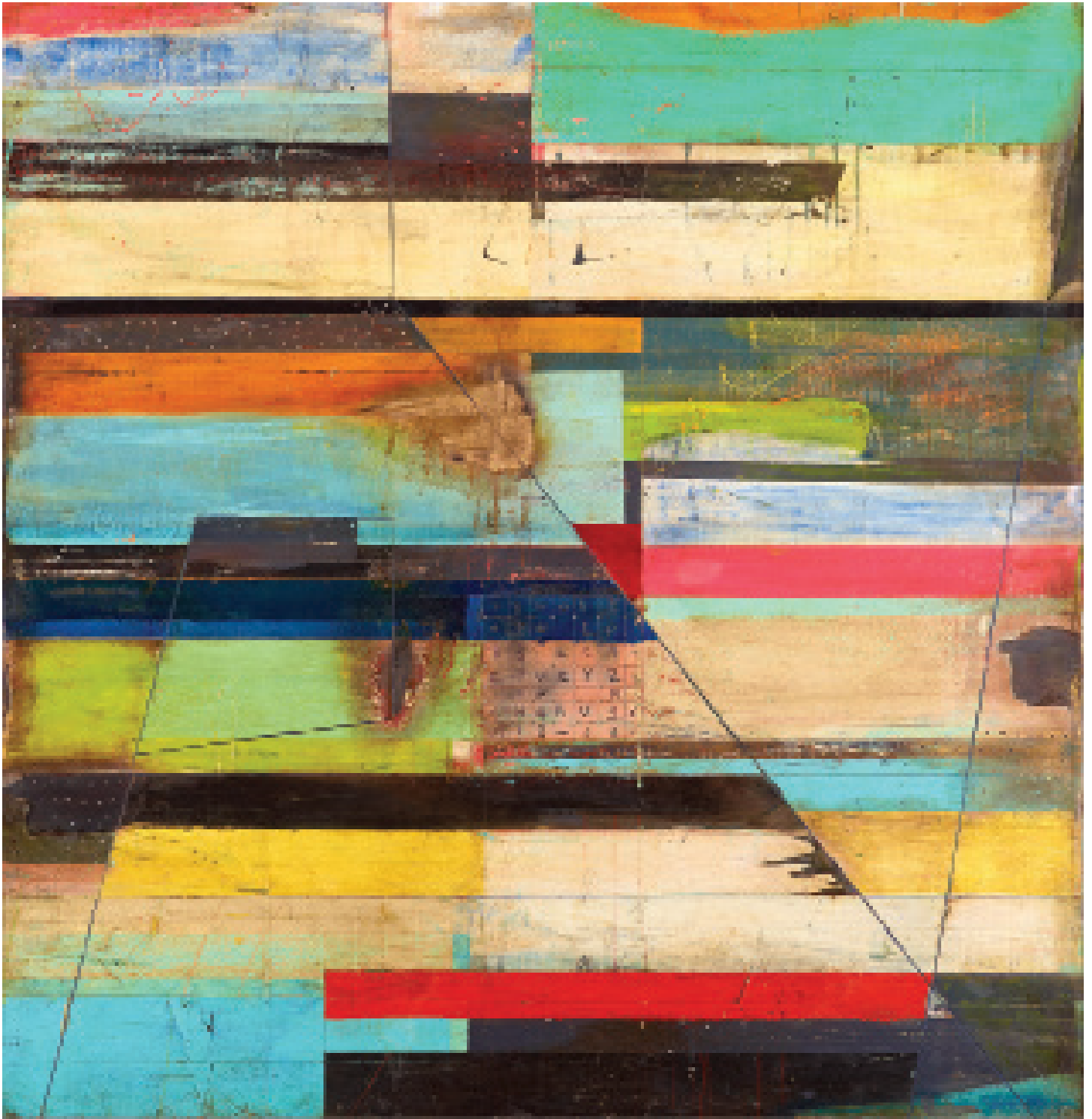


Clayton, Missouri



Comprehensive Annual Financial Report
For the year ended September 30, 2018

***CITY OF CLAYTON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT***
For The Fiscal Year Ended September 30, 2018

*Report prepared and submitted by the
Finance Department*

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INTRODUCTORY SECTION



March 27, 2019

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, 2018, 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, 2018, 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, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

CITY PROFILE AND STRUCTURE

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

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

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

FINANCIAL INFORMATION

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

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

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

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

The City is experiencing the strongest commercial and multi-family economic development in its history. Over the last two years, the City had three downtown residential developments completed which are over 50% leased on 600+ downtown luxury rental apartments. These projects also include 26,000 square feet of retail space. The City also has a \$750 million expansion of Centene Corporation's world headquarters significantly underway which consists of over 3,000,000 square feet of office, retail, hotel, civic auditorium, and parking space. A new downtown hotel and a multi-story senior community have been approved by the City with construction beginning soon. Other large mixed-use, residential and commercial projects are in the proposal process. Clayton remains the region's premiere dining destination. Planned to open this year are Palato and LemonShark

Poke, with others currently under construction. In addition, Clayton saw its first urgent care facility open with GoHealth Urgent Care located on Maryland Avenue.

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

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

LONG-TERM FINANCIAL PLANNING

The City updates a five-year capital improvement plan annually and includes this information in the budget document. Over the next five years, the capital plan includes \$27 million in infrastructure, parks, and facility improvements. The plan is funded by annual revenues, grants, a portion of the remaining General Obligation bond funds, and future planned issuance of bonds for improvements to park and recreation facilities.

The Board of Aldermen has approved a balanced fiscal year 2019 General Fund budget, as has been the year-end result in the last four fiscal years, and will maintain the strong General Fund balance of 64% of annual expenditures. Also, long-term revenue from the substantial economic development is beginning to enhance services.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2017. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only and the City has received this award for the last 31 consecutive years. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting this document to GFOA for award consideration.

Additionally, the GFOA has awarded the Popular Financial Reporting Award (PAFR) to the City for the fiscal year ended September 30, 2017. This award is for the City's production of a high quality annual financial report using an extraction of information from their CAFR. This report is designed to be readily accessible and easily understood by the general public and other non-financial parties. This award is also valid for a period of one year and the City has received this award for three consecutive years. The City intends to also prepare a PAFR to conform with the award requirements for the fiscal year ending September 30, 2018 and will submit this document to GFOA for award consideration.

The GFOA has also awarded the Distinguished Budget Award to the City for FY 2018. This was the City's eleventh 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 2019 budget for award consideration.

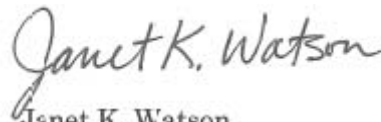
ACKNOWLEDGEMENTS

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

Respectfully submitted,



Craig S. Owens
City Manager



Janet K. Watson
Director of Finance and Administration

CITY OF CLAYTON, MISSOURI

PRINCIPAL OFFICIALS

Mayor Harold Sanger

Aldermen:

Ward I Joanne Boulton

Ward I Richard Lintz

Ward II Michelle Harris

Ward II Ira Berkowitz

Ward III Mark Winings

Ward III Bridget McAndrew

City Manager Craig S. Owens

Department Directors:

..... Janet Watson, Finance and Administration

..... Gary Carter, Economic Development

..... Susan Istenes, Planning and Development

..... Vacant, Police

..... John Paul Jones, Fire

..... Dale Houdeshell, Public Works

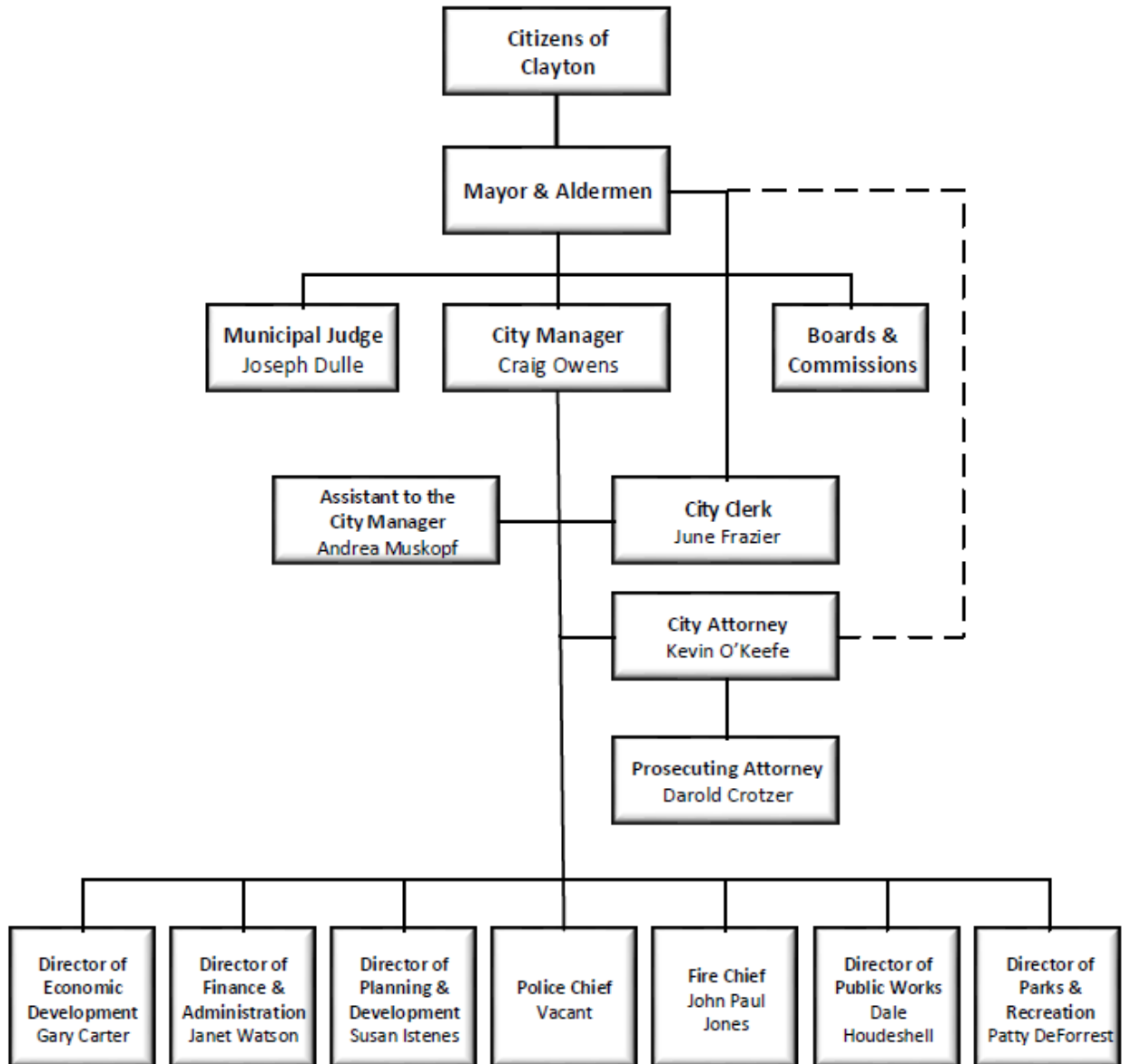
..... Patty DeForrest, Parks and Recreation

..... 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, 2017

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



RubinBrown LLP
Certified Public Accountants &
Business Consultants

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Independent Auditors' Report

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

Report On The Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Clayton, Missouri (the City), as of and for the year ended September 30, 2018, 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, 2018, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2019 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

RubinBrown LLP

March 27, 2019

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, 2018. 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 \$92,583,317. Of this amount, \$15,462,515 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$5,281,191 due to revenues exceeding expenses.
- At the close of fiscal year 2018, the City's governmental funds reported an ending fund balance of \$32,286,783, an increase of \$736,592 in comparison to the prior year balance of \$31,550,191 due to greater general revenues, including building permit activity. Approximately 49% of the ending fund balance, or \$15,803,748, is unassigned and available for spending at the City's discretion.
- At the end of fiscal year 2018, unassigned fund balance for the general fund was \$15,803,748 or 61% of total general fund expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

Fund Financial Statements

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

Governmental Funds

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

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

The City utilizes the following major governmental funds:

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

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

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

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Fiduciary Funds

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

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City of Clayton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92,583,317 at the close of the most recent fiscal year, an increase of \$5,281,191.

A major portion of the City's net position is net investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure less any related debt used to acquire those assets), totaling \$74,739,550 or 81% of net position. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Unrestricted net position of \$15,462,515 is another major portion of the City's net position (17%) that may be used to meet on-going obligations to citizens and creditors.

The following table summarizes the statement of net position as of September 30, 2018 and 2017:

	September 30		2018 Change	
	2018	2017	Amount	Percent
Assets				
Current and other assets	\$ 39,096,043	\$ 40,070,842	\$ (974,799)	-2.4%
Capital assets, net	99,972,532	99,106,116	866,416	0.9%
Total assets	139,068,575	139,176,958	(108,383)	-0.1%
Deferred Outflows of Resources				
Deferred charges on refunding	54,956	109,912	(54,956)	-50.0%
Deferred amounts related to pensions	1,628,689	2,477,701	(849,012)	-34.3%
Total deferred outflows of resources	1,683,645	2,587,613	(903,968)	-34.9%
Liabilities				
Current liabilities	6,579,307	8,313,358	(1,734,051)	-20.9%
Long-term liabilities	37,214,050	44,142,989	(6,928,939)	-15.7%
Total liabilities	43,793,357	52,456,347	(8,662,990)	-16.5%
Deferred Inflows of Resources				
Deferred amounts related to other post-employment benefits	31,834	—	31,834	100.0%
Deferred amounts related to pensions	4,343,712	2,006,098	2,337,614	116.5%
Total deferred inflows of resources	4,375,546	2,006,098	2,337,614	116.5%
Net Position				
Net investment in capital assets	74,739,550	71,073,997	3,665,553	5.2%
Restricted	2,381,252	1,634,234	747,018	45.7%
Unrestricted	15,462,515	14,593,895	868,620	6.0%
Total net position	\$ 92,583,317	\$ 87,302,126	\$ 5,281,191	6.0%

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		2018 Change	
	2018	2017	Amount	Percent
Revenues				
Program revenues:				
Charges for services	\$ 8,483,269	\$ 7,622,016	\$ 861,253	11.3%
Operating grants and contributions	1,718,667	1,174,849	543,818	46.3%
Capital grants and contributions	1,997,673	4,888,546	(2,890,873)	-59.1%
General revenues:				
Property tax	9,088,794	9,051,027	37,767	0.4%
Sales tax	8,148,321	7,101,367	1,046,954	14.7%
Utility tax	5,744,718	5,301,493	443,225	8.4%
Other taxes	246,369	240,183	6,186	2.6%
Investment income	560,330	283,949	276,381	97.3%
Grants and contributions not restricted to specific programs	175,559	183,866	(8,307)	-4.5%
Gain on sale of capital assets	(50,851)	41,001	(91,852)	100.0%
Miscellaneous	408,926	214,256	194,670	90.9%
Total revenues	36,521,775	36,102,553	419,222	1.2%
Program Expenses				
General government	4,481,815	4,814,472	(332,657)	-6.9%
Public safety	12,696,321	12,255,940	440,381	3.6%
Public works	7,995,173	7,763,038	232,135	3.0%
Parks and recreation	3,360,390	2,914,876	445,514	15.3%
Economic development	508,248	535,756	(27,508)	-5.1%
Community development	1,040,674	1,058,584	(17,910)	-1.7%
Interest on long-term debt	1,157,963	1,355,310	(197,347)	-14.6%
Program expenses	31,240,584	30,697,976	542,608	1.8%
Change in net position	5,281,191	5,404,577	(123,386)	-2.3%
Beginning of year net position				
As previously stated	88,013,327	82,608,750	123,386	0.1%
Restatement of net position - other				
post-employment benefit obligations	(711,201)	—	(711,201)	100.0%
Beginning of year net position	87,302,126	82,608,750	(587,815)	-0.7%
End of year net position	\$ 92,583,317	\$ 88,013,327	\$ (711,201)	-0.8%

The City's overall net position of \$92,583,317 increased \$5,281,191 during the current fiscal year. Fiscal year 2018 revenues totaling \$36,521,775 are \$419,222 more than fiscal year 2017. Program revenue totaling \$12,199,609 are \$1,485,802 less than fiscal year 2017 due to less capital grants and contributions. Fiscal year 2017 included high levels of grants and contributions for park enhancements.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

General revenue from property, sales, and utility taxes total \$22,981,833, an increase of \$1,527,946 from fiscal year 2017 and 94% of total general revenues of \$24,322,166. Property tax revenue increased \$37,767 to \$9,088,794 due to normal growth. Sales tax increased by \$1,046,954 to \$8,148,321 due to a new public safety sales tax levy. Utility tax increased by \$443,225 to \$5,744,718 partially due to a settlement payment from an electrical utility. The City expects expanding growth in property tax related to new developments and steady growth in sales tax.

Program expenses totaling \$31,240,584 were \$542,608 greater than fiscal year 2017. The increase is primarily due to salary and benefit increases, especially for new public safety staff some of which are offset with revenue, offset by reduced interest and fiscal charges.

Financial Analysis of the City's Funds

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

The City's total governmental funds at the end of the current fiscal year reported an ending fund balance of \$32,286,783, an increase of \$736,592 in comparison with the prior year. Approximately 49% of this total amount (\$15,803,748) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balances consists of nonspendable funds of \$1,561,882 for inventory, interfund advances, and prepaid items; restricted funds of \$9,404,959 for capital projects, economic development, debt service, public safety, and sewer lateral; committed funds of \$5,414,329 for capital projects; and assigned funds of \$101,865 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 \$15,803,748 while total fund balance is \$17,467,495. Unassigned fund balance represents 61% of total General Fund expenditures. The City's General Fund minimum reserve policy level is 25% of expenditures, with a target level of 33%. The City's fiscal year 2018 General Fund balance increased \$479,974. Fiscal year 2018 revenue totaled \$27,593,038 and is \$2,456,896 more than fiscal year 2017. Most of this change is related to increases in revenue from sales tax, building permits, public utility licenses, and reimbursement for shared services staff.

The Capital Improvement Fund balance of \$642,608 is restricted for capital projects. The increase in fund balance of \$407,684 was mostly due to a decision by the Board of Aldermen to transfer a portion of the General Fund 2018 surplus to be used for capital projects. Transfers in of \$2,081,768 are from the 2014 general obligation bond issue for construction and from the General Fund surplus. Transfers out of \$3,543,461 are to pay a portion of the debt service on the 2011 bonds and the 2014 refunding bonds, and to cover a portion of capital equipment replacement costs in the General Fund.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

The Equipment Replacement Fund has a total fund balance of \$5,414,329, which is committed for the replacement of vehicles, equipment and technology items in the City based on a long-range replacement plan. The funding source is a charge-back to the General Fund.

The 2014 General Obligation Bond Issue Fund has a total fund balance of \$8,231,018. This represents the remainder of the proceeds of the 2014 General Obligation bonds which are restricted for expenditure on various capital improvements, and property tax and investment proceeds which are restricted for debt service.

General Fund Significant Variances - Budget and Actual

The General Fund budget to actual is summarized in the required supplementary information section. The General Fund final budget for revenues totaled \$26,961,235 and was \$243,900 higher than the original budget mostly due to a settlement from an electrical utility. The final budget for expenditures totaled \$26,310,594 and was \$482,551 lower than the original budget. As stated earlier, the City's policy on General Fund balance is a minimum of 25% of operating expenditures, with a target level of 33%. The current unassigned General Fund balance is at 61%.

Overall, the net change in fund balance on the budget basis was an increase of \$479,974. Actual General Fund revenue totaling \$27,404,069 was \$442,835 more than the final budget due to growth in general revenue. Actual General Fund expenditures totaling \$25,733,034 were \$577,560 less than the final budget due to vacancies and less contractual services than planned.

In fiscal year 2018 the City amended the General Fund budget to result in a budgeted deficit due to the Board's decision to transfer a portion of the actual surplus to the Capital Improvement Fund.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of September 30, 2018 totaled \$99,972,532 (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 \$866,416 with capital assets increasing \$10,684,684, construction in progress decreasing \$6,572,337 and offset by an increase in accumulated depreciation of \$3,245,931.

The following table details the net capital assets:

	September 30		2018 Change	
	2018	2017	Amount	Percent
Land	\$ 9,946,623	\$ 9,946,623	\$ —	0.0%
Buildings	42,064,264	43,087,613	(1,023,349)	-2.4%
Improvements other than building	10,269,635	4,999,693	5,269,942	105.4%
Machinery and equipment	5,190,261	4,835,336	354,925	7.3%
Infrastructure	31,027,604	28,190,369	2,837,235	10.1%
Construction in progress	1,474,145	8,046,482	(6,572,337)	-81.7%
Total capital assets, net	\$ 99,972,532	\$ 99,106,116	\$ 866,416	0.9%

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

Long-term Debt

The City had government-wide debt outstanding of \$31,665,346 at the end of the current fiscal year. Of this amount, \$13,310,000 is general obligation debt backed by the full faith and credit of the City, \$18,040,000 is special obligation debt, and \$315,346 represents a capital lease

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

	September 30		2018 Change	
	2018	2017	Amount	Percent
General obligation Series 2014	\$ 13,310,000	\$ 13,890,000	\$ (580,000)	-4.2%
Special obligation Series 2009 A&B	9,990,000	10,670,000	(680,000)	-6.4%
Special obligation Series 2011	7,380,000	7,810,000	(430,000)	-5.5%
Special obligation Series 2014	670,000	2,095,000	(1,425,000)	-68.0%
Capital lease payable	315,346	410,655	(95,309)	-23.2%
Note payable	—	132,419	(132,419)	-100.0%
Total long-term debt	\$ 31,665,346	\$ 35,008,074	\$ (3,342,728)	-9.5%

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

The Outlook for Next Year's Budget

A budgeted surplus is planned in fiscal year 2019 through increasing revenue and continuing to monitor expenditures. The fiscal year 2019 budget continues to maintain the high level of General Fund services and fee increases that come close to full cost recovery for certain services. Positions were added in the Fire Department which will enhance Fire and EMS service. Economic development activity in the City is historically high, which will result in long-term revenue gains.

Highlights of the fiscal year 2019 budget are as follows:

- For all funds, revenue is \$49,788,726 and expenditures are \$49,425,826, excluding transfers. Expenditures remain high due to the continuing expenditure of the proceeds of the general obligation bonds for construction projects and additional staffing.
- For the General Fund, revenue and transfers in total \$30,763,237, and expenditures and transfers out are \$30,490,349 with the resulting expectations of a budget surplus for the year.
- Capital Improvement expenditures are budgeted to be \$15,011,717 and include various infrastructure, facilities and parks improvements. The total capital improvement budget for fiscal year 2019 - fiscal year 2021 totals \$23,294,640.
- In April 2018, Clayton voters approved a Use Tax at the City's approved local tax rate. This tax will be effective as of October 1, 2018.

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, 2018

Page 1 Of 2

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 3,617,557
Investments	30,352,224
Receivables:	
Property taxes	35,321
Intergovernmental	1,228,574
Public utility licenses	558,992
Special assessments	45,069
Ambulance, net	238,208
Court, net	74,187
Interest	226,395
Staff reimbursements	391,254
Other	640,790
Prepaid items	1,672,613
Inventory	14,859
Capital assets:	
Land and construction in progress	11,420,768
Other capital assets, net	88,551,764
Total Assets	<u>139,068,575</u>
 Deferred Outflows Of Resources	
Deferred charges on refunding	54,956
Deferred amounts related to pensions	1,628,689
Total Deferred Outflows Of Resources	<u>1,683,645</u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION (Continued)

September 30, 2018
Page 2 Of 2

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	\$ 1,961,641
Accrued interest payable	245,527
Accrued liabilities	644,427
Unearned revenues	3,220,673
Deposits	507,039
Noncurrent liabilities:	
Due within one year	2,860,944
Due in more than one year	29,778,498
Net pension liability	3,320,834
Other post-employment benefit liability	1,253,774
Total Liabilities	<u>43,793,357</u>
Deferred Inflows Of Resources	
Deferred amounts related to other post-employment benefits	31,834
Deferred amounts related to pensions	4,343,712
Total Deferred Inflows Of Resources	<u>4,375,546</u>
Net Position	
Net investment in capital assets	74,739,550
Restricted for:	
Economic development	133,089
Debt service	1,404,126
Public safety	120,733
Sewer lateral projects	80,696
Capital projects	642,608
Unrestricted	15,462,515
Total Net Position	<u>\$ 92,583,317</u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended September 30, 2018

Functions	Expenses	Program Revenues			Net Revenues (Expenses) And Changes In Net Position
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities					
General government	\$ 4,481,815	\$ 3,098,503	\$ 241,020	\$ 85,986	\$ (1,056,306)
Public safety	12,696,321	2,818,348	768,289	7,440	(9,102,244)
Public works	7,995,173	1,556,265	453,113	964,882	(5,020,913)
Parks and recreation	3,360,390	997,971	256,245	939,365	(1,166,809)
Economic development	508,248	12,182	—	—	(496,066)
Community development	1,040,674	—	—	—	(1,040,674)
Interest and fiscal charges	1,157,963	—	—	—	(1,157,963)
Total Governmental Activities	\$ 31,240,584	\$ 8,483,269	\$ 1,718,667	\$ 1,997,673	(19,040,975)
General Revenues					
Taxes:					
Property					9,088,794
Sales					8,148,321
Utility					5,744,718
Other					246,369
Investment income					560,330
Grants and contributions not restricted to specific programs					175,559
Loss on sale of capital assets					(50,851)
Miscellaneous					408,926
Total General Revenues					24,322,166
Change In Net Position					5,281,191
Net Position - Beginning Of Year, As Previously Stated					88,013,327
Restatement Of Net Position Due To The Adoption Of GASB Statement No. 75					(711,201)
Net Position - Beginning Of Year, As Restated					87,302,126
Net Position - End Of Year					\$ 92,583,317

CITY OF CLAYTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS September 30, 2018

	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	\$ 876,266	\$ 230,163	\$ 310,712	\$ 2,169,027	\$ 31,389	\$ 3,617,557
Investments	14,732,779	3,833,240	5,277,464	5,975,464	533,277	30,352,224
Receivables:						
Property taxes	3,957	29,806	—	852	3,818	38,433
Intergovernmental	736,135	465,181	—	—	—	1,201,316
Public utility licenses	558,992	—	—	—	—	558,992
Special assessments	—	43,576	—	—	—	43,576
Ambulance	238,208	—	—	—	—	238,208
Court	74,187	—	—	—	—	74,187
Interest	78,196	20,370	17,650	106,165	4,014	226,395
Staff reimbursements	391,254	—	—	—	—	391,254
Other	629,179	—	37,250	—	—	666,429
Prepaid items	1,469,722	—	—	—	—	1,469,722
Inventory	14,859	—	—	—	—	14,859
Advances to other funds	77,301	—	—	—	—	77,301
Total Assets	\$ 19,881,035	\$ 4,622,336	\$ 5,643,076	\$ 8,251,508	\$ 572,498	\$ 38,970,453
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ 1,010,137	\$ 665,400	\$ 225,278	\$ 20,490	\$ 40,336	\$ 1,961,641
Accrued liabilities	644,427	—	—	—	—	644,427
Unearned revenue	63,856	3,153,348	3,469	—	—	3,220,673
Deposits	487,039	20,000	—	—	—	507,039
Advances from other funds	—	77,301	—	—	—	77,301
Total Liabilities	2,205,459	3,916,049	228,747	20,490	40,336	6,411,081
Deferred Inflows of Resources						
Unavailable revenues:						
Property taxes	—	20,103	—	—	—	20,103
Special assessments	—	43,576	—	—	829	44,405
Ambulance	133,893	—	—	—	—	133,893
Court	74,188	—	—	—	—	74,188
Total Deferred Inflows of Resources	208,081	63,679	—	—	829	272,589
Fund Balances (Deficit)						
Nonspendable:						
Inventory	14,859	—	—	—	—	14,859
Advances	77,301	—	—	—	—	77,301
Prepaid items	1,469,722	—	—	—	—	1,469,722
Restricted for:						
Capital projects	—	642,608	—	7,023,707	—	7,666,315
Economic development	—	—	—	—	133,089	133,089
Debt service	—	—	—	1,207,311	196,815	1,404,126
Public safety	—	—	—	—	120,733	120,733
Sewer lateral	—	—	—	—	80,696	80,696
Committed for:						
Capital projects	—	—	5,414,329	—	—	5,414,329
Assigned to:						
Purchases on order	101,865	—	—	—	—	101,865
Unassigned	15,803,748	—	—	—	—	15,803,748
Total Fund Balances	17,467,495	642,608	5,414,329	8,231,018	531,333	32,286,783
Total Liabilities, Deferred Inflows of Resources, And Fund Balances	\$ 19,881,035	\$ 4,622,336	\$ 5,643,076	\$ 8,251,508	\$ 572,498	\$ 38,970,453

CITY OF CLAYTON, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION September 30, 2018

Total Fund Balance - Governmental Funds \$ 32,286,783

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 \$140,578,095 and the accumulated depreciation is \$40,605,563. 99,972,532

Certain changes in the net pension liability are amortized over time and are not reported in the funds. (2,715,023)

Certain changes in the net OPEB liability are amortized over time and are not reported in the funds. (31,834)

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. 272,589

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. 202,891

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	(245,527)
Net pension liability	(3,320,834)
Other post-employment benefit liability	(1,253,774)
Compensated absences	(382,753)
Bonds payable	(31,665,346)
Unamortized bond premium	(591,343)
Unamortized deferred charges	54,956

Total Net Position - Governmental Activities \$ 92,583,317

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For The Year Ended September 30, 2018

	General	Capital Improvement Fund	Equipment Replacement Fund	2014 General Obligation Bond Issue Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
General property taxes	\$ 6,164,148	\$ —	\$ —	\$ 1,370,274	\$ 1,554,372	\$ 9,088,794
Special assessments	—	11,621	—	—	101,974	113,595
Sales taxes	5,105,173	3,043,148	—	—	—	8,148,321
Licenses and permits	2,823,850	—	—	—	—	2,823,850
Public utility licenses	5,744,718	—	—	—	—	5,744,718
Intergovernmental	1,820,828	1,343,854	—	—	175,559	3,340,241
Community programs	1,900,933	—	—	—	—	1,900,933
Parking facilities and meters	2,279,399	—	—	—	—	2,279,399
Fines and forfeitures	946,937	—	—	—	23,382	970,319
Donations and reimbursements	—	780,042	119,671	—	—	899,713
Investment income	298,807	73,998	80,170	94,217	13,138	560,330
Miscellaneous	508,245	—	—	—	—	508,245
Total Revenues	27,593,038	5,252,663	199,841	1,464,491	1,868,425	36,378,458
Expenditures						
Current:						
General government	3,683,857	—	—	—	—	3,683,857
Parks and recreation	2,583,506	—	—	—	—	2,583,506
Public safety	11,919,392	—	—	—	40,812	11,960,204
Public works	6,051,921	—	—	—	—	6,051,921
Economic development	507,434	—	—	—	—	507,434
Community development	1,041,255	—	—	—	—	1,041,255
Capital outlay	—	3,382,049	1,915,460	—	109,219	5,406,728
Debt service:						
Principal	132,419	—	103,018	580,000	2,535,000	3,350,437
Interest and fiscal charges	2,219	1,237	—	422,714	805,813	1,231,983
Total Expenditures	25,922,003	3,383,286	2,018,478	1,002,714	3,490,844	35,817,325
Revenues Over (Under) Expenditures	1,671,035	1,869,377	(1,818,637)	461,777	(1,622,419)	561,133
Other Financing Sources (Uses)						
Transfers in	1,973,502	2,081,768	1,820,837	—	2,134,463	8,010,570
Transfers out	(3,164,563)	(3,543,461)	—	(738,042)	(564,504)	(8,010,570)
Sale of capital assets	—	—	175,459	—	—	175,459
Total Other Financing Sources (Uses)	(1,191,061)	(1,461,693)	1,996,296	(738,042)	1,569,959	175,459
Net Change In Fund Balances	479,974	407,684	177,659	(276,265)	(52,460)	736,592
Fund Balances - Beginning Of Year	16,987,521	234,924	5,236,670	8,507,283	583,793	31,550,191
Fund Balances - End Of Year	\$ 17,467,495	\$ 642,608	\$ 5,414,329	\$ 8,231,018	\$ 531,333	\$ 32,286,783

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, 2018

Net Change In Fund Balances - Total Governmental Funds \$ 736,592

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over estimated useful lives and reported as depreciation expense. Capital outlays of \$4,897,061 over the capitalization threshold exceeded depreciation of \$3,985,292 in the current period. 911,769

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. (45,353)

Property and other tax revenues received prior to the year for which they were levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred inflows related to property taxes increased this fiscal year by \$4,542. 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 \$18,535 and \$5,537, respectively. Deferred inflows related to ambulance taxes increased this fiscal year by \$35,165. 15,635

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

Repayment of bond and note principal 3,342,728
Amortization of premiums and deferred amounts on refunding 69,512

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

Accrued interest on debt 12,217
Prepaid items (5,192)
Compensated absences 26,563
Pension expense 261,524
Other post-employment benefits expense (44,804)

Change In Net Position Of Governmental Activities \$ 5,281,191

CITY OF CLAYTON, MISSOURI

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS September 30, 2018

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 1,629,112
Investments:	
U.S. government and agency securities	1,856,357
Common stocks	7,384,720
Corporate bonds	4,431,103
Taxable municipal obligations	706,435
Mutual funds	42,914,014
Property funds	6,888,112
Interest receivable	82,031
Total Assets	<u>65,891,884</u>
Liabilities	
Accrued investment expenses	<u>31,836</u>
Net Position	
Net position restricted for pensions	<u><u>\$ 65,860,048</u></u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS

For The Year Ended September 30, 2018

	Pension Trust Funds
Additions	
Contributions:	
Participant contributions	\$ 486,579
Employer contributions	1,614,703
Total Contributions	<u>2,101,282</u>
Investment Income:	
Net appreciation in fair value of investments and interest and dividends	5,998,482
Less: Investment expenses	<u>(303,396)</u>
Total Investment Income	<u>5,695,086</u>
Total Additions	7,796,368
Deductions	
Benefits paid	<u>3,088,638</u>
Change In Net Position	4,707,730
Net Position Restricted For Pensions - Beginning Of Year	<u>61,152,318</u>
Net Position Restricted For Pensions - End Of Year	<u><u>\$ 65,860,048</u></u>

CITY OF CLAYTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2018

1. Summary Of Significant Accounting Policies

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

Reporting Entity

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

Basis Of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

Fiduciary Fund Type - Pension Trust Funds

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

Measurement Focus And Basis Of Accounting

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

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Cash, Cash Equivalents And Investments

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

Allowance For Uncollectibles

Accounts receivable for ambulance and court are shown net of an allowance for uncollectibles of \$113,795 and \$69,979, respectively.

Inventories

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

Prepaid Items

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

Special Assessments Receivable

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

Capital Assets

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

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

Compensated Absences

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows Of Resources

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

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

Pensions

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Net Position

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

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

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

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

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

Fund Balance

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

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

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

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

New Accounting Standards Implemented

During the year, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense associated with other post-employment benefit plans. As a result of the implementation, net position as of October 1, 2017 was restated as follows:

Addition of net OPEB liability calculated pursuant to GASB Statement No. 75	\$ 1,240,804
Removal of net other post-employment benefits obligation calculated pursuant to GASB Statement No. 45	<u>(529,603)</u>
Adjustment to net position as of October 1, 2017	<u><u>\$ 711,201</u></u>

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 \$101,865 for the General Fund, \$361,257 for the Capital Improvement Fund, and \$301,762 for the Equipment Replacement Fund. No other City funds had encumbrances outstanding at year-end.

Interfund Transactions

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

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

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

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, 2018, the City's bank balances were fully insured or collateralized.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Investments

A summary of investments as of September 30, 2018 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	\$ 24,461,424	\$ —	\$ 11,921,621	\$ 12,539,803	\$ —	\$ —	Not rated
Repurchase agreements	—	—	—	—	—	—	Not rated
U.S. Agencies	5,890,800	—	4,747,327	1,143,473	—	—	AA +
Total Governmental Activities	30,352,224	—	16,668,948	13,683,276	—	—	
Fiduciary Funds							
U.S. government and agency securities:							
U.S. Treasuries	393,731	—	—	325,659	68,072	—	AA+
U.S. Agencies	1,462,626	—	954	226,322	104,093	1,131,257	AA+
Common stock	7,384,720	7,384,720	—	—	—	—	Not rated
Corporate bonds	191,058	—	—	110,629	—	80,429	AAA
Corporate bonds	644,384	—	—	404,082	155,735	84,567	AA
Corporate bonds	2,312,462	—	952	937,906	749,623	623,981	A
Corporate bonds	1,011,018	—	—	200,521	472,115	338,382	BBB
Corporate bonds	29,002	—	—	—	—	29,002	CCC
Corporate bonds	243,179	—	—	13,758	—	229,421	Not rated
Taxable municipal obligations	153,032	—	—	—	74,530	78,502	AA
Taxable municipal obligations	260,796	—	—	—	260,796	—	A
Taxable municipal obligations	292,607	—	80,857	68,173	74,410	69,167	Not rated
Mutual funds	42,914,014	42,914,014	—	—	—	—	Not rated
Property funds	6,888,112	6,888,112	—	—	—	—	Not rated
Total Fiduciary Funds	64,180,741	57,186,846	82,763	2,287,050	1,959,374	2,664,708	
Total Investments	\$ 94,532,965	\$ 57,186,846	\$ 16,751,711	\$ 15,970,326	\$ 1,959,374	\$ 2,664,708	

Investment Policy

Governmental Activities

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

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

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

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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

Investment Types And Maturities

Governmental Activities

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

Credit Risk

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

Governmental Activities

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

Pension Trust Funds

The investment policies of the pension funds do not address credit quality standards. The above table reflects the credit ratings for the two retirement plans associated with the securities invested in the pension trust funds as of September 30, 2018, 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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Pension Trust Funds

Custodial credit risk in the pension trust funds is the risk that in the event of the failure of the counterparty to a transaction, the pension funds will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The investment policies of the pension funds do not address custodial credit risk. At September 30, 2018, the City of Clayton Uniformed Employees' Pension Fund has \$6,993,895 in treasuries, agencies, municipal obligations, and corporate and foreign bonds that are held by the counterparty's trust department, but, not in the name of the Uniformed Employee's Pension Fund.

Fair Value

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

The City had the following recurring fair value measurements as of September 30, 2018:

	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	\$ 24,461,424	\$ —	\$ 24,461,424	\$ —
U.S. agency securities	5,890,800	—	5,890,800	—
Primary government investments at fair value level	30,352,224	—	30,352,224	—
Fiduciary Funds				
U.S. government and agency securities	1,856,357	—	1,856,357	—
Common stocks	7,384,720	7,384,720	—	—
Corporate bonds	4,431,103	—	4,431,103	—
Taxable municipal obligations	706,435	—	706,435	—
Mutual funds	36,777,827	36,777,827	—	—
Fiduciary funds investments at fair value level	51,156,442	44,162,547	6,993,895	—
Total investments by fair value level	81,508,666	44,162,547	37,346,119	—
Investments measured at net asset value (NAV):				
Fiduciary Funds				
Closely held mutual fund	6,136,187			
Property fund	6,888,112			
Total assets measured at the NAV	13,024,299			
Total assets measured at fair value	\$ 94,532,965			

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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Closely held				
mutual fund {a}	\$ 6,136,187	\$ —	Daily	1 Day
Property fund {b}	6,888,112	—	Quarterly	60 days notice
	<u>\$ 13,024,299</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.

(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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

3. Capital Assets

Capital asset activity was as follows:

	Balance - October 1, 2017	Increases	Decreases	Balance - September 30, 2018
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 9,946,623	\$ —	\$ —	\$ 9,946,623
Construction in process	8,046,482	3,315,476	9,887,813	1,474,145
<u>Total capital assets not being depreciated</u>	<u>17,993,105</u>	<u>3,315,476</u>	<u>9,887,813</u>	<u>11,420,768</u>
Capital assets, being depreciated:				
Buildings	57,574,889	346,465	—	57,921,354
Improvements other than buildings	6,687,056	5,640,785	90,198	12,237,643
Machinery and equipment	11,597,267	1,296,713	694,516	12,199,464
Infrastructure	42,613,431	4,185,435	—	46,798,866
<u>Total capital assets being depreciated</u>	<u>118,472,643</u>	<u>11,469,398</u>	<u>784,714</u>	<u>129,157,327</u>
Less accumulated depreciation for:				
Buildings	14,487,276	1,369,814	—	15,857,090
Improvements other than buildings	1,687,363	370,843	90,198	1,968,008
Machinery and equipment	6,761,931	896,435	649,163	7,009,203
Infrastructure	14,423,062	1,348,200	—	15,771,262
<u>Total accumulated depreciation</u>	<u>37,359,632</u>	<u>3,985,292</u>	<u>739,361</u>	<u>40,605,563</u>
<u>Total capital assets being depreciated, net</u>	<u>81,113,011</u>	<u>7,484,106</u>	<u>45,353</u>	<u>88,551,764</u>
<u>Governmental activities capital assets, net</u>	<u>\$ 99,106,116</u>	<u>\$ 10,799,582</u>	<u>\$ 9,933,166</u>	<u>\$ 99,972,532</u>

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

	For The Year Ended September 30, 2018
Governmental activities:	
General government	\$ 694,558
Public safety	942,846
Public works	1,809,817
Parks and recreation	538,071
	<u>\$ 3,985,292</u>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

4. Interfund Balances

Interfund balances are the result of an advance of funds from the General Fund to the Capital Improvement Fund to finance an energy efficiency project. Interfund balances are expected to be repaid during the fiscal year ended September 30, 2019.

Interfund receivable and payable balances at September 30, 2018 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvement Fund	\$ 77,301

5. Interfund Transactions

Individual interfund transactions are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>For The Year Ended September 30, 2018</u>
General Fund	Special Taxing District Fund	\$ 564,504
General Fund	Capital Improvement Fund	1,408,998
Equipment Replacement Fund	General Fund	1,820,837
2014 Special Obligation Refunded Bonds Fund	Capital Improvement Fund	1,481,600
Capital Improvement Fund	2014 General Obligation Bond Fund	738,042
2011 Bond Fund	Capital Improvement Fund	652,863
Capital Improvement Fund	General Fund	1,343,726
		<u>\$ 8,010,570</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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

6. Long-Term Liabilities

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

	Balance - October 1, 2017	Additions	Reductions	Balance - September 30, 2018	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	\$ 13,890,000	\$ —	\$ 580,000	\$ 13,310,000	\$ 595,000
Special obligation capital improvement bonds	20,575,000	—	2,535,000	18,040,000	1,805,000
Unamortized premiums	715,811	—	124,468	591,343	—
Note payable	132,419	—	132,419	—	—
Capital lease payable	410,655	—	95,309	315,346	97,329
Compensated absences	409,316	862,311	888,874	382,753	363,615
Total Governmental Activities	\$ 36,133,201	\$ 862,311	\$ 4,356,070	\$ 32,639,442	\$ 2,860,944

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

General Obligation Bonds, Series 2014 totaling \$15,000,000 were issued on October 7, 2014 with interest rates ranging from 2% to 3.25%, maturing March 15, 2034. The 2014 bonds were issued to finance the resurfacing and improving of neighborhood streets, sidewalks, alleys, street lighting and related infrastructure improvements. The balance at September 30, 2018 was \$13,310,000.

Special Obligation Refunding Bonds, Series 2014 totaling \$6,735,000 were issued on October 7, 2014 with interest rates ranging from 3% to 4%, maturing March 15, 2019. The 2014 bonds were issued to refund the Series 2005A and Series 2007 special obligation bonds. The refunding of the 2005A bonds and 2007 bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$274,781. This difference, reported in the accompanying financial statements as a deferred outflow of resources, is being charged through 2019 using the straight-line method. The balance of the Series 2014 bonds at September 30, 2018 was \$670,000.

Special Obligation Bonds, Series 2011 totaling \$9,845,000 were issued on November 8, 2011 with interest rates ranging from 2% to 3.25%, maturing December 1, 2031. The 2011 bonds were issued to finance various park projects, street improvements, and police building improvements. The balance at September 30, 2018 was \$7,380,000.

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, 2018 was \$1,410,000 and \$8,580,000, respectively.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

The City had 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 bore interest at rates similar to those found in the bonds the County issued, which ranged from 4.0% to 4.75%. Monthly payments of \$19,234 continued through April 2018. The note was fully paid as of September 30, 2018.

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
2019	\$ 595,000	\$ 410,488	\$ 1,005,488
2020	620,000	392,138	1,012,138
2021	640,000	366,938	1,006,938
2022	670,000	340,738	1,010,738
2023	690,000	320,438	1,010,438
2024-2028	3,960,000	1,281,638	5,241,638
2029-2033	4,990,000	601,738	5,591,738
2034	1,145,000	18,606	1,163,606
	\$ 13,310,000	\$ 3,732,722	\$ 17,042,722

For The Year Ending September 30,	Special Obligation Bonds		
	Principal	Interest	Total
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	1,230,000	581,285	1,811,285
2023	1,270,000	528,334	1,798,334
2024-2028	6,990,000	1,748,478	8,738,478
2029-2032	4,380,000	270,738	4,650,738
	\$ 18,040,000	\$ 5,163,344	\$ 23,203,344

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 \$599,892 at September 30, 2018.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

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

For The Year	
Ending September 30,	
2019	\$ 103,018
2020	103,018
2021	103,018
2022	17,170
Total minimum lease payments	326,224
Less: Amount representing interest	(10,878)
Present value of future minimum lease payments	<u>\$ 315,346</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, 2018, there were eight series of industrial revenue bonds outstanding.

On May 12, 2009, the City approved the issuance of up to \$202,000,000 in Taxable Industrial Revenue Bonds to finance the acquisition of real property located at 7700-7736 Forsyth Boulevard related to the Centene Center project. At September 30, 2018, \$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, 2018, \$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, 2018, \$2,860,717 was issued and remains outstanding.

On December 29, 2016, the City approved the issuance of up to \$21,680,900 in Taxable Industrial Revenue Bonds (Series 2016C) to finance the acquisition and installation of personal property within Centene's new corporate campus. At September 30, 2018, \$30,520 was issued and remains outstanding.

On December 29, 2016, the City approved the issuance of up to \$18,579,600 in Taxable Industrial Revenue Bonds (Series 2016D) to finance the acquisition and installation of personal property within Centene's new corporate campus. At September 30, 2018, \$30,520 was issued and remains outstanding.

On October 6, 2017, the City approved the issuance of up to \$355,133,220 in Taxable Industrial Revenue Bonds (Series 2017A) to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. Series 2017A, Series 2017B and Series 2017C replaced Series 2016A and Series 2016B. At September 30, 2018, \$54,131,045 was issued and remains outstanding.

On October 6, 2017, the City approved the issuance of up to \$103,200,000 in Taxable Industrial Revenue Bonds (Series 2017B) to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. Series 2017A, Series 2017B and Series 2017C replaced Series 2016A and Series 2016B. At September 30, 2018, \$6,765,924 was issued and remains outstanding.

On October 6, 2017, the City approved the issuance of up to \$256,326,380 in Taxable Industrial Revenue Bonds (Series 2017C) to finance the acquisition of real property and the construction of Centene's new corporate campus on that property. Series 2017A, Series 2017B and Series 2017C replaced Series 2016A and Series 2016B. At September 30, 2018, \$9,110,329 was issued and remains outstanding.

7. Employee Retirement Benefit Plans

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

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

Plan Description And Provisions

Pension plan description

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Current membership in the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	52
Active employees	<u>89</u>
	<u>194</u>

Benefits provided

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

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

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

Contributions

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

Contributions of \$534,824 were made by the City to the NUERF in plan year 2018. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at July 1, 2017. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2018, the City made a prepaid contribution of \$400,000 for the City's estimated plan year 2019 contribution.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

A condensed summary of financial information for the NUERF as of and for its fiscal year ended September 30, 2018 is as follows:

Assets	\$ 19,216,800
Liabilities	<u>16,668</u>
Net position restricted for pensions	<u>\$ 19,200,132</u>
Contributions	\$ 666,883
Total Investment Income	<u>1,349,804</u>
Total Additions	2,016,687
Benefits	<u>748,593</u>
Change In Net Position	<u>\$ 1,268,094</u>

Net Pension Liability And Related Disclosures

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance At June 30, 2017	\$ 18,261,208	\$ 17,026,020	\$ 1,235,188
Changes For The Year:			
Service cost	539,453	—	539,453
Interest	1,291,687	—	1,291,687
Differences between expected and actual experience	(170,492)	—	(170,492)
Changes of assumptions	—	—	—
Contributions - employer	—	534,824	(534,824)
Contributions - employee	—	159,800	(159,800)
Net investment income	—	1,438,824	(1,438,824)
Benefit payments	(707,952)	(707,952)	—
Administrative expense	—	(58,265)	58,265
Net changes	<u>952,696</u>	<u>1,367,231</u>	<u>(414,535)</u>
Balance At June 30, 2018	<u>\$ 19,213,904</u>	<u>\$ 18,393,251</u>	<u>\$ 820,653</u>
Plan Fiduciary Net Position As A Percentage Of The Total Pension Liability			95.73%

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, 2018
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:

Asset Class	Target Asset Allocation	Long-Term Arithmetic Average Nominal Return (1)	Long-Term Arithmetic Average Real Return (2)
Core bonds	15%	6.22%	2.74%
Multi-sector bonds	15%	7.08%	3.60%
U.S. large cap equity	30%	11.01%	7.53%
U.S. small cap equity	15%	12.27%	8.79%
Non-U.S. equity	15%	12.21%	8.73%
Core real estate	10%	9.39%	5.91%
	<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 3.48%.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to follow the current funding policy of contributing employer normal cost plus an 18-year amortization (on a closed basis) of unfunded liabilities. Based on this assumption, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

Sensitivity Of The NPL To Changes In The Discount Rate

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount rate	6.00%	7.00%	8.00%
Net pension liability	\$ 3,401,163	\$ 820,653	\$ (1,324,756)

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

For the year ended September 30, 2018, the City recognized pension expense of \$(180,003) related to the NUERF. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to the NUERF from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
Differences between expected and actual experience	\$ —	\$ 510,726	\$ (510,726)
Changes of assumptions	121,601	57,919	63,682
Differences between expected and actual investment income	321,300	680,019	(358,719)
Balance At September 30, 2018	\$ 442,901	\$ 1,248,664	\$ (805,763)

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:

Plan Year Ending September 30:	Net Deferred Outflows (Inflows) Of Resources
2019	\$ (185,426)
2020	(190,842)
2021	(330,839)
2022	(90,753)
2023	(7,903)
	<hr/> <hr/> \$ (805,763)

City Of Clayton Uniformed Employees' Pension Fund (UERF)

Plan Description And Provisions

Pension plan description

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

Current membership in the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	8
Active employees	<hr/> 84
	<hr/> <hr/> 161

Benefits provided

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

Contributions

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

Contributions of \$1,137,681 were made by the City to the UERF in plan year 2017. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at January 1, 2018. The Entry Age Normal actuarial funding method is used to determine contributions.

Contributions of \$1,109,879 were made by the City to the UERF in plan year 2018.

Changes

The turnover rates were updated to be split by Police and Firefighters. This lowered the actuarial accrued liability by approximately \$485,000.

A condensed summary of financial information for the UERF as of and for the City's fiscal year ended September 30, 2018 is as follows:

Assets	\$ 46,675,084
Liabilities	<u>15,168</u>
Net position restricted for pensions	<u>\$ 46,659,916</u>
Contributions	\$ 1,434,399
Total Investment Income	<u>4,345,282</u>
Total Additions	5,779,681
Benefits	<u>2,340,045</u>
Change In Net Position	<u>\$ 3,439,636</u>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Net Pension Liability And Related Disclosures

The components of the NPL are shown as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance At December 31, 2016	\$ 44,939,249	\$ 39,405,453	\$ 5,533,796
Changes For The Year:			
Service cost	941,122	—	941,122
Interest	3,141,917	—	3,141,917
Differences between expected and actual experience	(279,615)	—	(279,615)
Contributions - employer	—	1,137,681	(1,137,681)
Contributions - employee	—	303,847	(303,847)
Net investment income	—	5,599,207	(5,599,207)
Benefit payments	(2,025,952)	(2,025,952)	—
Administrative expenses	—	(203,696)	203,696
Net Changes	1,777,472	4,811,087	(3,033,615)
Balance At December 31, 2017	\$ 46,716,721	\$ 44,216,540	\$ 2,500,181

Plan Fiduciary Net Position As A

Percentage Of The Total Pension Liability

94.65%

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

Actuarial valuation date	January 1, 2018
Inflation	2.0%
Salary increases	3.5%
Investment rate of return	7.0%

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Arithmetic Average Nominal Return (1)</u>	<u>Long-Term Arithmetic Average Real Return (2)</u>
Core bonds	20%	6.22%	2.74%
Multi-sector bonds	10%	7.08%	3.60%
U.S. large cap equity	30%	11.01%	7.53%
U.S. small cap equity	15%	12.27%	8.79%
Non-U.S. equity	15%	12.21%	8.73%
Core real estate	10%	9.39%	5.91%
	<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 3.48%.

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Sensitivity Of The NPL To Changes In The Discount Rate

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount rate	6.00%	7.00%	8.00%
Net pension liability (asset)	\$ 8,677,494	\$ 2,500,181	\$ (2,582,865)

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

For the year ended September 30, 2018, the City recognized pension expense of \$(81,521) related to the UERF. At September 30, 2018, the City reported deferred outflows of resources related to the UERF from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
Differences between expected and actual experience	\$ 537,090	\$ 288,844	\$ 248,246
Differences between expected and actual investment income	648,698	2,806,204	(2,157,506)
Balance at September 30, 2018	\$ 1,185,788	\$ 3,095,048	\$ (1,909,260)

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

Amortization Schedule	
<u>Plan Year Ending September 30:</u>	<u>Net Deferred Outflows (Inflows) Of Resources</u>
2019	\$ (195,464)
2020	(306,366)
2021	(745,153)
2022	(633,346)
2023	(28,931)
	<u>\$ (1,909,260)</u>

8. Other Post-Employment Benefits

Plan Description:

The City sponsors and administers a single-employer other post-employment benefit (OPEB) plan that does not issue a separate stand-alone financial report. The City provides medical and prescription drug benefits to eligible retirees. All employees who retire from the City and meet eligibility criteria may participate. Nonuniformed employees are eligible to retire once they have attained age 55 and have 10 years of service or age 60 and 5 years of service. Uniformed employees are eligible to retire once they have attained age 50 and have 25 years of service; age 55 and 10 years of service; or age 60 and 5 years of service. Retirees who elect to participate must pay the entire monthly premium.

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

Employees Covered by Benefit Terms. As of September 30, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	9
Active employees	162
	<hr/>
	171
	<hr/> <hr/>

Net OPEB Liability. The City's net OPEB liability of \$1,253,774 was measured as of September 30, 2018 and was determined by a roll forward of an actuarial valuation as of October 1, 2016.

The actuarial assumptions used in the October 1, 2016 roll forward were the same as utilized in the City's October 1, 2016 valuation report.

Actuarial Assumptions and Methods. The net OPEB liability in the October 1, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.64%
Annual Wage Increases	3.5% for Uniformed; 4.0% for Non-Uniformed
Healthcare cost trend rates	7% for 2018, decreasing to an ultimate rate of 5% for 2022 and later years

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

Changes in the Net OPEB Liability:

Balance At September 30, 2017	<u>\$ 1,240,804</u>
Service cost	72,917
Interest	42,890
Differences between expected and actual experience	(2,417)
Changes of assumptions or other input	(33,043)
Benefit payments	<u>(67,377)</u>
Net changes	<u>12,970</u>
 Balance At September 30, 2018	 <u><u>\$ 1,253,774</u></u>

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

- The discount rate as of the beginning of the fiscal year changed from 4.00% to 3.35% to reflect the adoption of GASB 75.
- The discount rate as of the end of the fiscal year changed from 3.35% to 3.64% based on the change in 20-year municipal bond yields.
- The actuarial cost method changed to the Entry Age Normal method to reflect the adoption of GASB 75.

Sensitivity Results. The following presents the net OPEB liability of the City as of September 30, 2018, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	(2.64%)	Rate	(4.64%)
	<hr/>		
Net OPEB Liability	\$ 1,372,332	\$ 1,253,774	\$ 1,147,696

The following presents the net OPEB liability of the City as of September 30, 2018, as well as what the City's net OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

	1% Decrease (6.0%)	Current Health- Care Trend Rate Rate (7.0%)	1% Increase (8.0%)
Net OPEB Liability	\$ 1,099,034	\$ 1,253,774	\$ 1,438,847

For the year ended September 30, 2018, the City recognized OPEB expense of \$44,804. At September 30, 2018, the City reported a deferred inflow of resources of \$31,834 related to the OPEB.

9. Deferred Compensation Plan

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

10. Risk Management

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

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

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

11. Joint Venture

Pursuant to an agreement authorized by City ordinance, the City joined with the Clayton School District to construct and operate a recreational facility. The construction was funded by the City and the Clayton School District. Administration, accounting, repair, and maintenance of the facility will be shared in accordance with the agreement. The City has contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the Clayton City Hall. The City is liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$150,000 for its annual operational subsidy for the year ended September 30, 2018 and an additional \$85,596 for its share of the recreation facility's fiscal year 2017 deficit. As of September 30, 2018, the joint venture has assets of \$10,882,270, liabilities of \$688,451 and equity of \$10,193,819.

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 \$2,381,252 of restricted net position, of which \$334,518 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 \$4,324,593 will be recognized over 20 years. At September 30, 2018, the unearned rent was \$3,153,348.

15. Traffic Violations

State legislation requires the City to annually calculate the percentage of its general revenue that comes from traffic violations and to report an accounting of that calculation. Any such revenues that exceed 20% of total general revenues are required to be transferred to the Director of the Missouri Department of Revenue. In the current year, the City has reported Fines and Forfeitures of \$946,937 of which \$917,263 represent fines, forfeitures, court costs, and other related items for minor traffic violations. This amount is approximately 3.6% of total general revenues of \$25,418,953 and, accordingly, the City believes it is in compliance with the State requirements.

16. Tax Abatements

As of September 30, 2018, the City provides tax abatements through three arrangements under the State of Missouri's industrial development bond program, as discussed in Note 6. The City is authorized to issue industrial development bonds under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended. The bonds finance industrial development projects for private corporations, partnerships and individuals ("the recipient"). The recipient conveys to the City fee simple title to the site or improvements related to the industrial development project. At the same time, the City will lease the site or improvements back to the recipient pursuant to a lease agreement. The lease agreement requires the recipient to use the proceeds of the bonds to purchase and construct the project. The recipient is obligated to make lease payments in amounts that are sufficient to pay the principal and interest on the bonds as they become due. Thus, the City acts as a conduit for the financing. Because the City has ownership of the project, no real and/or personal property taxes are owed. The City's arrangements under this program resulted in tax abatements. The amount of property taxes abated by these arrangements during 2018 was \$164,552.

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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 6,114,050	\$ 6,114,050	\$ 6,164,148	\$ 50,098
Sales taxes	4,985,765	4,985,765	5,105,173	119,408
Licenses and permits	2,798,345	2,798,345	2,823,850	25,505
Public utility licenses	5,436,899	5,676,899	5,744,718	67,819
Intergovernmental	1,540,249	1,540,249	1,631,859	91,610
Community programs	2,018,732	1,937,632	1,900,933	(36,699)
Parking facilities and meters	2,300,824	2,300,824	2,279,399	(21,425)
Fines and forfeitures	967,000	967,000	946,937	(20,063)
Investment income	187,951	187,951	298,807	110,856
Miscellaneous	367,520	452,520	508,245	55,725
Total Revenues	26,717,335	26,961,235	27,404,069	442,835
Expenditures				
Current:				
General government				
Nondepartmental	510,961	510,754	486,924	(23,830)
Information systems	1,276,914	1,034,661	1,008,628	(26,033)
Finance	723,497	720,954	687,432	(33,522)
City manager's office	599,167	701,937	685,911	(16,026)
Municipal court	466,904	490,820	486,128	(4,692)
Board of aldermen and city clerk	96,622	96,622	86,020	(10,602)
Personnel administration	260,654	243,286	242,814	(472)
Public safety	11,996,942	11,843,914	11,730,423	(113,491)
Public works	6,355,733	6,274,580	6,051,921	(222,659)
Parks and recreation	2,609,267	2,591,999	2,583,506	(8,493)
Economic development	595,116	593,681	507,434	(86,247)
Community development	1,166,730	1,072,748	1,041,255	(31,493)
Debt service				
Principal	132,419	132,419	132,419	—
Interest and fiscal charges	2,219	2,219	2,219	—
Total Expenditures	26,793,145	26,310,594	25,733,034	(577,560)
Revenues Over (Under) Expenditures	(75,810)	650,641	1,671,035	1,020,395
Other Financing Sources (Uses)				
Transfers in	1,973,502	1,973,502	1,973,502	—
Transfers out	(1,864,563)	(3,164,563)	(3,164,563)	—
Total Other Financing Sources (Uses)	108,939	(1,191,061)	(1,191,061)	—
Net Change In Fund Balances	\$ 33,129	\$ (540,420)	479,974	\$ 1,020,395
Nonbudgeted Activity			—	
Net Change In Fund Balances - GAAP Basis			479,974	
Fund Balance - Beginning Of Year			16,987,521	
Fund Balance - End Of Year			\$ 17,467,495	

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION September 30, 2018

Explanation Of Budgetary Process

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

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

CITY OF CLAYTON, MISSOURI

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

	Measurement Date				
	June 30,				
	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 539,453	\$ 500,005	\$ 478,954	\$ 478,857	\$ 378,669
Interest	1,291,687	1,235,787	1,195,165	1,104,645	1,041,305
Differences between expected and actual experience	(170,492)	(269,014)	(427,158)	(61,854)	51,094
Changes of assumptions	—	—	(130,351)	413,213	—
Benefit payments	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Net change in total pension liability	952,696	759,403	413,910	1,373,891	718,119
Total pension liability - beginning	18,261,208	17,501,805	17,087,895	15,714,004	14,995,885
Total pension liability - ending	\$ 19,213,904	\$ 18,261,208	\$ 17,501,805	\$ 17,087,895	\$ 15,714,004
Plan fiduciary net position					
Contributions - employer	\$ 534,824	\$ 538,890	\$ 559,056	\$ 544,097	\$ 473,909
Contributions - employee	159,800	150,996	144,794	139,616	137,488
Net investment income	1,438,824	1,841,090	249,335	1,053,742	1,859,720
Benefit payments	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Administrative expense	(58,265)	(57,685)	(52,551)	(47,672)	(49,687)
Net change in fiduciary net position	1,367,231	1,765,916	197,934	1,128,813	1,668,481
Plan fiduciary net position - beginning	17,026,020	15,260,104	15,062,170	13,933,357	12,264,876
Plan fiduciary net position - ending	\$ 18,393,251	\$ 17,026,020	\$ 15,260,104	\$ 15,062,170	\$ 13,933,357
Net pension liability - ending	\$ 820,653	\$ 1,235,188	\$ 2,241,701	\$ 2,025,725	\$ 1,780,647
Plan fiduciary net position as a percentage of the total net pension liability	95.73%	93.24%	87.19%	88.15%	88.67%
Covered payroll	\$ 5,266,677	\$ 5,196,464	\$ 5,005,772	\$ 4,793,040	\$ 4,864,905
Net pension liability as a percentage of covered payroll	15.58%	23.77%	44.78%	42.26%	36.60%

Note To Schedule:

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

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

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

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS NONUNIFORMED EMPLOYEES' RETIREMENT FUND

	Fiscal Year Ended September 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 525,359	\$ 529,622	\$ 547,815	\$ 531,691	\$ 453,411	\$ 539,154	\$ 396,443	\$ 423,850	\$ 353,902	\$ 251,507
Contributions in relation to the actuarially determined contribution	534,824	538,890	559,056	544,097	473,909	539,154	400,000	252,495	215,485	—
Contribution deficiency (excess)	\$ (9,465)	\$ (9,268)	\$ (11,241)	\$ (12,406)	\$ (20,498)	\$ —	\$ (3,557)	\$ 171,355	\$ 138,417	\$ 251,507
Covered payroll	\$ 5,415,836	\$ 5,341,921	\$ 5,382,226	\$ 4,914,959	\$ 4,859,875	\$ 4,787,179	\$ 4,852,803	\$ 4,968,938	\$ 4,918,854	\$ 4,670,711
Contributions as a percentage of covered payroll	9.88%	10.09%	10.39%	11.07%	9.75%	11.26%	8.24%	5.08%	4.38%	0.00%

Valuation date: July 1, 2018

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open period
Remaining amortization period	18 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	2018 through 2015: RP-2000 Combined Healthy Table Generational projection using Scale BB 2014 and prior: RP-2000 Combined Healthy Table Generational projection using Scale AA

CITY OF CLAYTON, MISSOURI

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

	Measurement Date				
	June 30,				
	2018	2017	2016	2015	2014
Annual rate of return, net of investment expense	8.47%	12.09%	1.66%	7.54%	15.28%

Note To Schedule:

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

CITY OF CLAYTON, MISSOURI

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

	Measurement Date			
	December 31,			
	2017	2016	2015	2014
Total pension liability				
Service cost	\$ 941,122	\$ 888,793	\$ 838,618	\$ 839,544
Interest	3,141,917	3,013,562	2,860,499	2,753,542
Differences between expected and actual experience	(279,615)	(92,530)	457,271	977,634
Benefit payments	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Net change in total pension liability	1,777,472	1,778,850	2,147,083	1,475,821
Total pension liability - beginning	44,939,249	43,160,399	41,013,316	39,537,495
Total pension liability - ending	\$ 46,716,721	\$ 44,939,249	\$ 43,160,399	\$ 41,013,316
Plan fiduciary net position				
Contributions - employer	\$ 1,137,681	\$ 1,053,439	\$ 945,822	\$ 857,131
Contributions - employee	303,847	277,605	264,381	249,647
Net investment income	5,599,207	3,405,344	1,152,431	1,876,874
Benefit payments	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Administrative expenses	(203,696)	(206,272)	(212,257)	—
Net change in fiduciary net position	4,811,087	2,499,141	141,072	(111,247)
Plan fiduciary net position - beginning	39,405,453	36,906,312	36,765,240	36,876,487
Plan fiduciary net position - ending	\$ 44,216,540	\$ 39,405,453	\$ 36,906,312	\$ 36,765,240
Net pension liability - ending	\$ 2,500,181	\$ 5,533,796	\$ 6,254,087	\$ 4,248,076
Plan fiduciary net position as a percentage of the total net pension liability	94.65%	87.69%	85.51%	89.64%
Covered payroll	\$ 6,274,513	\$ 5,643,996	\$ 5,319,108	\$ 5,493,694
Net pension liability as a percentage of covered payroll	39.85%	98.05%	117.58%	77.33%

Note To Schedule:

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

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CONTRIBUTIONS UNIFORMED EMPLOYEES' PENSION FUND

	Fiscal Year Ended									
	September 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 1,082,658	\$ 1,000,892	\$ 898,643	\$ 814,376	\$ 1,004,082	\$ 1,029,534	\$ 965,627	\$ 990,993	\$ 1,125,201	\$ 677,396
Contributions in relation to the actuarially determined contribution	<u>1,137,681</u>	<u>1,053,439</u>	<u>945,822</u>	<u>857,131</u>	<u>1,004,082</u>	<u>965,627</u>	<u>965,627</u>	<u>990,993</u>	<u>1,125,201</u>	<u>677,396</u>
Contribution deficiency (excess)	<u>\$ (55,023)</u>	<u>\$ (52,547)</u>	<u>\$ (47,179)</u>	<u>\$ (42,755)</u>	<u>\$ —</u>	<u>\$ 63,907</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered payroll	\$ 6,453,084	\$ 6,318,542	\$ 5,984,753	\$ 5,629,787	\$ 5,519,943	\$ 5,697,480	\$ 5,667,849	\$ 5,545,608	\$ 5,473,347	\$ 5,350,898
Contributions as a percentage of covered payroll	17.63%	16.67%	15.80%	15.22%	18.19%	16.95%	17.04%	17.87%	20.56%	12.66%

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar percentage of payroll, closed period
Remaining amortization period	16 years
Asset valuation method	Smoothed method, market value reduced by 2/3 and 1/3 of loss in each of the prior years, respectively
Inflation	2%
Salary increases	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	2018 through 2015: RP-2000 Blue Collar Table with Generational improvement using Scale BB 2014 and prior: RP-2000 Blue Collar Table with Generational improvement using Scale AA

CITY OF CLAYTON, MISSOURI

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

	Measurement Date				
	December 31,				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual rate of return, net of investment expense	14.35%	9.34%	3.18%	5.69%	16.85%

Note to Schedule:

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

CITY OF CLAYTON, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF SELECTED OTHER
POST-EMPLOYMENT BENEFIT PLAN INFORMATION
September 30, 2018**

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

Note To Schedule:

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

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF SELECTED OTHER POST-EMPLOYMENT BENEFIT PLAN INFORMATION *(Continued)* September 30, 2018

Schedule Of City's Contributions

	Fiscal Year End As Of September 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Required contribution	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Less: Contributions in relation to the required contribution	—	—	—	—	—	—	—	—	—	—
City's covered payroll	11,868,920	11,660,463	11,366,979	10,544,746	10,379,818	10,484,658	10,520,653	10,514,546	10,392,200	10,021,609
Contributions as a percentage of covered payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Changes In Assumptions

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

Other Supplementary Information

CITY OF CLAYTON, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

DEBT SERVICE FUNDS

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

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

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

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

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 19,754	\$ 11,635	\$ 31,389
Investments	335,567	197,710	533,277
Property taxes receivable	1,619	2,199	3,818
Interest receivable	1,645	2,369	4,014
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 358,585	\$ 213,913	\$ 572,498
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities And Fund Balances			
Liabilities			
Accounts payable	\$ 24,067	\$ 16,269	\$ 40,336
	<hr/>	<hr/>	<hr/>
Deferred Inflows Of Resources			
Unavailable revenues:			
Special assessments	—	829	829
	<hr/>	<hr/>	<hr/>
Fund Balances			
Restricted for:			
Economic development	133,089	—	133,089
Debt service	—	196,815	196,815
Public safety	120,733	—	120,733
Sewer lateral	80,696	—	80,696
	<hr/>	<hr/>	<hr/>
Total Fund Balances	334,518	196,815	531,333
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows, And Fund Balances	\$ 358,585	\$ 213,913	\$ 572,498
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET NONMAJOR SPECIAL REVENUE FUNDS September 30, 2018

	Special Taxing District	Sewer Lateral	Drug Forfeiture	Total
Assets				
Cash and cash equivalents	\$ 8,111	\$ 4,710	\$ 6,933	\$ 19,754
Investments	137,789	79,996	117,782	335,567
Property tax receivable	—	1,619	—	1,619
Interest receivable	826	371	448	1,645
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	146,726	86,696	125,163	358,585
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities And Fund Balances				
Liabilities				
Accounts payable	13,637	6,000	4,430	24,067
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Restricted for:				
Economic development	133,089	—	—	133,089
Public safety	—	—	120,733	120,733
Sewer lateral	—	80,696	—	80,696
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	133,089	80,696	120,733	334,518
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities And Fund Balances	\$ 146,726	\$ 86,696	\$ 125,163	\$ 358,585
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2018**

	2009 Build America Bond Fund	2011 Bond Issue Fund	2014 Special Obligation Bond Fund	Total
Assets				
Cash and cash equivalents	\$ 8,695	\$ 743	\$ 2,197	\$ 11,635
Investments - restricted	147,674	12,616	37,420	197,710
Property tax receivable	706	—	1,493	2,199
Interest receivable	318	70	1,981	2,369
Total Assets	\$ 157,393	\$ 13,429	\$ 43,091	\$ 213,913
Liabilities, Deferred Inflows Of Resources And Fund Balances				
Liabilities				
Accounts payable	\$ 15,792	\$ —	\$ 477	\$ 16,269
Deferred Inflows Of Resources				
Unavailable revenues: Special assessments	—	—	829	829
Fund Balances				
Restricted for: Debt service	141,601	13,429	41,785	196,815
Total Liabilities And Fund Balances	\$ 157,393	\$ 13,429	\$ 43,091	\$ 213,913

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended September 30, 2018

	Special Revenue	Debt Service Fund	Total
Revenues			
General property taxes	\$ 462,773	\$ 1,091,599	\$ 1,554,372
Special assessments	94,572	7,402	101,974
Intergovernmental	—	175,559	175,559
Fines and forfeitures	23,382	—	23,382
Investment income	6,342	6,796	13,138
Total Revenues	587,069	1,281,356	1,868,425
Expenditures			
Current:			
Public safety	40,812	—	40,812
Capital outlay	109,219	—	109,219
Debt service:			
Principal	—	2,535,000	2,535,000
Interest and fiscal charges	—	805,813	805,813
Total Expenditures	150,031	3,340,813	3,490,844
Revenues Over (Under) Expenditures	437,038	(2,059,457)	(1,622,419)
Other Financing Sources (Uses)			
Transfers in	—	2,134,463	2,134,463
Transfers out	(564,504)	—	(564,504)
Total Other Financing Sources (Uses)	(564,504)	2,134,463	1,569,959
Net Change In Fund Balances	(127,466)	75,006	(52,460)
Fund Balances			
Beginning of year	461,984	121,809	583,793
End of year	\$ 334,518	\$ 196,815	\$ 531,333

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2018

	Special Taxing District	Sewer Lateral	Drug Forfeiture	Total
Revenues				
General property taxes	\$ 462,773	\$ —	\$ —	\$ 462,773
Special assessments	—	94,572	—	94,572
Fines and forfeitures	—	—	23,382	23,382
Investment income	3,240	1,523	1,579	6,342
Total Revenues	466,013	96,095	24,961	587,069
Expenditures				
Current:				
Public safety	—	—	40,812	40,812
Capital outlay	—	109,219	—	109,219
Total Expenditures	—	109,219	40,812	150,031
Revenues Over (Under) Expenditures	466,013	(13,124)	(15,851)	437,038
Other Financing Sources (Uses)				
Transfers out	(564,504)	—	—	(564,504)
Net Change In Fund Balances	(98,491)	(13,124)	(15,851)	(127,466)
Fund Balances				
Beginning of year	231,580	93,820	136,584	461,984
End of year	\$ 133,089	\$ 80,696	\$ 120,733	\$ 334,518

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For The Year Ended September 30, 2018

	2009 Build America Bond Fund	2011 Bond Issue Fund	2014 Special Obligation Bond Fund	Total
Revenues				
General property taxes	\$ 1,091,599	\$ —	\$ —	\$ 1,091,599
Special assessments	—	—	7,402	7,402
Intergovernmental	175,559	—	—	175,559
Investment income	1,669	246	4,881	6,796
Total Revenues	1,268,827	246	12,283	1,281,356
Expenditures				
Debt service:				
Principal	680,000	430,000	1,425,000	2,535,000
Interest and fiscal charges	538,210	218,049	49,554	805,813
Total Expenditures	1,218,210	648,049	1,474,554	3,340,813
Revenues Over (Under) Expenditures	50,617	(647,803)	(1,462,271)	(2,059,457)
Other Financing Sources (Uses)				
Transfers in	—	652,863	1,481,600	2,134,463
Net Change In Fund Balances	50,617	5,060	19,329	75,006
Fund Balances				
Beginning of year	90,984	8,369	22,456	121,809
End of year	\$ 141,601	\$ 13,429	\$ 41,785	\$ 196,815

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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 484,072	\$ 462,072	\$ 462,773	\$ 701
Investment income	1,875	1,875	3,240	1,365
Total Revenues	485,947	463,947	466,013	2,066
Expenditures				
Economic development	—	—	—	—
Revenues Over Expenditures	485,947	463,947	466,013	2,066
Other Financing Sources (Uses)				
Transfers out	(564,504)	(564,504)	(564,504)	—
Net Change In Fund Balances	\$ (78,557)	\$ (100,557)	(98,491)	\$ 2,066
Fund Balances				
Beginning of year			231,580	
End of year			\$ 133,089	

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, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
Special assessments	\$ 93,947	\$ 93,947	\$ 94,572	\$ 625
Investment income	1,221	1,221	1,523	302
Total Revenues	<u>95,168</u>	<u>95,168</u>	<u>96,095</u>	<u>927</u>
Expenditures				
Capital outlay	<u>105,000</u>	<u>109,300</u>	<u>109,219</u>	<u>(81)</u>
Net Change In Fund Balance	<u>\$ (9,832)</u>	<u>\$ (14,132)</u>	<u>(13,124)</u>	<u>\$ 1,008</u>
Fund Balances				
Beginning of year			<u>93,820</u>	
End of year			<u>\$ 80,696</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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 1,081,569	\$ 1,081,569	\$ 1,091,599	\$ 10,030
Intergovernmental	175,995	175,995	175,559	(436)
Investment income	799	799	1,669	870
Total Revenues	1,258,363	1,258,363	1,268,827	10,464
Expenditures				
Debt service:				
Principal	680,000	680,000	680,000	—
Interest and fiscal charges	540,543	540,543	538,210	(2,333)
Total Expenditures	1,220,543	1,220,543	1,218,210	(2,333)
Net Change In Fund Balances	\$ 37,820	\$ 37,820	50,617	\$ (12,797)
Fund Balances				
Beginning of year			90,984	
End of year			\$ 141,601	

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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
Investment income	\$ 90	\$ 90	\$ 246	\$ 156
Expenditures				
Debt service:				
Principal	430,000	430,000	430,000	—
Interest and fiscal charges	222,863	222,863	218,049	(4,814)
Total Expenditures	<u>652,863</u>	<u>652,863</u>	<u>648,049</u>	<u>(4,814)</u>
Revenues Under Expenditures	(652,773)	(652,773)	(647,803)	(4,970)
Other Financing Sources (Uses)				
Transfers in	<u>652,863</u>	<u>652,863</u>	<u>652,863</u>	<u>—</u>
Net Change In Fund Balances	<u>\$ 90</u>	<u>\$ 90</u>	5,060	<u>\$ (4,970)</u>
Fund Balances				
Beginning of year			<u>8,369</u>	
End of year			<u>\$ 13,429</u>	

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL –
2014 S.O. BOND ISSUE DEBT SERVICE FUND – BUDGET BASIS
For The Year Ended September 30, 2018**

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ 7,354	\$ 7,354	\$ 7,402	\$ 48
Investment income	205	205	4,881	4,676
Total Revenues	7,559	7,559	12,283	4,724
Expenditures				
Debt service:				
Principal	1,425,000	1,425,000	1,425,000	—
Interest and fiscal charges	53,600	53,600	49,554	(4,046)
Total Expenditures	1,478,600	1,478,600	1,474,554	(4,046)
Revenues Under Expenditures	(1,471,041)	(1,471,041)	(1,462,271)	(8,770)
Other Financing Sources (Uses)				
Transfers in	1,481,600	1,481,600	1,481,600	—
Net Change In Fund Balances	\$ 10,559	\$ 10,559	19,329	\$ (8,770)
Fund Balances				
Beginning of year			22,456	
End of year			\$ 41,785	

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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Special assessments	\$ 6,800	\$ 6,800	\$ 11,621	\$ 4,821
Sales tax	2,784,973	2,784,973	3,043,148	258,175
Intergovernmental	2,171,797	1,635,784	1,343,854	(291,930)
Donations and reimbursements	471,396	471,396	780,042	308,646
Investment income	28,506	28,506	73,998	45,492
Total Revenues	5,463,472	4,927,459	5,252,663	325,204
Expenditures				
Capital outlay	11,041,471	3,412,817	3,382,049	(30,768)
Debt service:				
Interest and fiscal charges	1,237	1,237	1,237	—
Total Expenditures	11,042,708	3,414,054	3,383,286	(30,768)
Revenues Over Expenditures	(5,579,236)	1,513,405	1,869,377	355,972
Other Financing Sources (Uses)				
Transfers in	1,549,684	2,104,367	2,081,768	(22,599)
Transfers out	(3,543,461)	(3,543,461)	(3,543,461)	—
Use of Bond Proceeds	(4,776,500)	—	—	—
Total Other Financing Sources (Uses)	(6,770,277)	(1,439,094)	(1,461,693)	(22,599)
Net Change In Fund Balances	\$ (12,349,513)	\$ 74,311	407,684	\$ 333,373
Fund Balances				
Beginning of year			234,924	
End of year			\$ 642,608	

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, 2018

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
Donations and reimbursements	\$ —	\$ 26,246	\$ 119,671	\$ 93,425
Investment income	50,220	50,220	80,170	29,950
Miscellaneous	—	—	—	—
Total Revenues	50,220	76,466	199,841	123,375
Expenditures				
Capital outlay	2,330,746	1,987,719	1,915,460	(72,259)
Debt service:				
Principal	103,018	103,018	103,018	—
Total Expenditures	2,433,764	2,090,737	2,018,478	(72,259)
Revenues Over (Under) Expenditures	(2,383,544)	(2,014,271)	(1,818,637)	195,634
Other Financing Sources (Uses)				
Transfers in	1,820,837	1,820,837	1,820,837	—
Sale of capital assets	160,538	174,398	175,459	1,061
Total Other Financing Sources (Uses)	1,981,375	1,995,235	1,996,296	1,061
Net Change In Fund Balances	\$ (402,169)	\$ (19,036)	177,659	\$ (196,695)
Fund Balances				
Beginning of year			5,236,670	
End of year			\$ 5,414,329	

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, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues				
General property taxes	\$ 1,068,413	\$ 1,338,413	\$ 1,370,274	\$ 31,861
Investment income	50,984	85,984	94,217	8,233
Total Revenues	<u>1,119,397</u>	<u>1,424,397</u>	<u>1,464,491</u>	<u>40,094</u>
Expenditures				
Debt service:				
Principal	580,000	580,000	580,000	—
Interest and fiscal charges	425,738	425,738	422,714	(3,024)
Total Expenditures	<u>1,005,738</u>	<u>1,005,738</u>	<u>1,002,714</u>	<u>(3,024)</u>
Revenues Over Expenditures	113,659	418,659	461,777	43,118
Other Financing Sources (Uses)				
Transfers out	(1,505,958)	(760,641)	(738,042)	22,599
Net Change In Fund Balances	<u>\$ (1,392,299)</u>	<u>\$ (341,982)</u>	(276,265)	<u>\$ (65,717)</u>
Fund Balances				
Beginning of year			<u>8,507,283</u>	
End of year			<u>\$ 8,231,018</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, 2018

	Clayton Non- Uniformed Employees' Retirement Fund	Clayton Uniformed Employees' Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 41,099	\$ 1,588,013	\$ 1,629,112
Investments:			
U.S. government and agency securities	—	1,856,357	1,856,357
Common stocks	—	7,384,720	7,384,720
Corporate bonds	—	4,431,103	4,431,103
Taxable municipal obligations	—	706,435	706,435
Mutual funds	17,200,009	25,714,005	42,914,014
Property funds	1,961,779	4,926,333	6,888,112
Interest receivable	13,913	68,118	82,031
Total Assets	19,216,800	46,675,084	65,891,884
Liabilities			
Accrued investment expenses	16,668	15,168	31,836
Net Position			
Net position restricted for pensions	\$ 19,200,132	\$ 46,659,916	\$ 65,860,048

CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2018

	City Of Clayton Non- Uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
Additions			
Contributions:			
Participant contributions	\$ 162,059	\$ 324,520	\$ 486,579
Employer contributions	504,824	1,109,879	1,614,703
Total Contributions	666,883	1,434,399	2,101,282
Investment Income (Loss):			
Net appreciation (depreciation) in fair value of investments and interest and dividends	1,424,838	4,573,644	5,998,482
Investment expense	(75,034)	(228,362)	(303,396)
Total Investment Income (Loss)	1,349,804	4,345,282	5,695,086
Total Additions	2,016,687	5,779,681	7,796,368
Deductions			
Benefits	748,593	2,340,045	3,088,638
Change In Net Position	1,268,094	3,439,636	4,707,730
Net Position Restricted For Pensions, Beginning Of Year	17,932,038	43,220,280	61,152,318
Net Position Restricted For Pensions, End Of Year	\$ 19,200,132	\$ 46,659,916	\$ 65,860,048

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,									
	2018	2017	2016	2015	2014	2013	2012	2010 (1)	2010	2009
Governmental activities:										
Net investment in										
capital assets	\$ 74,739,550	\$ 71,073,997	\$ 63,730,611	\$ 59,213,835	\$ 57,476,317	\$ 54,149,471	\$ 47,823,828	\$ 37,682,326	\$ 26,675,814	\$ 15,329,996
Restricted	2,381,252	1,634,234	3,020,748	2,049,796	2,615,467	2,769,794	3,133,907	4,723,377	3,717,214	3,782,799
Unrestricted	15,462,515	15,305,096	15,857,391	14,542,546	16,239,618	16,558,707	18,799,802	20,789,148	26,909,957	18,326,512
Total governmental activities net position	<u>\$ 92,583,317</u>	<u>\$ 88,013,327</u>	<u>\$ 82,608,750</u>	<u>\$ 75,806,177</u>	<u>\$ 76,331,402</u>	<u>\$ 73,477,972</u>	<u>\$ 69,757,537</u>	<u>\$ 63,194,851</u>	<u>\$ 57,302,985</u>	<u>\$ 37,439,307</u>
Business-type activities:										
Net investment in										
capital assets	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,397,875
Restricted	—	—	—	—	—	—	—	—	—	265,500
Unrestricted	—	—	—	—	—	—	—	—	—	10,203,839
Total business-type activities net position	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 19,867,214</u>
Primary government:										
Net investment in										
capital assets	\$ 74,739,550	\$ 71,073,997	\$ 63,730,611	\$ 59,213,835	\$ 57,476,317	\$ 54,149,471	\$ 47,823,828	\$ 37,682,326	\$ 26,675,814	\$ 24,727,871
Restricted	2,381,252	1,634,234	3,020,748	2,049,796	2,615,467	2,769,794	3,133,907	4,723,377	3,717,214	4,048,299
Unrestricted	15,462,515	15,305,096	15,857,391	14,542,546	16,239,618	16,558,707	18,799,802	20,789,148	26,909,957	28,530,351
Total primary government net position	<u>\$ 92,583,317</u>	<u>\$ 88,013,327</u>	<u>\$ 82,608,750</u>	<u>\$ 75,806,177</u>	<u>\$ 76,331,402</u>	<u>\$ 73,477,972</u>	<u>\$ 69,757,537</u>	<u>\$ 63,194,851</u>	<u>\$ 57,302,985</u>	<u>\$ 57,306,521</u>

Notes:

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

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

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

	For The Years Ended September 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2009
EXPENSES										
Governmental Activities										
General government	\$ 4,481,815	\$ 4,814,472	\$ 4,965,846	\$ 4,462,401	\$ 5,015,781	\$ 5,009,171	\$ 5,050,212	\$ 5,006,261	\$ 6,066,181	\$ 5,184,518
Public safety	12,696,321	12,255,940	11,240,555	11,243,156	11,133,094	11,980,104	10,148,499	10,240,914	9,784,707	9,153,714
Public works	7,995,173	7,763,038	6,897,265	6,747,391	6,297,163	6,472,311	5,968,351	6,060,451	6,847,543	7,133,404
Parks and recreation	3,360,390	2,914,876	2,747,973	2,834,322	2,778,702	3,038,435	2,990,170	2,808,620	2,938,071	2,135,837
Economic development	508,248	535,756	595,984	486,341	—	—	—	—	—	—
Community development	1,040,674	1,058,584	917,979	832,718	311,973	274,020	298,989	318,787	432,432	199,035
Interest and fiscal charges	1,157,963	1,355,310	1,472,979	1,437,162	1,525,218	1,485,657	1,799,671	1,525,947	1,571,301	779,891
Total Governmental Activities Expenses	<u>31,240,584</u>	<u>30,697,976</u>	<u>28,838,581</u>	<u>28,043,491</u>	<u>27,061,931</u>	<u>28,259,698</u>	<u>26,255,892</u>	<u>25,960,980</u>	<u>27,640,235</u>	<u>24,586,399</u>
Business-Type Activities										
Parking facility	—	—	—	—	—	—	—	—	—	1,081,979
Total Primary Government Expenses	<u>31,240,584</u>	<u>30,697,976</u>	<u>28,838,581</u>	<u>28,043,491</u>	<u>27,061,931</u>	<u>28,259,698</u>	<u>26,255,892</u>	<u>25,960,980</u>	<u>27,640,235</u>	<u>25,668,378</u>
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General government	3,098,503	2,228,732	1,952,455	1,819,017	1,667,576	1,618,158	1,462,385	1,549,918	1,773,196	662,163
Public safety	2,818,348	2,832,013	2,374,798	2,493,473	2,449,170	3,334,775	2,367,393	2,481,302	2,125,691	1,295,680
Public works	1,556,265	1,511,207	1,354,173	1,323,109	1,223,177	1,238,118	1,161,444	1,174,765	1,068,315	233,699
Parks and recreation	997,971	1,050,064	1,042,643	1,024,886	1,038,084	982,734	881,990	917,628	885,857	850,860
Economic development	12,182	—	—	—	—	—	—	—	—	1,354,083
Operating grants and contributions	1,718,667	1,174,849	1,143,239	1,966,370	1,895,184	1,828,807	1,859,222	2,010,033	1,865,220	1,098,553
Capital grants and contributions	1,997,673	4,888,546	1,983,200	1,230,820	2,441,406	3,923,903	5,285,025	5,997,466	372,500	1,024,386
Total Governmental Activities Program Revenues	<u>12,199,609</u>	<u>13,685,411</u>	<u>9,850,508</u>	<u>9,857,675</u>	<u>10,714,597</u>	<u>12,926,495</u>	<u>13,017,459</u>	<u>14,131,112</u>	<u>8,090,779</u>	<u>6,519,424</u>
Business-Type Activities										
Charges for services:										
Parking facility	—	—	—	—	—	—	—	—	—	1,521,683
Total Primary Government Program Revenues	<u>12,199,609</u>	<u>13,685,411</u>	<u>9,850,508</u>	<u>9,857,675</u>	<u>10,714,597</u>	<u>12,926,495</u>	<u>13,017,459</u>	<u>14,131,112</u>	<u>8,090,779</u>	<u>8,041,107</u>
Net Revenues (Expenses)										
Governmental activities	(19,040,975)	(17,012,565)	(18,988,073)	(18,185,816)	(16,347,334)	(15,333,203)	(13,238,433)	(11,829,868)	(19,549,456)	(18,066,975)
Business-type activities	—	—	—	—	—	—	—	—	—	439,704
Total Primary Government Net Revenues (Expenses)	<u>\$ (19,040,975)</u>	<u>\$ (17,012,565)</u>	<u>\$ (18,988,073)</u>	<u>\$ (18,185,816)</u>	<u>\$ (16,347,334)</u>	<u>\$ (15,333,203)</u>	<u>\$ (13,238,433)</u>	<u>\$ (11,829,868)</u>	<u>\$ (19,549,456)</u>	<u>\$ (17,627,271)</u>

CITY OF CLAYTON, MISSOURI

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

	For The Years Ended September 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2009
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Taxes:										
Property	\$ 9,088,794	\$ 9,051,027	\$ 8,326,593	\$ 8,055,653	\$ 7,051,113	\$ 7,340,797	\$ 6,707,168	\$ 6,665,628	\$ 6,388,623	\$ 6,886,241
Sales	8,148,321	7,101,367	7,257,356	7,085,858	6,186,273	5,723,220	5,650,981	5,486,472	5,260,745	5,541,603
Utility	5,744,718	5,301,493	5,235,918	5,434,842	5,452,949	5,364,645	5,206,297	5,450,458	6,172,511	4,894,278
Other	246,369	240,183	236,529	100,488	100,488	100,489	100,489	100,488	100,488	538,881
Grants and contributions not restricted to specific programs	175,559	183,866	192,157	198,215	202,533	214,458	1,797,555	309,426	—	—
Investment income	560,330	283,949	331,992	246,181	138,456	122,293	167,766	320,728	667,936	659,833
Gain (loss) on sale of capital assets	(50,851)	41,001	4,024,986	—	6,323	—	12,554	—	264,774	4,887
Miscellaneous	408,926	214,256	185,115	245,587	62,629	187,736	158,309	349,838	652,450	1,092,730
Transfers	—	—	—	—	—	—	—	—	—	784,733
Total Governmental Activities General Revenues And Other Changes in Net Position	<u>24,322,166</u>	<u>22,417,142</u>	<u>25,790,646</u>	<u>21,366,824</u>	<u>19,200,764</u>	<u>19,053,638</u>	<u>19,801,119</u>	<u>18,683,038</u>	<u>19,507,527</u>	<u>20,403,186</u>
Business-type Activities										
Investment income	—	—	—	—	—	—	—	—	—	320,578
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	—	—	—
Transfers	—	—	—	—	—	—	—	—	—	(784,733)
Total Business-type Activities General Revenues And Other Changes in Net Position	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(464,155)</u>
Total Primary Government General Revenues And Other Changes in Net Position	<u><u>24,322,166</u></u>	<u><u>22,417,142</u></u>	<u><u>25,790,646</u></u>	<u><u>21,366,824</u></u>	<u><u>19,200,764</u></u>	<u><u>19,053,638</u></u>	<u><u>19,801,119</u></u>	<u><u>18,683,038</u></u>	<u><u>19,507,527</u></u>	<u><u>19,939,031</u></u>
CHANGES IN NET POSITION BEFORE RESTATEMENT										
Governmental activities	5,281,191	5,404,577	6,802,573	3,181,008	2,853,430	3,720,435	6,562,686	6,853,170	(41,929)	2,336,211
Business-type activities	—	—	—	—	—	—	—	—	—	(24,451)
Total Primary Government Changes in Net Position Before Restatement	<u>5,281,191</u>	<u>5,404,577</u>	<u>6,802,573</u>	<u>3,181,008</u>	<u>2,853,430</u>	<u>3,720,435</u>	<u>6,562,686</u>	<u>6,853,170</u>	<u>(41,929)</u>	<u>2,311,760</u>
RESTATEMENT										
Governmental activities	—	—	—	(3,706,233)	—	—	—	(961,304)	—	—
CHANGES IN NET POSITION										
Governmental activities	5,281,191	5,404,577	6,802,573	(525,225)	2,853,430	3,720,435	6,562,686	5,891,866	(41,929)	2,336,211
Business-type activities	—	—	—	—	—	—	—	—	—	(24,451)
Total Primary Government Change In Net Position	<u>\$ 5,281,191</u>	<u>\$ 5,404,577</u>	<u>\$ 6,802,573</u>	<u>\$ (525,225)</u>	<u>\$ 2,853,430</u>	<u>\$ 3,720,435</u>	<u>\$ 6,562,686</u>	<u>\$ 5,891,866</u>	<u>\$ (41,929)</u>	<u>\$ 2,311,760</u>

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

CITY OF CLAYTON, MISSOURI

FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	September 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2010
General Fund:										
Nonspendable	\$ 1,561,882	\$ 137,521	\$ 133,928	\$ 196,165	\$ 24,339	\$ 17,715	\$ —	\$ —	\$ —	\$ —
Assigned	101,865	75,447	151,333	162,249	107,705	1,030,039	3,663,374	2,838,638	—	—
Unassigned	15,803,748	16,774,553	16,658,068	16,004,710	16,207,104	15,389,726	14,673,064	17,927,718	—	—
Reserved	—	—	—	—	—	—	—	—	434,493	46,246
Unreserved	—	—	—	—	—	—	—	—	22,623,263	12,590,092
Total General Fund	<u>\$ 17,467,495</u>	<u>\$ 16,987,521</u>	<u>\$ 16,943,329</u>	<u>\$ 16,363,124</u>	<u>\$ 16,339,148</u>	<u>\$ 16,437,480</u>	<u>\$ 18,336,438</u>	<u>\$ 20,766,356</u>	<u>\$ 23,057,756</u>	<u>\$ 12,636,338</u>
All Other Governmental Funds										
Restricted	\$ 9,404,959	\$ 9,326,000	\$ 12,913,899	\$ 15,807,553	\$ 3,328,388	\$ 5,017,628	\$ 7,914,614	\$ 9,733,471	\$ —	\$ —
Committed	5,414,329	5,236,670	5,049,806	3,458,922	2,621,045	2,167,454	2,349,061	1,974,198	—	—
Unassigned	—	—	—	(268,271)	(1,636,835)	(913,659)	(555,647)	—	—	—
Reserved:										
Capital Improvement Fund	—	—	—	—	—	—	—	—	2,266,413	601,000
Equipment Replacement Fund	—	—	—	—	—	—	—	—	2,887	1,433
1997-98 Bond Debt Service Fund	—	—	—	—	—	—	—	—	—	—
2009 Build America Bond Fund	—	—	—	—	—	—	—	—	7,149,194	—
Other Governmental Funds	—	—	—	—	—	—	—	—	2,953,109	3,626,688
Unreserved, reported in:										
Capital Improvement Fund	—	—	—	—	—	—	—	—	398,512	1,689,633
Equipment Replacement Fund:	—	—	—	—	—	—	—	—	2,355,125	2,272,303
Other governmental funds:										
Special Revenue Funds	—	—	—	—	—	—	—	—	386,822	570,813
Capital Projects Funds	—	—	—	—	—	—	—	—	—	581,651
Total All Other Governmental Funds	<u>\$ 14,819,288</u>	<u>\$ 14,562,670</u>	<u>\$ 17,963,705</u>	<u>\$ 18,998,204</u>	<u>\$ 4,312,598</u>	<u>\$ 6,271,423</u>	<u>\$ 9,708,028</u>	<u>\$ 11,707,669</u>	<u>\$ 15,512,062</u>	<u>\$ 9,343,521</u>

Note:

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

Source: Basic financial statements

GASB 54 was implemented in 2011.

CITY OF CLAYTON, MISSOURI

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	For The Years Ended September 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010 (1)	2009
Revenues										
General property taxes	\$ 9,088,794	\$ 9,051,027	\$ 8,411,302	\$ 8,058,411	\$ 7,095,591	\$ 7,403,480	\$ 6,717,939	\$ 6,619,357	\$ 6,374,580	\$ 6,846,052
Assessment income	113,595	107,721	128,334	151,706	131,814	180,111	222,394	172,250	162,842	201,676
Sales taxes	8,148,321	7,101,367	7,257,356	6,954,159	6,065,100	5,620,069	5,554,236	5,389,764	5,173,479	5,458,802
Licenses and permits	2,823,850	2,170,772	1,934,515	1,793,424	1,617,546	1,577,390	1,387,155	1,523,861	1,780,141	1,671,897
Public utility licenses	5,744,718	5,301,493	5,235,918	5,434,842	5,452,949	5,364,645	5,206,297	5,450,458	6,172,511	4,894,278
Intergovernmental	3,340,241	2,498,143	2,670,657	2,547,724	4,242,718	4,030,845	5,106,728	7,696,966	2,428,712	2,822,037
Community programs	1,900,933	1,910,456	1,814,190	1,853,324	1,806,270	1,713,754	1,549,301	1,460,533	1,413,736	1,193,102
Parking facilities and meters	2,279,399	2,256,024	1,997,499	1,928,908	1,790,473	1,707,401	1,587,248	1,653,514	1,474,297	—
Fines and forfeitures	970,319	948,652	864,913	1,200,721	1,067,415	2,012,156	1,111,217	1,302,852	1,078,799	1,097,872
Donations and reimbursements	899,713	4,016,959	694,944	559,030	470,190	2,008,212	3,879,251	—	—	—
Investment income	560,330	283,949	331,992	246,181	138,456	122,293	167,766	320,728	667,936	659,833
Miscellaneous	508,245	417,411	388,766	513,165	151,949	305,347	305,778	346,602	653,957	1,278,934
Total Revenues	36,378,458	36,063,974	31,730,386	31,241,595	30,030,471	32,045,703	32,795,310	31,936,885	27,380,990	26,124,483
Expenditures										
General government	3,683,857	3,374,336	3,148,997	3,112,501	4,424,982	4,438,505	4,494,963	4,430,545	4,828,548	4,794,723
Parks and recreation	2,583,506	2,257,630	2,131,223	2,140,523	4,850,023	4,992,413	4,827,147	2,322,392	1,991,742	1,878,493
Public safety	11,960,204	11,404,125	10,434,097	10,459,971	2,255,175	2,451,301	2,330,063	9,678,202	9,458,242	8,658,593
Public works	6,051,921	5,976,177	5,637,166	5,652,642	10,231,631	11,331,936	9,760,295	4,801,188	4,636,808	3,888,910
Economic development	507,434	536,541	598,487	484,908	—	—	—	—	—	—
Community development	1,041,255	1,055,687	920,584	828,552	314,959	275,160	299,774	314,280	432,432	199,035
Capital outlay	5,406,728	9,814,424	8,178,107	3,049,893	5,625,574	8,089,699	20,061,767	11,477,048	12,094,749	5,004,207
Debt service:										
Principal	3,350,437	3,648,214	3,582,579	3,013,765	2,900,407	4,397,690	3,764,825	3,586,804	2,924,263	2,345,000
Interest and fiscal charges	1,231,983	1,460,382	1,585,645	1,587,457	1,505,084	1,487,881	1,490,748	1,492,390	1,289,215	786,175
Bond issuance costs	—	—	—	16,647	—	—	217,195	—	271,353	56,446
Total Expenditures	35,817,325	39,527,516	36,216,885	30,346,859	32,107,835	37,464,565	47,246,777	38,102,849	37,927,352	27,611,582
Excess Of Expenditures Over Revenues	561,133	(3,463,542)	(4,486,499)	894,736	(2,077,364)	(5,418,862)	(14,451,467)	(6,165,964)	(10,546,362)	(1,487,099)
Other Financing Sources (Uses)										
Bond proceeds	—	—	—	21,735,000	—	—	9,845,000	—	15,000,000	3,950,000
Premium on issuance of debt	—	—	—	920,519	—	—	150,600	—	40,020	134,548
Payments to refunding escrow agent	—	—	—	(8,904,781)	—	—	—	—	—	(4,025,342)
Proceeds from capital lease	—	—	—	—	—	—	—	—	1,020,000	—
Special item	—	—	—	—	—	—	—	—	—	—
Sale of capital assets	175,459	106,699	4,032,205	64,108	20,207	34,106	26,308	70,171	228,577	45,790
Transfers in	8,010,570	7,774,545	9,933,507	8,252,504	7,205,701	8,914,942	16,099,102	5,630,967	11,580,668	3,073,696
Transfers out	(8,010,570)	(7,774,545)	(9,933,507)	(8,252,504)	(7,205,701)	(8,914,942)	(16,099,102)	(5,630,967)	(11,580,688)	(2,288,963)
Total Other Financing Sources (Uses)	175,459	106,699	4,032,205	13,814,846	20,207	34,106	10,021,908	70,171	16,288,577	889,729
Net Change In Fund Balances	\$ 736,592	\$ (3,356,843)	\$ (454,294)	\$ 14,709,582	\$ (2,057,157)	\$ (5,384,756)	\$ (4,429,559)	\$ (6,095,793)	\$ 5,742,215	\$ (597,370)
Debt service as a percentage of noncapital expenditures	14.82%	16.95%	18.43%	16.92%	17.80%	19.50%	19.00%	15.70%	15.10%	12.50%
Fines and forfeitures as a percentage of general revenues (2)	3.80%	3.80%	3.70%	4.10%	4.90%	4.90%	N/A	N/A	N/A	N/A

Note:

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

(2) Beginning in 2013 Missouri House Bill (HB) 103 requires cities to report the percentage of fines and forfeitures for traffic violations to the annual general operating revenue.

For 2018 total fines and forfeitures of all types were \$917,263 and general operating revenues were \$25,418,953.

CITY OF CLAYTON, MISSOURI

SALES TAX COLLECTION BY YEAR LAST TEN YEARS

City of Clayton, Missouri
Sales Tax Collection by Year
Last Ten Fiscal Years

Fiscal Year	General Fund				Capital Improvement Fund		Total
	1 Cent County- Wide Sales Tax	1/4 Cent Local Option Sales Tax *	1/4 Cent Fire Sales Tax **	1/2 Cent Public Safety Sales Tax ***	1/2 Cent Capital Improvement Sales Tax	1/2 Cent Parks & Storm Water Sales Tax	
2018	\$ 2,733,710	\$ 708,535	\$ 821,568	\$ 841,360	\$ 1,398,203	\$ 1,644,945	\$ 8,148,321
2017	2,823,079	662,365	767,326	—	1,308,815	1,539,782	7,101,367
2016	2,863,801	678,838	788,109	—	1,344,658	1,581,950	7,257,356
2015	2,664,119	668,865	744,481	—	1,321,725	1,554,970	6,954,159
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

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

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

*** The Public Safety Sales Tax was approved in 2017, and the City began collection in FY18.

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.	
2018	\$ 3,004,440	\$ 739,116	\$ 394,589	\$ 1,606,573	\$ 207,722	\$ 5,952,440
2017	2,662,297	656,203	354,063	1,628,930	260,866	5,562,359
2016	2,716,761	609,240	356,242	1,553,676	262,049	5,497,968
2015	2,792,032	811,152	312,802	1,518,856	267,938	5,702,780
2014	2,750,215	847,509	314,708	1,540,517	262,125	5,715,074
2013	2,683,072	784,469	302,916	1,594,188	234,154	5,598,800
2012	2,516,075	702,112	347,365	1,617,257	219,568	5,402,376
2011	2,548,213	884,411	311,286	1,684,442	205,914	5,634,265
2010	2,228,739	908,190	273,305	2,755,674 *	178,766	6,344,675
2009	1,983,434	1,076,986	271,053	1,558,743 *	173,837	5,064,053
(Decrease)	151%	69%	146%	103%	119%	118%

* The City received large telecommunications settlements in FY 2008 and FY 2010, and small settlements in FY 2009 and FY 2016.

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					
2018	\$ 535,439	\$ 390,983	\$ 86,314	\$ 3,451	\$ 1,016,186	\$ 4,309,536	\$ 0.825
2017	482,559	338,832	88,829	2,952	902,172	3,840,662	0.873
2016	478,102	337,307	79,323	3,153	897,886	3,818,176	0.865
2015	450,190	335,444	79,252	2,841	867,727	3,664,286	0.898
2014	450,536	336,201	77,352	2,794	866,883	3,662,604	0.787
2013	457,137	325,844	74,813	2,727	860,522	3,657,151	0.789
2012	455,763	326,175	75,590	3,042	860,570	3,654,239	0.717
2011	472,317	335,399	75,385	2,959	886,060	3,769,305	0.692
2010	470,815	335,157	84,470	2,986	893,428	3,787,977	0.673
2009	480,595	347,077	83,620	2,795	914,087	3,873,569	0.689

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
City of Clayton:										
General	\$ 0.571	\$ 0.629	\$ 0.614	\$ 0.646	\$ 0.659	\$ 0.659	\$ 0.626	\$ 0.601	\$ 0.582	\$ 0.568
Police Building Debt	0.113	0.123	0.122	0.128	—	—	—	—	—	—
General Obligation Debt	0.141	0.244	0.251	0.252	0.128	0.130	0.091	0.091	0.091	0.122
Total City of Clayton	<u>0.825</u>	<u>0.996</u>	<u>0.987</u>	<u>1.026</u>	<u>0.787</u>	<u>0.789</u>	<u>0.717</u>	<u>0.692</u>	<u>0.673</u>	<u>0.690</u>
Overlapping Governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
St. Louis County	0.489	0.515	0.515	0.523	0.523	0.523	0.523	0.523	0.523	0.558
St. Louis County Library	0.234	0.246	0.246	0.250	0.250	0.173	0.163	0.157	0.140	0.140
Special School District	1.191	1.241	1.235	1.261	1.240	1.012	1.013	0.995	0.938	0.918
St. Louis Community College	0.211	0.219	0.218	0.220	0.220	0.220	0.220	0.218	0.214	0.201
Metropolitan St. Louis Sewer District (Extension)	0.116	0.120	0.088	0.088	0.107	0.082	0.082	0.079	—	—
Metropolitan Zoological Park and Museum District	0.269	0.280	0.278	0.280	0.280	0.268	0.267	0.255	0.249	0.234
Sheltered Workshop	0.084	0.088	0.088	0.090	0.089	0.084	0.084	0.079	0.074	0.069
Clayton School District	3.649	3.842	3.849	4.103	4.017	3.743	3.899	3.743	3.628	3.230
Deer Creek Sewer District	—	—	0.083	0.086	0.086	0.840	0.840	0.081	—	—
U. City Storm Sewer District	—	—	0.093	0.093	—	—	—	0.092	—	—
Total Overlapping Governments	<u>6.274</u>	<u>6.581</u>	<u>6.723</u>	<u>7.024</u>	<u>6.842</u>	<u>6.975</u>	<u>7.121</u>	<u>6.252</u>	<u>5.796</u>	<u>5.380</u>
 Total	 <u>\$ 7.099</u>	 <u>\$ 7.577</u>	 <u>\$ 7.710</u>	 <u>\$ 8.050</u>	 <u>\$ 7.629</u>	 <u>\$ 7.764</u>	 <u>\$ 7.838</u>	 <u>\$ 6.944</u>	 <u>\$ 6.469</u>	 <u>\$ 6.070</u>

Source - St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PRINCIPAL PROPERTY TAXPAYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Taxpayer	2018			2009		
	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 Laclède Center LLC	\$ 25,185,160	1	2.48%	\$ —		—
Clayton St Louis Property LLC	20,325,320	2	2.00%	—		—
Clayton Franklin Clayton Plaza LLC	20,177,470	3	1.99%	—		—
Clayton Corporate Park Mgmt. Co.	19,002,980	4	1.87%	28,504,000	1	3.12%
KBSIII 101 South Hanley LLC	18,493,600	5	1.82%	—		—
Chapter 100 City of Clayton	16,049,240	6	1.58%	—		—
Clayton Central Owner LLC	13,677,050	7	1.35%	—		—
8182 Maryland Associates	12,678,850	8	1.25%	10,138,530	8	1.11%
MEPT Shaw Park Plaza LLC	12,402,180	9	1.22%	—		—
Forsyth Centre Associates LLC	11,754,690	10	1.16%	—		—
KBS Clayton Plaza LLC	—		—	22,497,600	2	2.46%
Pierre Laclède LLC	—		—	22,438,620	3	2.45%
Duke Realty Limited Partnership	—		—	15,040,000	4	1.65%
HEF 1 - StL No. 1 LLC	—		—	11,520,000	6	1.26%
Realty Associates Funds VI and VII	—		—	9,600,000	9	1.05%
Riggs & Company Trustee	—		—	12,980,800	5	1.42%
Realty Associates Funds V	—		—	10,944,000	7	1.20%
COP Investment Group LLC	—		—	8,550,090	10	0.94%
Total	<u>\$ 169,746,540</u>		<u>16.72%</u>	<u>\$ 152,213,640</u>		<u>16.66%</u>

Source - St. Louis County Assessor

Notes:

- (1) Total assessed value of the City was \$1,016,186,476 as of January 1, 2017
- (2) Total assessed value of the City was \$914,086,837 as of January 1, 2008

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
2018	\$ 8,596,280	\$ 8,565,427	99.6	\$ (89,123)	\$ 8,476,304	98.6%
2017	8,439,729	8,422,469	99.8	(76,554)	8,345,915	1.0
2016	7,906,598	8,064,432	102.0	(134,913)	7,929,519	100.3
2015	7,919,542	7,882,414	99.5	(162,741)	7,719,673	97.5
2014	6,960,444	6,866,868	98.7	(152,247)	6,714,622	96.5
2013	7,104,828	6,941,019	97.7	70,521	7,011,541	98.7
2012	6,406,061	6,285,537	98.1	(44,170)	6,241,367	97.4
2011	6,452,891	6,319,990	97.9	84,864	6,404,854	99.3
2010	6,255,287	6,162,067	98.5	62,071	6,224,138	99.5
2009	6,664,208	6,592,851	98.9	108,933	6,701,784	100.6

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) St. Louis County does not provide data for delinquent collection, excluding penalties and interest, by levy year.

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				
2018	\$ 18,266	\$ 13,676	\$ —	\$ 315	\$ —	\$ —	\$ 32,257	3.68	\$ 2,024	
2017	20,902	14,279	132	411	—	—	35,724	4.07	2,241	
2016	23,874	14,861	351	504	—	—	39,590	2.67	2,484	
2015 (6)	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 (5)	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 (4)	31,958	2,955	1,431	961	—	—	37,305	3.65	2,341	
2009 (3)	16,680	3,950	—	—	1,835	1,576	24,041	2.35	1,509	

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 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.
- (4) In fiscal year 2010, capital improvement bonds of \$15,000,000 were issued to finance the purchase and renovation of the new Police Station. Also in fiscal year 2010, Enterprise and Internal Service Funds Combined with General Fund and Capital Improvement Project Fund Combined with Revolving Public Improvement Fund.
- (5) In fiscal year 2012, capital improvement bonds of \$9,845,000 were issued. \$5,000,000 financed the construction of the new Police Station. The \$4,845,000 balance was issued to finance Public Works and Parks and Recreation projects in fiscal years 2012 and 2013.
- (6) In fiscal year 2015, general obligation bonds of \$15,000,000 were issued to resurface and repave neighborhood streets and update street lights. Also in fiscal year 2015, capital improvement bonds of \$6,735,000 were issued to refinance the 2007 and 2005A bond series. The debt service reserves of \$1,216,500 from the 2005A Bond Series and \$571,000 from the 2007 Bond Series were used as a source of funds in the refinancing.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

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

Fiscal Year	Net General Obligation Bonds (1)	Percentage Of Actual Taxable Value Of Property (2)	Per Capita (3)
2018	\$ 12,468	1.35	\$ 858
2017	13,463	1.58	896
2016	14,115	1.66	932
2015	14,807	1.78	941
2014	—	—	—
2013	—	—	—
2012	910	0.11	59
2011	1,678	0.22	123
2010	2,383	0.33	185
2009	3,092	0.43	249

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	\$ 102,415,271	4.13 %	\$ 4,229,751
Clayton School District	92,802,000	88.20 %	81,851,364
Subtotal	<u>195,217,271</u>		<u>86,081,115</u>
City of Clayton	<u>32,256,689</u>	100.00 %	<u>32,256,689</u>
Total	<u>\$ 227,473,960</u>		<u>\$ 118,337,804</u>

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

Sources:

City of Clayton Financial Report

St. Louis County

Clayton School District

CITY OF CLAYTON, MISSOURI

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

	City Purposes									
	Basic Limit									
Assessed Valuation	\$ 1,016,186									
Debt Limit - 10% of assessed valuation	101,619									
Amount of debt applicable to debt limit										
Total general obligation debt	13,676									
Less: Amount available in debt service fund	1,207									
Net bond indebtedness applicable to debt limit	12,469									
Legal Debt margin	89,150									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit (1)	\$ 101,619	\$ 90,217	\$ 89,789	\$ 86,773	\$ 86,688	\$ 86,052	\$ 86,057	\$ 88,606	\$ 89,343	\$ 91,409
Total net debt applicable to Debt Limit	12,469	13,463	14,115	14,807	—	—	910	1,678	2,383	3,092
Legal debt margin	\$ 89,150	\$ 76,754	\$ 75,674	\$ 71,966	\$ 86,688	\$ 86,052	\$ 85,147	\$ 86,928	\$ 86,960	\$ 88,317
Total net debt applicable to the limit as a percentage of debt limit	12.27%	14.92%	15.72%	17.06%	0.00%	0.00%	1.06%	1.89%	2.67%	3.38%

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)
2018	15,939	\$ 877,171	\$ 55,033	2,681	1.1 %
2017	15,939	877,171	55,033	2,683	1.4 %
2016	15,939	877,171	55,033	2,522	2.1 %
2015	15,939	901,032	56,530	2,485	2.0 %
2014	15,939	936,129	58,732	2,549	3.4 %
2013	15,939	888,344	55,734	2,588	3.8 %
2012	15,939	941,899	59,094	2,504	3.4 %
2011	15,939	919,728	57,703	2,455	4.6 %
2010	15,935	946,491	59,397	2,509	5.2 %
2009	15,935	802,726	50,375	2,478	5.4 %

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

- (1) Source - Data for 2005-2010 from 2000 revised census from the U.S. Bureau of Census dated December 7, 2001.
Source Data for 2011-2017 from 2010 U.S. Census Bureau.
- (2) Source: Data from American Community Survey Estimates. Restated to per Capita income.
- (3) Source - Administrative Office - School District of Clayton.
- (4) Source: 2008 through 2015 - Missouri Department of Economic Development. 2016 through 2018 - Missouri Economic Research & Information Center.

CITY OF CLAYTON, MISSOURI

PRINCIPAL EMPLOYERS CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Employer	2018			2009		
	Employees	Rank	Percentage Of Total City Employment (1)	Employees	Rank	Percentage Of Total City Employment (2)
Centene Corporation	2,024	1	4.40	501	4	0.88
St. Louis County	1,609	2	3.50	2,300	1	4.04
Enterprise Holdings, Inc.	1,115	3	2.42	1,365	2	2.39
Washington University	694	4	1.51	488	5	0.86
Caleres (Brown Shoe Co., Inc.)	634	5	1.38	—	—	0.00
Commerce Bank NA	550	6	1.20	523	3	0.92
Clayton School District	449	7	0.98	495	6	0.87
Husch Blackwell	416	8	0.90	244	10	—
Armstrong Teasdale	366	9	0.80	—	—	—
Ernst & Young U.S. LLP	324	10	0.70	—	—	—
Ritz Carlton	—	—	—	298	7	1
Rehab Care Group Inc.	—	—	—	251	8	0.44
Bemiston Carondelet Corp.	—	—	—	250	9	0.44
	8,181		17.79	6,715		11.84

Notes:

(1) Percentage for 2018 based on estimate of 46,000 total daytime employees in the Downtown area.

(2) Percentage for 2009 based on estimate of 57,000 total daytime employees in the Downtown Area.

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

CITY OF CLAYTON, MISSOURI

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

Function/Program	Full-Time Equivalent Employees As Of September 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008
General government:										
City Manager (9)	2.50	2.50	2.50	2.50	2.60	2.75	3.00	4.00	4.00	5.00
Economic Development (9)	1.50	1.50	1.50	1.50	1.65	1.75	1.75	1.75	1.00	—
Events (10)	1.00	1.00	1.00	1.00	—	—	—	—	—	—
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance (11)	6.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00
Municipal court (13)	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Information systems (14)	5.75	3.75	3.75	3.75	3.75	3.50	4.00	4.00	4.00	3.00
Planning and development (4)(16)	11.00	10.00	9.00	9.00	9.00	10.00	10.00	11.00	11.00	10.00
Police:										
Officers (5)	50.00	49.00	49.00	49.00	49.00	52.00	52.00	52.00	52.00	52.00
Civilians (15)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	7.00
Fire:										
Firefighters and officers	36.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works:										
Engineering (2)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Street maintenance (3)	14.00	14.00	14.00	14.00	14.00	15.00	16.00	16.00	16.00	16.00
Vehicle maintenance (6)	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Building maintenance (7)	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Parking maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks and Recreation:										
Administration/recreation (1)(10)(17)	6.75	6.75	5.75	5.75	6.50	7.50	7.50	7.50	7.50	9.00
Parks maintenance (8)	8.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00	9.00	9.00
Total	169.50	163.50	161.50	160.50	160.50	168.50	170.25	173.25	173.50	172.00

Notes:

- (1) Recreation Assistant Supervisor position eliminated in 2014.
 - (2) Laborer position eliminated in 2013, and Assistant Forester position eliminated in 2014.
 - (3) Deputy Building Official position eliminated in 2014 and Planner/Sustainability Coordinator added in 2010 and eliminated in 2012.A37
 - (4) A Lieutenant added in 2018. Staffing positions reduced in 2014 due to retirements.
 - (5) Fleet and Building Manager position eliminated in 2014.
 - (6) Facilities Maintenance Supervisor position transferred from Park Maintenance in 2014.
 - (7) One laborer position added in 2018. Staffing for Parks Supervisor transferred to Building Maintenance and one laborer position eliminated in 2014.
 - (8) Transfer of Director of Economic Development position to Economic Development (new program) from City Manager's office in 2010, and Deputy City Manager position eliminated in 2012. (new program) from Parks and Recreation
- Accountant in 2016 and 2017, and Accounts
Time Equivalents
Court Assistant was replaced with part-time
Specialist added in 2018. Technology Specialist
2010.
Administrative Specialist position added in 2017.
added in 2017.
(17) Training Officer added in 2018.

Source: City of Clayton Annual Budgets - (2009-2018)

CITY OF CLAYTON, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Arrests	729	719	898	894	1,281	1,540	1,253	1,217	1,334	1,127
Parking violations	886	931	3,221	3,269	1,400	1,846	1,654	2,182	2,046	2,448
Traffic violations	2,065	2,095	3,221	3,576	5,892	6,171	6,583	7,061	6,831	7,248
Parking tickets *	33,308	35,585	47,103	49,684	37,905	28,944	29,888	37,198	41,366	41,624
Fire:										
Emergency response ambulance	1,604	1,592	1,597	1,655	1,619	1,577	1,639	1,524	1,474	1,511
Emergency response- fire	1,504	1,598	1,440	1,747	1,904	1,378	1,661	1,639	1,763	1,863
Inspections	686	661	569	656	683	709	640	787	660	691
Parks and recreation:										
Shaw Park Pool - Passes	766	785	804	809	915	1,006	1,281	1,189	1,145	913
Shaw Park Ice Rink - Passes	11	29	28	34	36	55	42	53	38	17
Platinum Passes	402	447	463	449	448	452	420	525	402	348
Tennis Court - Passes	45	52	54	89	120	157	—	43	40	13
Shelter Rentals (including picnic pads)	285	305	302	313	322	177	302	305	282	245
Community development:										
Residential permits issued	304	278	348	310	325	324	278	308	273	219
Estimated cost of construction										
for residential permits	\$ 20,610,886	\$ 15,417,999	\$ 56,122,533	\$ 56,085,206	\$ 31,818,681	\$ 22,738,220	\$ 15,533,472	\$ 22,374,538	\$ 16,600,417	\$ 15,892,142
Commercial permits issued	146	133	133	138	122	134	142	153	150	147
Est. cost of construction										
for commercial permits	\$ 186,315,067	\$ 78,297,903	\$ 20,635,084	\$ 30,080,212	\$ 38,585,373	\$ 26,620,710	\$ 33,232,912	\$ 52,113,313	\$ 71,793,104	\$ 123,209,999
Finance and administration:										
Business licenses issued	920	883	813	873	936	942	935	805	816	807
Liquor licenses issued	70	71	69	71	70	65	59	60	62	56

Notes:

* Parking tickets not included in parking violations.

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

Sources: City of Clayton Annual Reports (2009-2018), various City departments

CITY OF CLAYTON, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	19	23	23	23	23	23	25	25	26	26
Parking Control*	4	4	4	—	—	—	—	—	—	—
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles:										
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Pumpers	2	2	1	1	1	1	1	1	1	1
Rescue Trucks (6)	1	2	2	2	1	1	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Command Vehicles	4	3	3	3	3	3	3	3	3	3
Public Works:										
Miles of streets - paved	106.7	98.8	98.7	98.7	98.7	98.7	98.7	98.7	98.7	99.1
Miles of alleys (1)	6.4	6.4	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Miles of sidewalks (3)	62	54	54	54	54	54	54	54	54	39
Number of street lights (2)	2,103	2,036	2,035	2,024	2,024	2,200	2,200	2,200	2,200	2,200
Number of traffic signals (5)	22	22	22	22	22	22	22	24	24	24
Parks and recreation:										
Acres of Parks (4) (7)	78.4	78.4	74.2	74.2	89.0	89.0	89.0	84.4	84.4	84.4
Number of Parks (4)	11	11	11	11	11	11	11	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 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.
Beginning 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).
- (2) An inventory of the existing street light fixtures was completed in 2014.
- (3) Quantity represents paved linear miles of sidewalk.
- (4) In 2012 added Anderson Park - size 4.6 acres.
- (5) Number of signalized intersections owned and maintained by the City.
- (6) In 2015, transfer of truck from City of Ladue. As of 2018, the truck is no longer in Clayton.
- (7) In 2015, The Center of Clayton transferred ownership of Stuber Gymnasium to Clayton School District (property boundaries were adjusted accordingly) - reduced by 15.02 acres.

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

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