

Clayton, Missouri

Annual Comprehensive Financial Report
For year ending September 30, 2023



About the Cover Art

The Saint Louis Art Fair is a juried, nationally recognized and award winning art fair in downtown Clayton, drawing more than 130,000 patrons and artists from around the globe. Each year, the Saint Louis Art Fair selects a piece of work by one of its talented exhibiting artists to feature on the Commemorative Print, which becomes the cover of the program guide, and the print is available for sale online.

The 2022 Saint Louis Art Fair Commemorative Print, *Build a Longer Table*, is the work of Mixed Media artist Elissa Brown. Brown's pieces are designed to sublimate the narrative of play, allowing for the immersion into stories that are only fully formed by the experience each viewer brings to the work. The active vignettes illustrated in Elissa's pieces beg their viewers to participate in unravelling the scene they have stumbled upon while delighting in their fantastic absurdity.

If she asks a lot from her viewers, Elissa gives just as much effort through the labor-intensive process of creating these woodcuts. Her work is layered birch that has been drawn, cut, and painted with the line work being pyrographic, meaning the lines are burned into the wood. The burned drawings lend to the appeal of the work's graphic nature while giving the wood itself a vintage touch with the aged patina of the charred edges. The drawing and cutting out of characters and objects, followed by their stacking and layering into new environments, creates depth and adds to the element of surprise found in the details of the artwork.

CITY OF CLAYTON, MISSOURI
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INTRODUCTORY SECTION



City of Clayton

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March 26, 2024

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

Pursuant to City policy and in accordance with state law, the Annual Comprehensive Financial Report of the City of Clayton, Missouri, for the fiscal year (FY) ended September 30, 2023, 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 Sikich 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, 2023, 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, 2023, 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 requires 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 appoints 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 17,355 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, planning and development services, 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) or the Central Core Fire Training Center Commission (CCTC). 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. The CCTC is considered a joint venture of the City of Clayton, City of Brentwood, City of Richmond Heights, and City of Maplewood. The CCTC was established in 2023 and there was no financial activity as of September 30, 2023.

FINANCIAL INFORMATION

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The City blends an active business district with an outstanding housing mix. The City combines approximately 7,300,000 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, including single-family homes, condominiums, and multi-family apartment dwellings. Much of the residential area is within walking distance of the downtown or neighborhood retail districts that include specialty boutiques, restaurants, services, fitness facilities, and cafes. In addition to its strong economy, the City has beautiful residential neighborhoods and has devoted nearly 80 acres of green space to passive and active park areas and recreation, adding to its quality of life. Included in these resources is The Center of Clayton, a multi-use recreational facility operated in conjunction with the Clayton School District.

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

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

The City's stable retail community includes approximately 85 restaurants (many of which are award winning), 70 vibrant retail boutiques, and 230 personal service businesses. The City's downtown is the region's premier business district and home to numerous Forbes and Fortune 500 headquarters and branch offices. To name just a few, the City is home to Enterprise Holdings, Caleres, Commerce Bank, Centene Corporation, Graybar, Barry-Wehmiller Companies, Olin Corporation, Apex Oil, Entergizer Holdings, Emerson Electric and many of the largest law firms in the St. Louis area. The City maintains the highest commercial occupancy rate in the region with three of the four properties built since 2008 having no office availability and continues to be one of the steadiest submarkets in the St. Louis area with the highest commercial real estate values in the Midwest outside of Downtown Chicago.

The City continues to experience the strongest commercial economic development in its history. Two new office towers representing over 500,000 square feet of Class A office space were completed in early 2023. In addition, a new 12-story Residence Inn Hotel encompassing over 155,000 square feet also opened in early 2023. A new mixed-use project in the heart of downtown Clayton, consisting of 236 apartments and almost 11,000 square feet of retail space, is under construction. An 11-story Marriott AC Hotel is under construction and is expected to open late 2024. With several additional large projects currently seeking zoning approval, Clayton remains the region's premiere dining destination, with restaurants ranging from Casa Don Alfonso to Starbucks.

To aid in further development, the City is currently in the process of updating its master plan, which is expected to be completed in summer 2024. The revised plan will provide a comprehensive framework for future development and strategic retail marketing efforts.

MAJOR INITIATIVES

Citizen Survey and Performance Management

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

Strategic Plan

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

VISION

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

MISSION STATEMENT

The mission of Clayton city government is to foster a diverse and inclusive community with a vital balance of neighborhoods, businesses, commercial and government centers, educational institutions, and a healthy environment through an open, equitable, accessible and fiscally responsible government.

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

- Exceptional City Services - Clayton residents, visitors, and businesses are proud of its City government and the exceptional level of City services provided by dedicated employees. City services are provided in a financially sustainable manner with high service levels delivered with a commitment to efficiency.
- Livable Community - Clayton is a sustainable, welcoming community comprised of desirable neighborhoods, attractive green space, diverse artistic, cultural and recreational opportunities, and a multi-modal transportation system, all of which foster a safe, healthy, and enriched quality of life.
- Strategic Relationships - Clayton ensures its long-term viability as a thriving community and premier destination by developing and leveraging strategic relationships. Clayton leads and fosters collaboration among public, private, and non-profit entities for the greater good of the community and the region.
- Economic Development and Vibrant Downtown - Clayton is a premier economic center, welcoming and fostering entrepreneurs and new companies, attracting diverse talent while maintaining and promoting established businesses and investment. Clayton's economy and sense of place is anchored by a vibrant downtown that is characterized by a blend of corporate headquarters, local businesses, restaurants, residences, retail uses, and regional government.

Sustainability

The City continues to lead the region as a “green” city by becoming a *Green Power Partner* and a *Green Power Community*. The City received a St. Louis Green Business Challenge Award in 2021 for its commitment to sustainability through various “green” projects, policies, and equipment replacement. The City’s police facility is certified at the LEED Platinum level, and the facility also includes an installation which was the largest non-utility owned solar array in the State of Missouri when built.

LONG-TERM FINANCIAL PLANNING

The City updates a five-year capital improvement plan annually and includes this information in the budget document. Over the next five years, the capital plan includes nearly \$14.9 million in infrastructure, parks, and facility improvements. The plan is funded by annual revenues, grants, and a portion of the remaining General Obligation bond funds.

The Board of Aldermen has approved a budget for the fiscal year 2024 General Fund with a projected surplus of \$689,730 which reflects the implementation of a recommendations from a recent compensation study and continued high levels of service. The budget projects an ending General Fund balance equal to 79% of annual operating expenditures. The previous budget for FY 2023 had projected a deficit, but year-end results ended with a surplus. The City is committed to ongoing review of revenue and service options to maintain a balanced budget in the long-term.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. The City has submitted the FY 2022 ACFR for consideration and is awaiting the results of the award application, which is currently in final processing. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year and the City has received this award for 35 consecutive years as of the FY 2021 award. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we intend to submit this document to GFOA for award consideration.

Additionally, the GFOA awarded the Popular Financial Reporting Award (PAFR) to the City for the fiscal year ended September 30, 2021, and the City is awaiting results from the FY 2022 submission. This award is for the City’s production of a high quality annual financial report using an extraction of information from their Annual Comprehensive Financial Report. This report is designed to be readily accessible and easily understood by the general public and other non-financial parties. This award is also valid for a period of one year and the City has received this award for seven years as of the FY 2021 award. The City intends to also prepare a PAFR to conform with the award requirements for the fiscal year ending September 30, 2023 and will submit this document to GFOA for award consideration.

The GFOA has also awarded the Distinguished Budget Award to the City for its fiscal year 2023 budget. The City has received this award for 16 years. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year and the City has submitted the fiscal year 2024 budget document for award consideration.

ACKNOWLEDGEMENTS

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

Respectfully submitted,

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

David Gipson
City Manager

A handwritten signature in black ink, appearing to read 'Karen Dilber', written in a cursive style.

Karen Dilber
Director of Finance

CITY OF CLAYTON, MISSOURI

PRINCIPAL OFFICIALS

MayorMichelle Harris

Aldermen:

Ward I Richard Hummel

Ward I Becky Patel

Ward II Ira Berkowitz

Ward II Susan Bradley Buse

Ward III Bridget McAndrew

Ward III Gary Feder

City ManagerDavid Gipson

Department Directors:

.....June Frazier, City Clerk

..... Karen Dilber, Finance

..... Gary Carter, Economic Development

..... Larry Cawvey, Information Technology

..... Anna Krane, Planning and Development

..... Mark Smith, Police

..... Ernie Rhodes, Fire

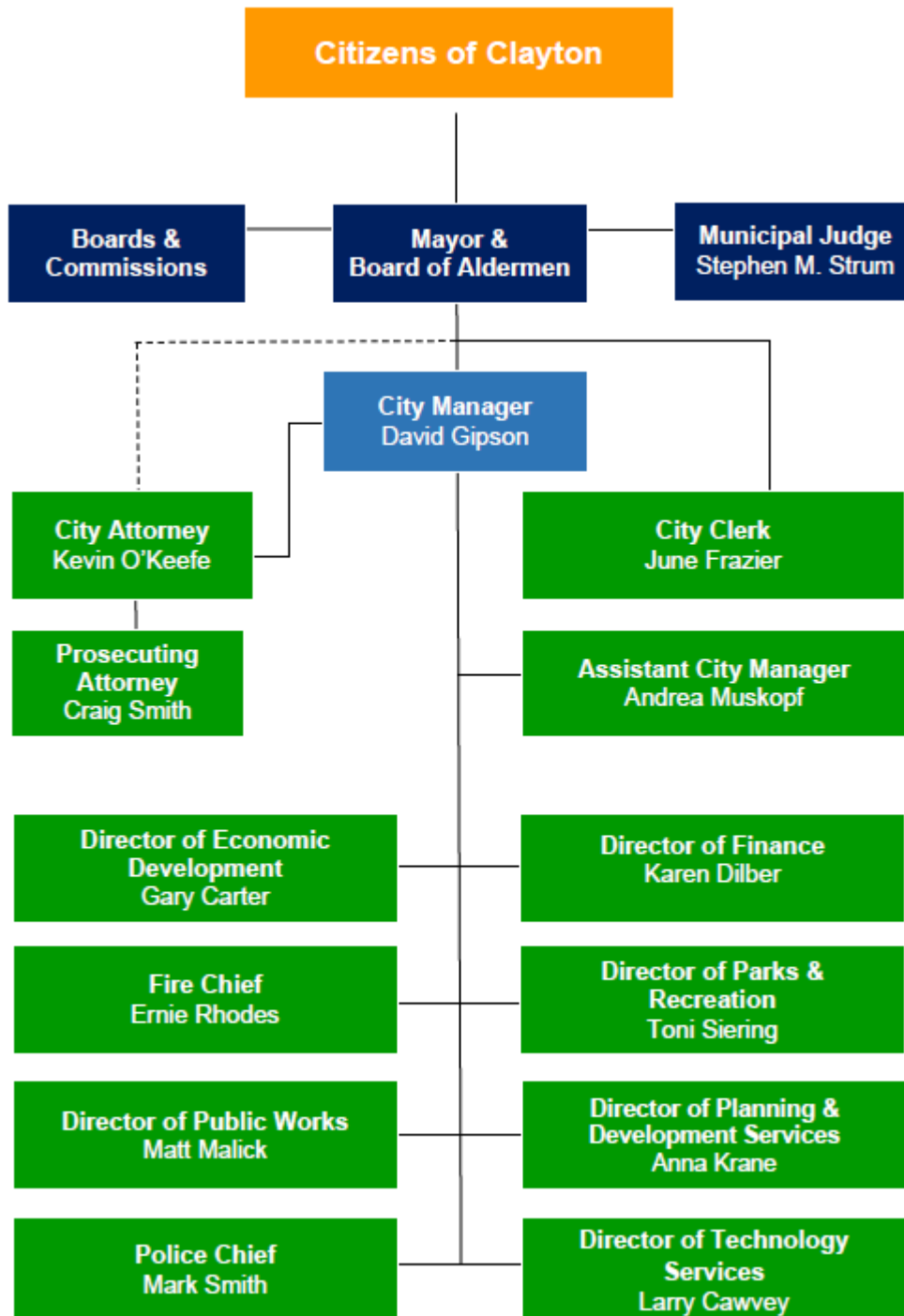
..... Matthew Malick, Public Works

..... Toni Siering, Parks and Recreation

..... Andrea Muskopf, Assistant City Manager



City of Clayton Organization Chart



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information referred to above present fairly, in all material respects, the respective financial position of the City as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 (GAAP) and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Supplementary information is 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.

The supplementary 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich LLP

St. Louis, Missouri

March 26, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CLAYTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023

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, 2023. 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-vii 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 \$112,505,593. Of this amount, \$22,324,269 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$2,520,736 due to revenues exceeding expenses.
- At the close of fiscal year 2023, the City's governmental funds reported an ending fund balance of \$44,979,695, an increase of \$3,534,914 in comparison to the prior year restated balance of \$41,444,781 due to increased property tax, sales tax, parking and investment revenues as local economic activity has increased. Approximately 52% of the ending fund balance, or \$23,209,095, is unassigned and available for spending at the City's discretion.
- At the end of fiscal year 2023, unassigned fund balance for the general fund was \$23,209,095, or 79% 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.

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 will actually occur in future periods.

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

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

Fiduciary Funds

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). 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 \$112,505,593 at the close of the most recent fiscal year, an increase of \$2,520,736.

CITY OF CLAYTON, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

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 \$77,800,938 or 69% 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.

Unrestricted net position of \$22,324,269 is another major portion of the City’s net position (20%) 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, 2023 and 2022:

	<u>September 30</u>		<u>2023 Change</u>	
	<u>2023</u>	<u>2022</u>	<u>Amount</u>	<u>Percent</u>
Assets				
Current and other assets	\$ 69,621,426	\$ 68,470,255	\$ 1,151,171	1.7%
Capital assets, net	95,980,779	98,289,743	(2,308,964)	-2.3%
Total assets	<u>165,602,205</u>	<u>166,759,998</u>	<u>(1,157,793)</u>	-0.7%
Deferred Outflows of Resources				
Deferred amounts related to OPEB	176,889	197,467	(20,578)	-10.4%
Deferred amounts related to pensions	7,008,999	8,940,122	(1,931,123)	-21.6%
Total deferred outflows of resources	<u>7,185,888</u>	<u>9,137,589</u>	<u>(1,951,701)</u>	-21.4%
Liabilities				
Current liabilities	3,678,573	3,425,685	252,888	7.4%
Long-term liabilities	33,194,806	36,517,387	(3,322,581)	-9.1%
Total liabilities	<u>36,873,379</u>	<u>39,943,072</u>	<u>(3,069,693)</u>	-7.7%
Deferred Inflows of Resources				
Deferred charges on refunding	36,768	40,853	(4,085)	-10.0%
Deferred amounts related to other post-employment benefits	466,634	470,936	(4,302)	-0.9%
Deferred amounts related to pensions	2,354,682	2,212,261	142,421	6.4%
Leases	20,551,037	20,754,470	(203,433)	100.0%
Total deferred inflows of resources	<u>23,409,121</u>	<u>23,478,520</u>	<u>(69,399)</u>	-0.3%
Net Position				
Net investment in capital assets	77,800,938	77,788,179	12,759	0.0%
Restricted	12,380,386	11,980,116	400,270	3.3%
Unrestricted	22,324,269	21,552,522	771,747	3.6%
Total net position	<u>\$ 112,505,593</u>	<u>\$ 111,320,817</u>	<u>\$ 1,184,776</u>	1.1%

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.

	<u>September 30</u>		<u>2023 Change</u>	
	<u>2023</u>	<u>2022</u>	<u>Amount</u>	<u>Percent</u>
Revenues				
Program revenues				
Charges for services	\$ 7,314,471	\$ 7,557,272	\$ (242,801)	-3.2%
Operating grants and contributions	1,941,403	1,850,634	90,769	4.9%
Capital grants and contributions	1,392,226	2,199,408	(807,182)	-36.7%
General revenues				
Property tax	9,419,092	9,941,614	(522,522)	-5.3%
Sales tax	11,195,173	10,524,550	670,623	6.4%
Utility tax	6,102,376	4,943,445	1,158,931	23.4%
Other taxes	283,187	261,560	21,627	8.3%
American rescue plan act	-	1,749,989	(1,749,989)	100.0%
Investment income	2,011,581	715,304	1,296,277	181.2%
Gain on sale of capital assets	52,550	62,897	(10,347)	-16.5%
Miscellaneous	203,705	98,216	105,489	107.4%
Total revenues	<u>39,915,764</u>	<u>39,904,889</u>	<u>10,875</u>	<u>0.0%</u>
Program Expenses				
General government	5,840,621	5,121,281	719,340	14.0%
Public safety	15,831,914	10,726,647	5,105,267	47.6%
Public works	9,940,866	8,840,108	1,100,758	12.5%
Parks and recreation	3,781,103	3,780,710	393	0.0%
Economic development	435,403	348,843	86,560	24.8%
Community development	1,189,482	870,886	318,596	36.6%
Interest on long-term debt	375,639	5,764	369,875	6417.0%
Total program expenses	<u>37,395,028</u>	<u>29,694,239</u>	<u>7,700,789</u>	<u>25.9%</u>
Change in net position	2,520,736	10,210,650	(7,689,914)	-75.3%
Net position, beginning of year	111,320,817	101,110,167	10,210,650	10.1%
Restatement	(1,335,960)	-	(1,335,960)	100.0%
Net position, beginning of year, as restated	<u>109,984,857</u>	<u>101,110,167</u>	<u>8,874,690</u>	<u>8.8%</u>
Net position end of year	<u>\$ 112,505,593</u>	<u>\$ 111,320,817</u>	<u>\$ 1,184,776</u>	<u>1.1%</u>

The City’s overall net position of \$112,505,593 increased \$2,520,736 during the current fiscal year. Fiscal year 2023 revenues totaling \$39,915,764 are \$10,875 higher than fiscal year 2022 mostly related to a lower amount of grant revenue with the largest changes reflected in lower grant revenue, higher tax revenue, and higher investment income in 2023. Program revenue totaling \$10,648,100 is \$959,214 less than fiscal year 2022 with decreases in revenue from charges for services and operating and capital grants and contributions from the prior year.

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

General revenue from property, sales, and utility taxes total \$26,716,641, an increase of \$1,307,032 from fiscal year 2022 and 91% of total general revenues of \$29,267,664. Property tax revenue decreased \$522,522 to \$9,419,092. Sales tax increased by \$670,623 to \$11,195,173 as retail, dining and hotel and business travel activity has continued to increase in the area. Utility tax increased by \$1,158,931 to \$6,102,376 mostly due to the receipt of a \$656,000 telephone settlement. The City expects continued growth in property tax due to increased property values including new properties added to assessment rolls. Sales tax is expected to increase above pre-pandemic levels due to increased economic activity and inflation.

Program expenses totaling \$37,395,028 were \$7,700,789 higher than fiscal year 2022. This change includes an increase in non-uniform and uniform pension expenses with the largest impact affecting public safety, and capital asset additions with the largest impact to public works expenses.

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 \$44,979,695, an increase of \$3,534,914 in comparison with the prior year. Approximately 52% of this total amount (\$23,209,095) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance consists of nonspendable funds of \$147,179 for inventory; restricted funds of \$15,358,537 for capital projects, economic development, debt service, public safety, and sewer lateral; and assigned funds of \$178,083 for purchases on order and \$6,086,801 for capital projects.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance is \$23,209,095 while total fund balance is \$23,404,114. Unassigned fund balance represents 79% of total General Fund expenditures. The City's General Fund minimum reserve policy level is 25% of expenditures, with a goal of 50%, and a take-action point of 40%. The City's fiscal year 2023 General Fund balance increased \$1,799,715. Fiscal year 2023 revenue totaled \$30,096,522 and is \$357,930 more than fiscal year 2022. The largest increases in revenue occurred in sales tax, public utility licenses, and investment income. The largest decreases in revenue occurred in licenses and permits, intergovernmental, and property tax revenue, with increases offsetting the decreases. The \$1.8 million increase in fund balance from the prior year results from operating revenue and operational transfers into the general fund exceeding expenditures.

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The Capital Improvement Fund balance of \$6,418,966 is restricted for capital projects. The increase in fund balance of \$760,789 is due to recurring revenue as well as grant and donation revenue exceeding capital expenditures and transfers-out to other funds in FY 2023. Transfers out of \$3,495,514 are to pay a portion of the debt service on the 2021 refunding bonds, to cover a portion of capital equipment replacement costs in the Equipment Replacement Fund, to repay the Capital Projects Fund for prior activity, and to provide funding for certain operational costs in the General Fund.

The Equipment Replacement Fund has a total fund balance of \$9,416,616, which is partially nonspendable, restricted, and assigned 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 Capital Improvement Fund, although some of the funding is ultimately from the General Fund. The change in fund balance varies from year to year based on the replacement schedule of capital items purchased in this fund. In FY 2023, contributions to the fund and other sources of revenue exceeded expenditures, resulting in an increase in fund balance of \$421,006.

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 \$29,824,239 and is \$2,657,569 higher than the original budget mostly due to higher-than-expected amounts of sales tax, public utility license tax, and investment income. The final budget for expenditures totaled \$29,538,792 and was \$1,020,965 lower than the original budget mostly due to position vacancies and postponed purchases. As stated earlier, the City's policy on General Fund balance is a minimum of 25% of operating expenditures, with a goal of 50% and a take-action point of 40%. The current unassigned General Fund balance is at 81%.

Overall, the net change in fund balance was an increase of \$1,799,715. Actual General Fund revenue totaling \$30,096,522 was \$272,283 more than the final budget. Actual General Fund expenditures totaling \$29,491,520 were \$47,272 less than the final budget.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets as of September 30, 2023 totaled \$95,980,779 (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 a decrease of \$2,308,964 with capital assets increasing \$5,230,210, construction in progress decreasing \$2,710,291 and offset by an increase in accumulated depreciation of \$4,828,883.

CITY OF CLAYTON, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The following table details the net capital assets:

	September 30		2023 Change	
	2023	2022	Amount	Percent
Land	\$ 10,326,819	\$ 10,326,819	\$ -	0.0%
Building	36,012,372	37,381,753	(1,369,381)	-3.7%
Improvements other than building	13,361,182	10,513,214	2,847,968	27.1%
Machinery and equipment	5,233,405	4,379,087	854,318	19.5%
Infrastructure	30,298,706	32,230,284	(1,931,578)	-6.0%
Construction in progress	748,295	3,458,586	(2,710,291)	-78.4%
Total capital assets, net	\$ 95,980,779	\$ 98,289,743	\$ (2,308,964)	-2.3%

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 \$25,166,180 at the end of the current fiscal year. Of this amount, \$10,088,880 is general obligation debt backed by the full faith and credit of the City and \$15,077,300 is special obligation debt.

A summary of the City’s total debt, net of premium or discount, is as follows:

	September 30		2023 Change	
	2023	2022	Amount	Percent
Special obligation Series 2019	\$ 10,099,775	\$ 11,335,121	\$ (1,235,346)	-10.9%
Special obligation refunding Series 2021	4,977,525	5,501,518	(523,993)	100.0%
General obligation refunding Series 2022	10,088,880	10,871,194	(782,314)	100.0%
Total capital assets, net	\$ 25,166,180	\$ 27,707,833	\$ (2,541,653)	-9.2%

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 \$689,730 budgeted surplus is planned in fiscal year 2024 in the General Fund. FY 2024 is the first year in which the budget no longer includes City-funded waste hauling, which was one of the first steps taken to reduce expenditures following a budgeted deficit in FY 2023. The budget also reflects the impact of the FY 2023 compensation study, with changes to the pay structure for non-uniformed employees and adjustments to pay ranges. FY 2023 ended with a surplus, but the City will continue to monitor expenditures for reductions and savings and will evaluate long-term solutions for long-term financial stability. The fiscal year 2024 budget continues to maintain high service levels and appropriate fee schedules that come close to full cost recovery for certain services. Sales tax, parking, and recreational programming revenues are projected to increase, and as well as continued interest revenue from current investments purchased at higher rates. The City is in the process of updating its master plan and has several large development projects in process or starting soon. The City expects significant short-term revenue gains as economic activity continues to grow, including revenue growth caused by inflation.

Highlights of the fiscal year 2024 budget are as follows:

- For all funds, revenue is \$41,379,680 and expenditures are \$44,552,767, excluding other financing sources and uses. Expenditures remain high due to the continuing expenditure of capital replacement, improvement, and project funds, as well as the implementation of the new compensation plan.
- For the General Fund, revenue and other financing sources total \$30,965,345, and expenditures total \$30,275,615 with the resulting expectations of a budget surplus of \$23,993,109 for the year.
- Capital Improvement and Capital Project fund expenditures are budgeted to be \$8,241,226 and include various infrastructure, facilities and parks improvements. The five-year capital improvements plan for fiscal years 2024-2028 totals \$14,861,727 for project expenditures.

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
City of Clayton, Missouri
10 N. Bemiston Avenue
Clayton, MO 63105

BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION

September 30, 2023

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 6,473,346
Investments	39,141,256
Receivables, net	
Intergovernmental	2,028,733
Public utility licenses	573,043
Special assessments	11,140
Ambulance	233,883
Court	63,538
Interest	347,529
Staff reimbursements	196,367
Other	525,534
Note receivable	400,000
Leases	19,169,786
Prepaid items	457,271
Capital assets	
Land and construction in progress	11,075,114
Other capital assets, net	84,905,665
Total assets	<u>165,602,205</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to other post-employment benefits	176,889
Deferred amounts related to pensions	7,008,999
Total deferred outflows of resources	<u>7,185,888</u>

This statement is continued on the following page.

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET POSITION (Continued)

September 30, 2023

	Governmental Activities
	<hr/>
LIABILITIES	
Accounts payable	\$ 1,050,007
Accrued interest payable	193,725
Accrued liabilities	1,111,794
Unearned revenues	390,465
Deposits	932,582
Noncurrent liabilities	
Due within one year	2,909,710
Due in more than one year	
Compensated absences	228,868
Bonded debt	22,996,180
Net pension liability	5,933,318
Other post-employment benefit liability	1,126,730
Total liabilities	<hr/> 36,873,379 <hr/>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to bond refunding	36,768
Deferred amounts related to other post-employment benefits	466,634
Deferred amounts related to pensions	2,354,682
Leases	20,551,037
Total deferred inflows of resources	<hr/> 23,409,121 <hr/>
NET POSITION	
Net investment in capital assets	77,800,938
Restricted	
Economic development	81,334
Debt service	2,031,737
Public safety	1,131,202
Sewer lateral projects	129,379
Capital projects	9,006,734
Unrestricted	22,324,269
Total net position	<hr/> \$ 112,505,593 <hr/>

See notes to financial statements.

CITY OF CLAYTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2023

	General Fund	Capital Improvement Fund	Equipment Replacement Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,967,202	\$ 568,441	\$ 707,355	\$ 3,230,348	\$ 6,473,346
Investments	20,210,667	6,949,760	8,685,135	3,295,694	39,141,256
Receivables, net					
Intergovernmental	1,240,698	613,873	87,232	86,930	2,028,733
Public utility licenses	573,043	-	-	-	573,043
Special assessments	-	11,140	-	-	11,140
Ambulance	233,883	-	-	-	233,883
Court	63,538	-	-	-	63,538
Interest	183,934	58,450	77,526	27,619	347,529
Staff reimbursements	194,622	-	1,745	-	196,367
Other	924,710	-	-	824	925,534
Leases	19,169,786	-	-	-	19,169,786
Prepaid items	16,936	-	130,243	-	147,179
Advances to other funds	-	814,543	-	-	814,543
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 44,779,019</u>	<u>\$ 9,016,207</u>	<u>\$ 9,689,236</u>	<u>\$ 6,641,415</u>	<u>\$ 70,125,877</u>
LIABILITIES					
Accounts payable	\$ 660,546	\$ 278,285	\$ 50,062	\$ 61,114	\$ 1,050,007
Accrued liabilities	1,111,794	-	-	-	1,111,794
Unearned revenue	167,907	-	222,558	-	390,465
Deposits	714,254	218,328	-	-	932,582
Advances from other funds	-	-	-	814,543	814,543
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>2,654,501</u>	<u>496,613</u>	<u>272,620</u>	<u>875,657</u>	<u>4,299,391</u>

This statement is continued on the following page.

CITY OF CLAYTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS (Continued)

September 30, 2023

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Property taxes	\$ 89,918	\$ 17,288	\$ -	\$ 25,759	\$ 132,965
Special assessments	-	11,140	-	-	11,140
Ambulance	88,111	-	-	-	88,111
Court	63,538	-	-	-	63,538
Leases	18,478,837	2,072,200	-	-	20,551,037
Total deferred inflows of resources	<u>18,720,404</u>	<u>2,100,628</u>	<u>-</u>	<u>25,759</u>	<u>20,846,791</u>
FUND BALANCES					
Nonspendable					
Prepaid items	16,936	-	130,243	-	147,179
Restricted					
Capital projects	-	6,418,966	3,199,572	2,366,347	11,984,885
Economic development	-	-	-	81,334	81,334
Debt service	-	-	-	2,031,737	2,031,737
Public safety	-	-	-	1,131,202	1,131,202
Sewer lateral	-	-	-	129,379	129,379
Assigned					
General government	137,317	-	-	-	137,317
Parks and recreation	26,917	-	-	-	26,917
Public works	9,750	-	-	-	9,750
Economic development	4,099	-	-	-	4,099
Capital projects	-	-	6,086,801	-	6,086,801
Unassigned	23,209,095	-	-	-	23,209,095
Total fund balances	<u>23,404,114</u>	<u>6,418,966</u>	<u>9,416,616</u>	<u>5,739,999</u>	<u>44,979,695</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,779,019</u>	<u>\$ 9,016,207</u>	<u>\$ 9,689,236</u>	<u>\$ 6,641,415</u>	<u>\$ 70,125,877</u>

See notes to financial statements.

CITY OF CLAYTON, MISSOURI

RECONCILIATION OF THE FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

September 30, 2023

Total Fund Balances - Governmental Funds	\$ 44,979,695
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 capital assets is \$156,431,685, and accumulated depreciation is \$60,450,906.	95,980,779
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of	
Deferred outflows related to pensions	7,008,999
Deferred inflows related to pensions	(2,354,682)
Deferred outflows related to OPEB	176,889
Deferred inflows related to OPEB	(466,634)
Certain changes related to bond refundings are amortized over time and are not reported in the funds.	(36,768)
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, municipal court receivables, and ambulance billings are deferred within the fund financial statements until collected, but are recognized as revenue in the year of assessment in the government-wide statements.	295,754
Certain 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.	310,092
On the fund basis, interest is recorded as an expenditure as it comes due. On the government-wide financial statements, interest is accrued as an expense in the period to which it relates.	(193,725)
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	
Net pension liability	(5,933,318)
Other post-employment benefit liability	(1,206,730)
Compensated absences	(888,578)
Bonds payable	(23,775,000)
Unamortized bond premium	(1,391,180)
Total Net Position of Governmental Activities	<u>\$ 112,505,593</u>

See notes to financial statements.

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property taxes	\$ 6,874,249	\$ -	\$ -	\$ 2,516,126	\$ 9,390,375
Special assessments	-	4,388	-	94,116	98,504
Sales taxes	6,289,356	4,409,824	-	495,993	11,195,173
Licenses and permits	2,050,642	-	-	-	2,050,642
Public utility licenses	6,102,376	-	-	-	6,102,376
Intergovernmental	2,225,030	1,075,437	59,205	-	3,359,672
Community programs	2,100,177	-	-	-	2,100,177
Parking facilities and meters	2,210,578	-	-	-	2,210,578
Fines and forfeitures	839,670	-	-	-	839,670
Donations and reimbursements	-	251,063	6,155	-	257,218
Investment income	1,255,732	258,682	342,191	154,976	2,011,581
Miscellaneous	148,712	-	54,993	-	203,705
Total revenues	<u>30,096,522</u>	<u>5,999,394</u>	<u>462,544</u>	<u>3,261,211</u>	<u>39,819,671</u>
EXPENDITURES					
Current					
General government	4,819,983	-	-	-	4,819,983
Parks and recreation	2,498,857	-	-	-	2,498,857
Public safety	13,773,832	-	-	94,650	13,868,482
Public works	6,782,188	-	-	-	6,782,188
Economic development	465,278	-	-	-	465,278
Community development	1,151,382	-	-	-	1,151,382
Capital outlay	-	2,004,255	1,640,879	218,257	3,863,391
Debt service					
Principal	-	-	-	2,045,000	2,045,000
Interest and fiscal charges	-	-	-	886,601	886,601
Total expenditures	<u>29,491,520</u>	<u>2,004,255</u>	<u>1,640,879</u>	<u>3,244,508</u>	<u>36,381,162</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>605,002</u>	<u>3,995,139</u>	<u>(1,178,335)</u>	<u>16,703</u>	<u>3,438,509</u>

This statement is continued on the following page.

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (Continued)

For the Year Ended September 30, 2023

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Equipment Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 1,192,308	\$ 261,164	\$ 1,766,505	\$ 1,074,400	\$ 4,294,377
Transfers out	-	(3,495,514)	(261,164)	(537,699)	(4,294,377)
Sale of capital assets	2,405	-	94,000	-	96,405
Total other financing sources (uses)	<u>1,194,713</u>	<u>(3,234,350)</u>	<u>1,599,341</u>	<u>536,701</u>	<u>96,405</u>
NET CHANGE IN FUND BALANCES	1,799,715	760,789	421,006	553,404	3,534,914
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	<u>21,604,399</u>	<u>5,658,177</u>	<u>8,995,610</u>	<u>5,186,595</u>	<u>41,444,781</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 23,404,114</u></u>	<u><u>\$ 6,418,966</u></u>	<u><u>\$ 9,416,616</u></u>	<u><u>\$ 5,739,999</u></u>	<u><u>\$ 44,979,695</u></u>

See notes to financial statements.

CITY OF CLAYTON, MISSOURI

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

Net Change in Fund Balances - Governmental Funds	\$ 3,534,914
Amounts reported for governmental activities in the statement of activities are different because	
The governmental funds report capital outlays as expenditures (\$2,859,837). However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation (\$5,124,946) expense. This is the difference between the two amounts in the current year.	(2,265,109)
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.	(43,855)
Property and other tax revenues received within 60 days after year end 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 \$32,230. 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 decreased by \$4,388 and court cases increased by \$778. Deferred inflows related to ambulance taxes increased this fiscal year by \$15,363.	43,983
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 bonds	2,045,000
Amortization of premiums and deferred amounts on refunding	500,738
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	10,224
Prepaid items	3,733
Compensated absences	(25,016)
Pension expense	(1,272,189)
Other post-employment benefits expense	(11,687)
Change in Net Position of Governmental Activities	\$ 2,520,736

See notes to financial statements.

CITY OF CLAYTON, MISSOURI

STATEMENT OF FIDUCIARY NET POSITION

September 30, 2023

	Pension Trust Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 796,313
Investments	
U.S. government and agency securities	2,905,890
Common stocks	7,632,962
Corporate bonds	5,218,052
Taxable municipal obligations	803,129
Mutual funds	49,746,280
Property funds	8,315,281
Interest receivable	124,241
Total assets	<u>75,542,148</u>
LIABILITIES	
Accrued investment expenses	<u>11,250</u>
NET POSITION RESTRICTED	
Net position restricted for pensions	<u><u>\$ 75,530,898</u></u>

See notes to financial statements.

CITY OF CLAYTON, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended September 30, 2023

	Pension Trust Funds
ADDITIONS	
Contributions	
Participant contributions	\$ 548,646
Employer contributions	1,479,646
Total contributions	<u>2,028,292</u>
Investment income	
Net appreciation in fair value of investments and interest and dividends	6,652,003
Less: investment fees	<u>(300,023)</u>
Total investment income	<u>6,351,980</u>
Total additions	<u>8,380,272</u>
DEDUCTIONS	
Benefits	4,063,855
Administrative	<u>111,365</u>
Total deductions	<u>4,175,220</u>
CHANGE IN NET POSITION	4,205,052
NET POSITION RESTRICTED FOR PENSIONS, BEGINNING OF YEAR	<u>71,325,846</u>
NET POSITION RESTRICTED FOR PENSIONS, END OF YEAR	<u>\$ 75,530,898</u>

See notes to financial statements.

CITY OF CLAYTON, MISSOURI

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

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 included an examination of the nature and significance of the entity's relationship with the City, financial benefit or burden to the City, the ability of the City Board to appoint members of the governing board, and the level of influence the City has over the activities of the organization. Based on these criteria, the City has two Pension Trust Funds, the Non-Uniformed Employees' Retirement Fund and the Uniformed Employees' Pension Fund (the Plans) whose financial information have been included within the accompanying financial statements as of September 30, 2023 as pension trust funds (also see note 7) as the plans are fiduciary component units of the City. The Plans function for the benefit of these employees and are each governed by a seven-member pension board appointed by the Mayor and Board of Aldermen. The Non-Uniformed Employees' Retirement Fund is funded based on an actuarially determined amount, in addition to employees contributing 3% of their annual salary. The City contributes to the Uniformed Employees' Pension Fund which is based on an actuarially determined amount and employees are required to contribute 5% of basic pay during the first 30 years of credited service. The contributions made by the City to the Plans, create a financial burden on the City. The City is authorized to approve the actuarial assumptions used in the determination of contribution levels, which results in the Plans being fiscally dependent upon the City. The Non-Uniformed Employees' Retirement Fund and Uniformed Employees' Pension Fund are reported as pension trust funds. The information presented in the financial statements for the Non-Uniformed Employees' Retirement Fund and Uniformed Employees' Pension Fund is as of and for the year ended June 30, 2023 and September 30, 2023, respectively. The Plans do not issue separate stand-alone financial reports.

The City also has another component unit, the Industrial Development Authority (IDA), which is reported using the blending method because the City is the sole corporate member of the not-for-profit corporation and due to the significance of operational or financial relationships with the City. The IDA is a not-for-profit corporation established by the Board and formed under RSMo Chapter 349, The Industrial Development Corporation Act, and was incorporated in 1981. All of the Directors are appointed by the Mayor and confirmed by the Board of Aldermen. The IDA is included in the City's reporting entity because of the City's ability to impose its will on the IDA as the City provides administrative support to the IDA. The IDA does not issue separate financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related Organization

The City's officials are responsible for appointing members to the boards of other organizations, but the City's accountability for these organizations does not extend beyond making such appointments. The Mayor or Board of Aldermen appoints a majority of the governing members of the Daniele Community Improvement District (CID) and Bonhomme CID. These related organizations do not meet the criteria for inclusion as component units as there is no financial benefit or burden relationship and the City cannot impose its will on these organizations; therefore, they are not included as component units within the City's financial reporting entity.

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 non-fiduciary 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 non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties. The City does not have any business-type activities.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 accounted for in another fund.

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

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

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, debt service funds that account for the accumulation of resources for the payment of long-term debt, and capital project funds that are used to account for financial resources used for the acquisition or construction of capital facilities.

Fiduciary Fund Type - Pension Trust Funds

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). When these assets are held under the terms of a formal trust agreement, a pension trust fund is used. The pension trust funds account for the assets of the City's Non-uniformed Employees' Retirement Fund and Uniformed Employees' Pension Fund. The pension trust funds are accounted for on the accrual basis of accounting.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Uncollectibles

Accounts receivable for ambulance, court, and other receivables are shown net of an allowance for uncollectibles of \$883,856, \$57,179, and \$3,953, respectively.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items in the government-wide financial statements, but only recorded in the fund financial statements if they do not expire within 30 days. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

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 activities column 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 accrued and 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, or if the employee is eligible for normal retirement, the employee may sell back 50% of their unused but accrued sick leave balance. Compensatory leave time is granted instead of overtime pay at 1 ½ times the actual hours worked if a supervisor and non-exempt employee agree. The maximum compensatory time accrual for non-exempt employees with the exception of uniformed Fire and Police Department personnel, is forty-eight (48) hours of actual time worked (72 hours of accrued compensatory time). For non-exempt, uniformed Police Department personnel, the maximum accrual is fifty-three and one-third (53.3333) hours of actual time worked (80 hours of accrued compensatory time). For non-exempt, uniformed Fire Department personnel, the maximum accrual is ninety-six (96) hours of actual time worked (144 hours of accrued compensatory time). Accrued compensatory time is paid out at the time of separation. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured. A liability and expense is recorded on the government-wide financial statements as the benefits accrue to employees.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's two defined benefit pension plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Net Position

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

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

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

Unrestricted - This consists of net position that does 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

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

Non-spendable - 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. Any negative amounts in other governmental funds would also be reported as unassigned.

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the governmental funds. Since appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent year's budget to provide for the liquidation of prior commitments. Encumbrances do not constitute current year expenditures or liabilities. Encumbrances outstanding at year-end were \$178,083 for the General Fund, \$907,578 for the Capital Improvement Fund, \$587,085 for the Equipment Replacement Fund, and \$206,899 for the aggregate remaining funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

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

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

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

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

Property Taxes

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

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

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

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.

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2023, the City's bank balances were fully insured or collateralized.

Investments

A summary of investments as of September 30, 2023 is as follows:

Investments	Maturities						Credit Risk
	Fair Value	No Maturity	Less Than One Year	1 - 5 Years	6-10 Years	More Than 10 Years	
Governmental Activities							
Negotiable certificates of deposit	\$ 10,486,541	\$ -	\$ 4,729,567	\$ 5,756,974	\$ -	\$ -	Not Rated
U.S. Agencies	28,654,715	-	18,172,230	10,482,485	-	-	AA+
Total governmental activities	39,141,256	-	22,901,797	16,239,459	-	-	
Fiduciary Funds							
U.S. government and agency securities							
U.S. Treasuries	1,607,628	-	-	432,766	77,411	1,097,451	N/A
U.S. Agencies	1,298,262	-	64	179,248	184,154	934,796	AA+
Common stock	7,632,962	7,632,962	-	-	-	-	Not rated
Corporate bonds	166,232	-	-	166,232	-	-	AAA
Corporate bonds	584,303	-	-	167,770	89,687	326,846	AA
Corporate bonds	3,080,616	-	-	1,253,707	783,351	1,043,558	A
Corporate bonds	1,305,491	-	-	503,888	378,874	422,729	BBB
Corporate bonds	7,601	-	-	-	-	7,601	CCC
Corporate bonds	73,809	-	126	31,887	-	41,796	Not rated
Taxable municipal obligations	99,471	-	-	-	99,471	-	AAA
Taxable municipal obligations	419,818	-	-	98,687	321,131	-	AA
Taxable municipal obligations	69,914	-	-	-	69,914	-	A
Taxable municipal obligations	213,926	-	-	71,425	-	142,501	Not rated
Mutual funds	49,746,280	49,746,280	-	-	-	-	Not rated
Property funds	8,315,281	8,315,281	-	-	-	-	Not rated
Total fiduciary funds	74,621,594	65,694,523	190	2,905,610	2,003,993	4,017,278	
Total Investments	\$ 113,762,850	\$ 65,694,523	\$ 22,901,987	\$ 19,145,069	\$ 2,003,993	\$ 4,017,278	

2. DEPOSITS AND INVESTMENTS (Continued)

Investment Policy

Governmental Activities

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

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

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

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

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

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

Pension Trust Funds

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

Pension Trust Funds (Continued)

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 to 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 or unless circumstances warrant other consideration, as approved by the City Manager.

Pension Trust Funds

The investment policies of the pension trust funds allow certain types of equity and fixed income securities, such as common and preferred stock, American depository receipts, real estate investment trusts, 144a securities, government and agency debt, corporate bonds, commercial paper, mortgage backed securities, asset backed securities, money market instruments, inflation protected bonds, bank loans, convertible securities, and emerging market debt. The policies do not allow investing in companies that derive more than 10% of their revenues from the manufacturing or distribution of tobacco or securities denominated in a foreign currency.

2. DEPOSITS AND INVESTMENTS (Continued)

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 minimizes credit risk by restricting financial institutions to those banks that are members of the FDIC or National Credit Union Share Insurance Fund. A current, audited financial statement is required to be on file for each financial institution in which the City invests or deposits funds. The City's policy requires all cash and investments that exceed the financial institution's insurance limits to be secured through eligible collateral. The City also diversifies its investments by institution. With the exception of bonds, bills, or notes of the United States or an agency of the United States and authorized pools, the City's goal is that no more than 80% of the City's investment portfolio is to be invested in a single institution.

Pension Trust Funds

The investment policies of the pension funds address certain guidelines regarding credit risk. Corporate bonds, which are obligations of U.S. corporations shall be diversified by issuer type. AAA and AA rated securities may be held up to a maximum of 5% per issuer. A rated securities may be held up to a maximum of 2.5% per issuer, and BBB rated securities may be held up to a maximum of 1% per issuer. Overall credit quality of the portfolio should be A or higher. Core fixed income securities must be rated at least Baa by Moody's and BBB Standard & Poor's at the time of purchase. When issues are downgraded below BBB rated quality, the Investment Manager will notify the Director of Finance and the Investment Consultant within three business days of any such downgrade along with their recommendations on how to proceed. The overall portfolio of opportunistic fixed income investments should be rated at least BBB by two of the three primary rating agencies. The above investment table reflects the credit ratings for the two retirement plans associated with the securities invested in the pension trust funds as of September 30, 2023, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

Concentration Of Risk

Governmental Activities

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

2. DEPOSITS AND INVESTMENTS (Continued)

Concentration Of Risk (Continued)

Pension Trust Funds

The pension investment policies specify that the investment mix shall be in a range of 55-65% equity securities, 25-35% fixed income securities, and 5-15% real estate. Target allocation for the equity securities is 30% large cap, 15% small cap and 15% international; core bonds 15%-20%, multi-sector 10%-15% and real estate 10%. The trustees follow these guidelines for all investments while adhering to the list of permissible investments outlined in the policies. The funds in the plans are invested over the long term in keeping with the objective of providing retirement benefits for its members.

Custodial Credit Risk

Governmental Activities

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

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

Pension Trust Funds

Custodial credit risk for investments 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, 2023, the City of Clayton Uniformed Employees' Pension Fund has \$8,927,071 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.

Custodial credit risk for deposits in the pension trust funds follow the City's policy on deposits as the pension trust funds are pooled with the City funds.

2. DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment means the greater the sensitivity of its fair value to changes in market interest rates.

Governmental Activities

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investment maturities to no more than 3 years from the date of purchase.

Pension Trust Funds

The pension trust funds address interest rate risk by setting certain target allocation ranges based on asset class and the allocations are reviewed and the portfolio is rebalanced as needed.

Fair Value

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

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Fair Value (Continued)

The City had the following recurring fair value measurements as of September 30, 2023:

	<u>Total Investments</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by fair value level value classification				
Primary Government				
Negotiable certificates of deposit	\$ 10,486,541	\$ -	\$ 10,486,541	\$ -
U.S. agency securities	28,654,715	-	28,654,715	-
Primary governmental investments at fair value level	<u>39,141,256</u>	<u>-</u>	<u>39,141,256</u>	<u>-</u>
Fiduciary Funds				
U.S. government and agency securities	2,905,890	-	2,905,890	-
Common stocks	7,632,962	7,632,962	-	-
Corporate bonds	5,218,052	-	5,218,052	-
Taxable municipal obligations	803,129	-	803,129	-
Mutual funds	<u>49,746,280</u>	<u>49,746,280</u>	<u>-</u>	<u>-</u>
Fiduciary funds investments at fair value level	<u>66,306,313</u>	<u>57,379,242</u>	<u>8,927,071</u>	<u>-</u>
Total investments by fair value level	<u>105,447,569</u>	<u>\$ 57,379,242</u>	<u>\$ 48,068,327</u>	<u>\$ -</u>
Investments measured at net asset value (NAV)				
Fiduciary Funds				
Property fund	<u>8,315,281</u>			
Total investments	<u>\$ 113,762,850</u>			

Negotiable certificates of deposit, 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. 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 FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Fair Value (Continued)

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

	<u>Net Asset Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If Currently Eligible)</u>	<u>Redemption Notice Period</u>
Property fund (a)	\$ 8,315,281	\$ -	Quarterly	60-90 days notice

(a) *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 FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

The City's capital asset activity for the year ended September 30, 2023 was as follows:

	Balance October 1 2022	Increases	Decreases	Balance September 30 2023
Non-depreciable capital assets				
Land	\$ 10,326,819	\$ -	\$ -	\$ 10,326,819
Construction in progress	3,458,586	1,651,873	4,362,164	748,295
Total non-depreciable capital assets	<u>13,785,405</u>	<u>1,651,873</u>	<u>4,362,164</u>	<u>11,075,114</u>
Capital assets being depreciated				
Buildings	57,777,585	-	-	57,777,585
Improvements other than buildings	14,312,920	3,453,388	-	17,766,308
Machinery and equipment	13,820,733	2,116,740	339,918	15,597,555
Infrastructure	54,215,123	-	-	54,215,123
Total capital assets being depreciated	<u>140,126,361</u>	<u>5,570,128</u>	<u>339,918</u>	<u>145,356,571</u>
Less: Accumulated depreciation for capital assets				
Buildings	20,395,832	1,369,381	-	21,765,213
Improvements other than buildings	3,799,706	605,420	-	4,405,126
Machinery and equipment	9,441,646	1,218,567	296,063	10,364,150
Infrastructure	21,984,839	1,931,578	-	23,916,417
Total accumulated depreciation	<u>55,622,023</u>	<u>5,124,946</u>	<u>296,063</u>	<u>60,450,906</u>
Total capital assets being depreciated, net	<u>84,504,338</u>	<u>445,182</u>	<u>43,855</u>	<u>84,905,665</u>
Capital assets, net	<u>\$ 98,289,743</u>	<u>\$ 2,097,055</u>	<u>\$ 4,406,019</u>	<u>\$ 95,980,779</u>

Depreciation expense was charged to functions/programs for the year ended September 30, 2023 as follows:

	Amount
General government	\$ 956,773
Public safety	973,409
Public works	2,384,857
Parks and recreation	809,907
Total depreciation expense	<u>\$ 5,124,946</u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

4. INTERFUND BALANCES

Interfund balances are the result of an advance of funds from the Capital Improvement Fund to the Capital Projects Fund in fiscal year 2021 to finance costs associated with the design of a new all-season ice rink and recreational facility and demolition of the existing facility. Project costs began with the expectation of a bond issuance to fund the project; however plans for an all-season rink and related bond issuance have been postponed. The advance will be repaid in installments over 4 years with the final installment occurring in FY 2025. There is no interest being charged.

Interfund receivable and payable balances at September 30, 2023 are as follows:

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

5. INTERFUND TRANSACTIONS

Individual interfund transactions at September 30, 2023 are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Nonmajor Special Taxing District	\$ 537,699
General Fund	Capital Improvement Fund	654,609
Equipment Replacement Fund	Capital Improvement Fund	1,766,505
Capital Improvement Fund	Equipment Replacement Fund	261,164
Nonmajor 2021 Special Obligation Bond Fund	Capital Improvement Fund	574,400
Nonmajor Capital Projects Fund	Capital Improvement Fund	500,000
		<u>\$ 4,294,377</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 FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT

Long-term liability activity for the year ended September 30, 2023 was as follows:

	Balance October 1 2022	Additions	Reductions	Balance September 30 2023	Amounts Due Within One Year
Governmental Activities					
General obligation bond	\$ 10,180,000	\$ -	\$ 620,000	\$ 9,560,000	\$ 665,000
Unamortized premium	691,194	-	162,314	528,880	-
Special obligation bonds	15,640,000	-	1,425,000	14,215,000	1,505,000
Unamortized premiums	1,196,639	-	334,339	862,300	-
Net pension liability	6,734,673	-	801,355	5,933,318	-
OPEB liability	1,211,319	-	4,589	1,206,730	80,000
Compensated absences	863,562	2,005,168	1,980,152	888,578	659,710
 Total governmental activities	 \$ 36,517,387	 \$ 2,005,168	 \$ 5,327,749	 \$ 33,194,806	 \$ 2,909,710

The liabilities for compensated absences, net pension, and OPEB are generally liquidated by the General Fund. The debt service funds liquidate the general and special obligation bonds.

Special Obligation Refunding and Improvement Bonds, Series 2019 totaling \$7,600,000 and \$4,830,000, respectively were issued on October 2, 2019 with interest rates ranging from 2% to 5%, maturing December 1, 2031. The 2019 bonds were issued to refund the Series 2009B special obligation bonds and to pay a portion of the cost of the Recreation Center Project. The balance at September 30, 2023 was \$9,610,000.

During 2019, the partial refunding of the Series 2009B bonds resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$53,108. This difference, reported in the accompanying basic financial statements as a deferred inflow of resources, is being recognized to operations through 2031 using the straight-line method, which approximates the bonds outstanding method.

Special Obligation Refunding Bonds, Series 2021 totaling \$5,010,000, were issued on October 26, 2021 with interest rates ranging from 2% to 4%, maturing December 1, 2031. The 2021 bonds were issued to refund the Series 2011 special obligation bonds and to pay the costs of issuing the bonds. The balance at September 30, 2023 was \$4,605,000.

General Obligation Refunding Bonds, Series 2022 totaling \$10,180,000, were issued on January 25, 2022 with interest rates ranging from 2% to 4%, maturing December 1, 2034. The 2022 bonds were issued to refund the Series 2014 general obligation bonds and to pay the costs of issuing the bonds. The balance at September 30, 2023 was \$9,560,000.

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Maturities

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

<u>For the Years Ending September 30,</u>	<u>General Obligation Bond</u>		
	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 943,900	\$ 665,000	\$ 278,900
2025	946,700	695,000	251,700
2026	963,000	740,000	223,000
2027	972,600	780,000	192,600
2028	990,400	830,000	160,400
2029-3033	5,160,750	4,785,000	375,750
2034	1,075,650	1,065,000	10,650
	<u>\$ 11,053,000</u>	<u>\$ 9,560,000</u>	<u>\$ 1,493,000</u>

<u>For the Years Ending September 30,</u>	<u>Special Obligation Bonds</u>		
	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,014,200	\$ 1,505,000	\$ 509,200
2025	2,016,525	1,580,000	436,525
2026	2,010,425	1,650,000	360,425
2027	2,005,875	1,725,000	280,875
2028	2,009,100	1,805,000	204,100
2029-2032	6,204,400	5,950,000	254,400
	<u>\$ 16,260,525</u>	<u>\$ 14,215,000</u>	<u>\$ 2,045,525</u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. This does not include an additional debt limit of 10% assessed valuation available for street improvements or waterworks and electric plants as provided under the statutes of the State of Missouri. The computation is as follows:

Assessed valuation - 2022 tax year	<u>\$ 1,241,648,914</u>
Debt limit - 10% of assessed valuation	<u>\$ 124,164,891</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	10,088,880
Less: Amount available in Debt Service Fund	<u>916,503</u>
Bond indebtedness applicable to debt limit	<u>9,172,377</u>
Legal Debt Margin	<u>\$ 114,992,514</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, 2023, 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, 2023, \$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 Corporation project. At September 30, 2023, \$11,136 was issued and remains outstanding.

6. LONG-TERM DEBT (Continued)

Conduit Debt

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 CMC Real Estate Company LLC project. At September 30, 2023, \$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, 2023, \$21,680,900 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, 2023, \$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, 2023, \$355,133,220 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, 2023, \$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, 2023, \$9,110,329 was issued and remains outstanding.

7. EMPLOYEE RETIREMENT SYSTEMS

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Plan Description and Provisions

Pension plan description

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

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

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

Current membership in the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefits	77
Inactive employees entitled to but not yet receiving benefits	61
Active employees	<u>87</u>
	<u><u>225</u></u>

Benefits provided

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Plan Description and Provisions (Continued)

Benefits provided (Continued)

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

- With less than five years of credited service, a refund of member contributions plus 4% interest.
- With five or more years of credited service, the pension accrued to date of termination, payable commencing at his/her normal retirement date, or 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 \$605,166 were made by the City to the NUERF in fiscal year ending September 30, 2023. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at July 1, 2022. The Entry Age Normal actuarial funding method is used to determine contributions.

At September 30, 2023, the City made a prepaid contribution of \$400,000 for the City's estimated contribution for the subsequent plan year.

A condensed summary of financial information for the NUERF as of and for the plan's fiscal year ended June 30, 2023, as presented in the City's fiscal year ended September 30, 2023 is as follows:

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Plan Description and Provisions (Continued)

Contributions (Continued)

Assets	\$ 22,002,921
Liabilities	<u>-</u>
Net position restricted for pensions	<u><u>\$ 22,002,921</u></u>
Contributions	\$ 686,192
Total investment income	<u>1,482,492</u>
Total additions	<u>2,168,684</u>
Benefits	1,167,476
Administrative	<u>26,301</u>
Total deductions	<u>1,193,777</u>
Change in net position	<u><u>\$ 974,907</u></u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Net Pension Liability (Asset) and Related Disclosures

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a-b)
	<u> </u>	<u> </u>	<u> </u>
Balance at June 30, 2022	\$ 22,930,505	\$ 21,028,014	\$ 1,902,491
Changes for the year			
Service cost	550,661	-	550,661
Interest	1,603,511	-	1,603,511
Differences between expected and actual experience	333,939	-	333,939
Changes of assumptions	-	-	-
Contributions - employer	-	505,165	(505,165)
Contributions - employee	-	181,027	(181,027)
Net investment income	-	1,482,492	(1,482,492)
Benefit payments	(1,167,476)	(1,167,476)	-
Administrative expense	-	(26,301)	26,301
Net changes	<u>1,320,635</u>	<u>974,907</u>	<u>345,728</u>
Balance at June 30, 2023	<u>\$ 24,251,140</u>	<u>\$ 22,002,921</u>	<u>\$ 2,248,219</u>
Plan fiduciary net position as a percentage of the total pension liability			90.73%

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

Actuarial valuation date	July 1, 2023
Measurement date	June 30, 2023
Inflation	2.0%
Salary increases	3.5% - 5.0% based on years of service
Investment rate of return	7.0%, net of investment expenses

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Net Pension Liability (Asset) and Related Disclosures (Continued)

The valuation method used is the entry age normal, in which benefits are projected and spread so that the total normal cost will be a level percentage of salaries from date of hire to date of termination. The normal cost assigned to the City reflects a reduction due to mandatory employee contributions.

The actuarial value of assets is market value as of the valuation date reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior years, respectively.

Mortality rates were based on Pub-2010 General Employees table, amount-weighted, projected generationally with mortality improvement scale MP-2021.

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

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core bonds	15%	2.47%
Multi-sector bonds	15%	3.47%
U.S. large cap equity	30%	5.61%
U.S. small cap equity	15%	6.67%
Non-U.S. equity	15%	6.54%
Core real estate	10%	6.12%
	<u>100%</u>	

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Net Pension Liability (Asset) and Related Disclosures (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will continue to follow the current funding policy of contributing employer normal cost plus a 15-year amortization (on a closed basis) of unfunded liabilities. Based on this assumption, the Plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

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:

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Discount rate	6.00%	7.00%	8.00%
Net pension liability (asset)	\$ 5,251,356	\$ 2,248,219	\$ (259,275)

For the year ended September 30, 2023, the City recognized pension expense of \$872,610 related to the NUERF. At September 30, 2023, 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)</u>
Differences in experience	\$ 302,276	\$ (372,553)	\$ (70,277)
Changes of assumptions	51,493	(117,371)	(65,878)
Net difference between projected and actual earnings on pension plan investments	1,085,850	-	1,085,850
Contributions subsequent to the measurement date*	400,000	-	400,000
Balance at September 30, 2023	<u>\$ 1,839,619</u>	<u>\$ (489,924)</u>	<u>\$ 1,349,695</u>

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (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:

<u>Fiscal Year Ending September 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 156,006
2025	(54,173)
2026	827,803
2027	<u>20,059</u>
Total	<u>\$ 949,695</u>

City Of Clayton Uniformed Employees' Retirement 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.

The financial information is included as a pension trust fund in the City's basic financial statements. Information about the UERF is provided in a summary plan description.

The financial statements of the UERF are prepared using the accrual basis of accounting. UERF 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 UERF.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

City of Clayton Uniformed Employees' Retirement Fund (UERF)

Plan Description and Provisions (Continued)

Pension plan description (Continued)

Current membership in the Plan is as follows:

Inactive employees or beneficiaries currently receiving benefits	78
Inactive employees entitled to but not yet receiving benefits	15
Active employees	<u>89</u>
	<u><u>182</u></u>

Benefits provided

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

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 at any age with 25 years of service, with the retirement benefit reduced by 0.25% for each month that early retirement precedes normal retirement date.

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

City of Clayton Uniformed Employees' Retirement Fund (UERF) (Continued)

Plan Description and Provisions (Continued)

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 \$974,481 were made by the City to the UERF in plan year 2023. These contributions were calculated in accordance with actuarially determined contribution requirements based on an actuarial valuation performed at January 1, 2023. The Entry Age Normal actuarial funding method is used to determine contributions.

A condensed summary of financial information for the UERF as of and for the City's fiscal year ended September 30, 2023 is as follows:

Assets	\$ 53,539,227
Liabilities	<u>11,250</u>
Net position restricted for pensions	<u><u>\$ 53,527,977</u></u>
Contributions	\$ 1,342,100
Total investment income	<u>4,869,488</u>
Total additions	<u>6,211,588</u>
Benefits	2,896,379
Administrative	<u>85,064</u>
Total deductions	<u>2,981,443</u>
Change in net position	<u><u>\$ 3,230,145</u></u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

City of Clayton Uniformed Employees' Retirement Fund (UERF) (Continued)

Net Pension Liability (Asset) and Related Disclosures

The components of the NPL are shown as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a-b)
	<u>(a)</u>	<u>(b)</u>	<u>(a-b)</u>
Balance at September 30, 2022	\$ 55,130,014	\$ 50,297,832	\$ 4,832,182
Changes for the year			
Service cost	1,137,925	-	1,137,925
Interest	3,701,929	-	3,701,929
Differences between expected and actual experience	(959,793)	-	(959,793)
Changes of benefit terms	707,508	-	707,508
Changes of assumptions	391,872	-	391,872
Contributions - employer	-	974,481	(974,481)
Contributions - employee	-	367,619	(367,619)
Net investment income	-	4,869,488	(4,869,488)
Benefit payments	(2,896,379)	(2,896,379)	-
Administrative expense	-	(85,064)	85,064
Net changes	<u>2,083,062</u>	<u>3,230,145</u>	<u>(1,147,083)</u>
Balance at September 30, 2023	<u>\$ 57,213,076</u>	<u>\$ 53,527,977</u>	<u>\$ 3,685,099</u>

Plan fiduciary net position as a percentage of the total pension liability 93.56%

The amounts reported as changes in assumptions included updating the salary scale assumptions based on number of years of service, updating the retirement, termination, and disability rates, updating the marital status to married men are assumed to be 2 years older than married women, adjusting the administrative load to be the prior year's administrative expenses, adjusted for one half year based on assumed inflation to better reflect the timing of expenses, adjusting the amortization wage inflation from 3.5% to 2.6%, and modifying the actuarial value of assets to reflect an 80% to 120% corridor.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

City of Clayton Uniformed Employees' Retirement Fund (UERF) (Continued)

Net Pension Liability (Asset) and Related Disclosures (Continued)

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

Actuarial valuation date	October 1, 2023
Measurement date	September 30, 2023
Inflation	2.0%
Salary increases	3.0% to 5.5%
Investment rate of return	6.75%

The valuation method used is the entry age normal, in which benefits are projected and spread so that the total normal cost will be a level percentage of salaries from date of hire to date of termination. The normal cost assigned to the City reflects a reduction due to mandatory employee contributions.

The actuarial value of assets is market value as of the valuation date reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior years, respectively.

Mortality rates were based on the Pub-2010 Safety Employees table, amount-weighted, projected generationally with mortality improvement scale MP-2021.

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 weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

City of Clayton Uniformed Employees' Retirement Fund (UERF) (Continued)

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 Expected Real Rate of Return</u>
Core bonds	20%	2.47%
Multi-sector bonds	10%	3.47%
U.S. large cap equity	30%	5.61%
U.S. small cap equity	15%	6.67%
Non-U.S. equity	15%	6.54%
Core real estate	10%	6.12%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 30 year open amortization in years in which a surplus occurs. The Plan implemented a valuation method for surplus to adjust total employer contribution based on a 30-year level percent of pay, opened amortization in years in which a surplus occurs. If the Plan falls below 100% funded at any point in time, the Plan will establish a 15-year level percent of pay, layered amortization method. The original 15-year unfunded actuarial accrued liability amortization would be established during the first valuation when the Plan fell below 100% funded. New layers would include impact of actuarial gains and losses, assumption changes and plan amendments and would be amortized over a new 15-year period as long as the plan is under 100%. 15-year layered amortization method would continue until plan's funded ratio goes above 100%. When the plan goes from underfunded to overfunded, all prior year layered amortization bases will be considered fully amortized, and a 30-year level percent of pay open amortization method will be used for the surplus. 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 FINANCIAL STATEMENTS (Continued)

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

City of Clayton Uniformed Employees' Retirement Fund (UERF) (Continued)

Sensitivity of The NPL (Asset) 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	5.75%	6.75%	7.75%
Net pension liability (asset)	\$ 11,097,558	\$ 3,685,099	\$ (2,437,903)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2023, the City recognized pension expense of \$1,979,226 related to the UERF. At September 30, 2023, 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)</u>
Differences in experience	\$ -	\$ (1,864,758)	\$ (1,864,758)
Changes of assumptions	430,392	-	430,392
Net difference between projected and actual earnings on pension plan investments	<u>4,738,988</u>	<u>-</u>	<u>4,738,988</u>
Balance at September 30, 2023	<u>\$ 5,169,380</u>	<u>\$ (1,864,758)</u>	<u>\$ 3,304,622</u>

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

City of Clayton Uniformed Employees' Retirement Fund (UERF) (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)

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

<u>Fiscal Year Ending September 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2024	\$ 667,162
2025	1,475,871
2026	1,635,450
2027	<u>(473,861)</u>
Total	<u>\$ 3,304,622</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. No assets are accumulated in a trust for the plan. The City provides medical and prescription drug benefits to eligible retirees. All employees who retire from the City and meet eligibility criteria may participate. Non-uniformed employees are eligible to retire once they have attained age 55 and have 10 years of service or age 60 and 5 years of service. Uniformed employees are eligible to retire once they have attained age 50 and have 25 years of service; age 55 and 10 years of service; or age 60 and 5 years of service. Retirees who elect to participate must pay the entire monthly premium.

Employees Covered by Benefit Terms. As of September 30, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	10
Active employees	<u>187</u>
	<u>197</u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Plan Description (Continued)

Total OPEB Liability. The City's total OPEB liability of \$1,206,730 was measured as of September 30, 2023 and was determined by an actuarial valuation as of October 1, 2023.

Actuarial Assumptions and Methods. The total OPEB liability in the October 1, 2023 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	4.87%
Annual wage increases	3.0% to 5.5% for Uniformed; 3.5% to 5.0% for Non-Uniformed
Healthcare cost trend rates	7.0% for 2023, decreasing to an ultimate rate of 4.5% for 2033 and later years
Valuation method	Entry age normal, level percent of salary

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 PubG-2010 Amount Weighted General Mortality using Scale MP 2021 for Non-Uniformed Plan and PubS-2010 Amount Weighted Safety Mortality using Scale MP 2021 for Uniformed Plan.

Changes in the Total OPEB Liability

Balance at September 30, 2022	<u>\$ 1,211,319</u>
Changes for the year	
Service cost	64,319
Interest	59,019
Differences between expected and actual experience	11,348
Changes in assumptions or other inputs	(61,666)
Benefit payments	(77,609)
Net changes	<u>(4,589)</u>
Balance at September 30, 2023	<u><u>\$ 1,206,730</u></u>

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (Continued)

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

- The per capita cost assumptions were updated to reflect premiums effective July 1, 2023, which caused a liability increase. The enrollments used to develop the per capita costs from the City's enrollments were updated to a blend of plan and model enrollments as the City's premiums are determined based on blended City and St. Louis Area Trust (SLAIT) claims experience. This change caused a liability decrease.
- The health care cost trend rates were updated this year based on recent health care trend experience, which increased the liability.
- The plan participation assumption for Uniformed employees was updated from 20% to 40% based on historical election experience in the past three valuation cycles. This increased the liability.
- The HRA election assumption was updated from 90% to 50% based on historical HRA reimbursements in the past four years. This decreased the liability.
- The salary scale and demographic assumptions (disability, termination, and retirement rates) for Uniformed employees have been updated based on the City of Clayton Uniformed Employees' Pension Plan 2023 Experience Study dated November 2023. The net impact of these changes is a liability decrease.
- The percentage of active employees electing spousal coverage at retirement has been updated from 60% for all employees to 40% for Uniformed employees and 10% for Non-Uniformed employees based on historical election experience in the past three valuation cycles. Additionally, husbands are now assumed to be two years older than wives (the prior valuation assumed three-year spousal age difference) based on the City of Clayton Uniformed Employees' Pension Plan 2023 Experience Study dated November 2023. The net impact of both changes is a liability decrease.
- The Municipal Bond 20-year Index Rate was updated from 4.77% as of September 30, 2022 to 4.87% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2023. This increase in the discount rate decreased the liability.

Sensitivity Results. The following presents the total OPEB liability of the City as of September 30, 2023, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.87%) or 1-percentage-point higher (5.87%) than the current rate:

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Discount rate	3.87%	4.87%	5.87%
Total OPEB liability	\$ 1,323,382	\$ 1,206,730	\$ 1,103,192

The following presents the total OPEB liability of the City as of September 30, 2023, as well as what the City's total 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.

	<u>1% Decrease</u>	<u>Current Healthcare Trend rate</u>	<u>1% Increase</u>
Discount rate	6.00%	7.00%	8.00%
Total OPEB liability	\$ 1,088,435	\$ 1,206,730	\$ 1,344,111

For the year ended September 30, 2023, the City recognized OPEB expense of \$89,294.

At September 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferred Outflows (Inflows)</u>
Difference between expected and actual	\$ 30,333	\$ (4,099)	\$ 26,234
Changes in assumptions	146,556	(462,535)	(315,979)
Total	<u>\$ 176,889</u>	<u>\$ (466,634)</u>	<u>\$ (289,745)</u>

8. OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability (Continued)

Total OPEB Liability (Continued)

Deferred outflows net of deferred inflows of resources of \$(289,745) related to OPEB will be recognized in OPEB expense in the City's fiscal year following the System's fiscal year as follows:

Amortization Schedule	
2024	\$ (34,044)
2025	(34,044)
2026	(34,044)
2027	(33,244)
2028	(33,286)
Thereafter	(121,083)
Total	\$ (289,745)

9. LESSOR DISCLOSURES

The City entered into a lease agreement on January 1, 2013, to lease a building in Oak Knoll Park through December 31, 2022. Payments are currently \$8,000 per month. This lease is non-cancelable and maintains an interest rate of 0.234%. The City collected \$24,000 and recognized a \$23,967 reduction in the related deferred inflow of resource. There is no remaining lease receivable and offsetting deferred inflow of resources for this agreement as of September 30, 2023.

The City entered into a lease agreement on September 24, 2019, to lease 30 parking lot spaces through September 23, 2118. Payments are currently \$2,678 per month and will increase annually based on the changes in fair market value of similar parking in the area. The lease is non-cancelable and maintains an interest rate of 2.084%. During the fiscal year, the City collected \$31,748 and recognized a \$22,452 reduction in the related deferred inflow of resources. The remaining lease receivable and offsetting deferred inflow of resources for this agreement are \$2,203,649 and \$2,132,527, respectively, as of September 30, 2023.

The City entered into a lease agreement on May 1, 2013, to lease a floor in a building to an outside entity through December 31, 2042. The lease agreement is non-cancelable and there was no interest charged as the full amount of rent was paid in advance in the amount of \$4,324,593. This amount paid in advance will be recognized over 20 years. The City recognized a \$216,230 reduction in the deferred inflow of resource and recognized related revenue. At September 30, 2023, the deferred inflow of resources related to this lease was \$2,072,200.

9. LESSOR DISCLOSURES (Continued)

The City entered into a lease agreement on February 1, 2008, to lease parking spaces through January 31, 2048. Payments are based on the number of monthly spaces leased and a rate that adjusts annually to fair market value in the area. Lease revenue is shared with St. Louis County in a specified percentage based on a separate lease. The lease is non-cancelable, and the lease maintains an interest rate of 2.033%. The lease agreement was terminated by mutual agreement of both parties effective July 18, 2023 and the City collected \$42,298 and recognized a \$1,421,132 reduction in the related deferred inflow of resource. There are no remaining lease receivable and offsetting inflow of resource for this agreement as of September 30, 2023.

The City entered into a lease agreement on February 1, 2012, to lease parking spaces through January 31, 2075. Payments are based on the number of monthly spaces leased and a rate that adjusts annually to fair market value in the area. The lease is non-cancelable, and the lease maintains an interest rate of 2.084%. The City collected \$309,200 and recognized a \$284,064 reduction in the related deferred inflow of resource. The remaining lease receivable and offsetting inflow of resource for this agreement are \$15,160,244 and \$14,581,898, respectively, as of September 30, 2023.

The City entered into a lease agreement on June 13, 2023, to lease up to 200 parking spaces at the Brentwood Garage on Bonhomme Avenue for use by tenants in a future mixed-use development. Lease payments will begin upon occupancy of units, and these lease payments will be variable according to the number of units occupied during a 24-month stabilization period. The developer will be responsible for all 200 spaces in the 25th month after the issuance of a certificate of occupancy. In the first lease year the monthly rental rate will be \$90 per space. The rental rate is subject to annual increases based on the changes in fair market value of similar parking in the area. The variable lease payments will be recorded and disclosed as period revenues during the initial stabilization period as units are occupied. At the end of the stabilization period, the City will record a lease receivable and offsetting inflow of resource for the remaining term of this agreement. As of September 30, 2023, the commencement date had not yet occurred and the City did not receive lease revenue for this reporting period.

The City entered into a lease agreement on January 1, 2023, to lease a building in Oak Knoll Park through December 31, 2042. Payments are currently \$8,500 per month, subject to increase every two years based on cumulative CPI. This lease is non-cancelable and maintains an interest rate of 4.066%. The City collected \$76,500 and recognized a \$68,743 reduction in the related deferred inflow of resource. The lease receivable and offsetting deferred inflow of resources for this agreement are \$1,805,893 and \$1,764,412, respectively, as of September 30, 2023.

During the year, the City recognized lease revenue of \$615,456 and interest revenue of \$84,519 related to leases.

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 VENTURES

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. The City does not have any equity interest in this joint venture. Administration, accounting, repair, and maintenance of the facility will be shared in accordance with the agreement. The City contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the Clayton City Hall.

The recreational facility is complete on a \$10,000,000 renovation and the City was responsible for one-half of the renovation costs. The City issued bonds on October 7, 2019 for the City portion of the renovations. The City is also liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$150,000 for its annual operational subsidy for the year ended September 30, 2023, a capital and ERF subsidy of \$150,000, and an additional \$121,482 for its share of the recreation facility's fiscal year 2022 deficit. As of September 30, 2023, the joint venture has assets of approximately \$18,100,000, liabilities of approximately \$770,000 and equity of approximately \$17,330,000.

In June 2023, pursuant to an agreement authorized by City ordinance, the City joined with the City of Brentwood, City of Maplewood, and the City of Richmond Heights to create and manage a Commission, the Central Core Fire Training Center Commission, to provide additional fire training for member cities. The City does not have any equity interest in this joint venture. There was no activity during fiscal year 2023.

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.

Other Commitments

The City signed a purchase agreement in January 2023 with MacQueen Equipment, LLC for the purchase of a pumper and tiller in the amount of \$3,175,300.

13. TAX ABATEMENTS

As of September 30, 2023, 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 2023 was \$289,186. The Urban Redevelopment Corporation law provides real property tax abatement to encourage the redevelopment of blighted areas throughout the State under Chapter 353 of the Revised Statutes of Missouri, as amended. The amount abated under this program totaled \$15,755. In total, the amount of City property taxes abated by these arrangements during the year ended September 30, 2023, was approximately \$304,941.

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS (Continued)

14. PRIOR PERIOD ADJUSTMENT

The City has restated its beginning balance amounts for changes in investment reporting. Beginning net position and fund balance has been restated as follows:

	Governmental Activities	General Fund	Capital Improvement Fund	Equipment Replacement Fund	Aggregate Remaining Funds
Beginning Net Position/ Fund Balance As Previously Reported	\$ 111,320,817	\$ 22,311,579	\$ 5,882,901	\$ 9,293,680	\$ 5,292,581
Adjust investments to fair value	<u>(1,335,960)</u>	<u>(707,180)</u>	<u>(224,724)</u>	<u>(298,070)</u>	<u>(105,986)</u>
Beginning Net Position/ Fund Balance, As Restated	<u>\$ 109,984,857</u>	<u>\$ 21,604,399</u>	<u>\$ 5,658,177</u>	<u>\$ 8,995,610</u>	<u>\$ 5,186,595</u>

15. FUTURE PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The statements which might impact the City are as follows:

- GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and re-reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to: a) the determination of the public-private and public-public partnership (PPP) term and b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to non-monetary transactions; pledges of future revenues when resources are not received by the

15. FUTURE PRONOUNCEMENTS (Continued)

- pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of non-monetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs was implemented in fiscal year ending September 30, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending September 30, 2024.
- GASB Statement No. 100, *Accounting Changes and Error Corrections--an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that: a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ending September 30, 2024.
 - GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for: 1) leave that has not been used and 2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if: a) the leave is attributable to services already rendered, b) the leave accumulates, and c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through non-cash means. This Statement requires that a liability for certain types of compensated absences--including parental leave, military leave, and jury duty leave--not be recognized until the leave commences. This Statement also requires that a

15. FUTURE PRONOUNCEMENTS (Continued)

liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as it is identified as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ending September 30, 2025.

- GASB Statement No. 102, *Certain Risk Disclosures*, establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement is effective for the fiscal year ending September 30, 2025.

16. SUBSEQUENT EVENTS

In December 2023, the City entered into an agreement with Flock Safety to lease license plate readers for an initial term of 60 months with a 24 month renewal term for a total contract for the initial term of \$150,650.

Effective October 1, 2023, the plan valuation date changed from January 1 to October 1 related to the City's Uniformed Employees' Pension Fund.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Property taxes	\$ 7,201,333	\$ 6,875,887	\$ 6,874,249	\$ (1,638)
Sales taxes	5,663,878	6,289,356	6,289,356	-
Licenses and permits	1,978,599	2,034,266	2,050,642	16,376
Public utility licenses	5,363,967	6,068,630	6,102,376	33,746
Intergovernmental	2,171,636	2,196,316	2,225,030	28,714
Community programs	1,930,895	2,080,787	2,100,177	19,390
Parking facilities and meters	1,857,426	2,213,107	2,210,578	(2,529)
Fines and forfeitures	644,207	839,279	839,670	391
Investment income	168,729	1,081,536	1,255,732	174,196
Miscellaneous	186,000	145,075	148,712	3,637
Total revenues	<u>27,166,670</u>	<u>29,824,239</u>	<u>30,096,522</u>	<u>272,283</u>
EXPENDITURES				
Current				
General government				
Nondepartmental	684,171	717,762	719,788	2,026
Information systems	1,768,497	1,519,583	1,509,314	(10,269)
Finance	789,287	747,406	747,405	(1)
City manager's office	838,926	801,371	800,372	(999)
Municipal court	380,094	397,913	398,262	349
Board of aldermen and city clerk	83,365	76,818	76,818	-
Personnel administration	377,840	339,890	337,266	(2,624)
Parking control	244,638	231,057	230,758	(299)
Public safety	13,779,277	13,779,605	13,773,832	(5,773)
Public works	7,027,001	6,789,794	6,782,188	(7,606)
Parks and recreation	2,723,989	2,515,292	2,498,857	(16,435)
Economic development	527,930	468,923	465,278	(3,645)
Community development	1,334,742	1,153,379	1,151,382	(1,997)
Total expenditures	<u>30,559,757</u>	<u>29,538,793</u>	<u>29,491,520</u>	<u>(47,273)</u>
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(3,393,087)</u>	<u>285,446</u>	<u>605,002</u>	<u>319,556</u>
OTHER FINANCING SOURCES				
Sale of capital assets	600	600	2,405	1,805
Transfers in	1,192,308	1,192,308	1,192,308	-
Total other financing sources	<u>1,192,908</u>	<u>1,192,908</u>	<u>1,194,713</u>	<u>1,805</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,200,179)</u>	<u>\$ 1,478,354</u>	1,799,715	<u>\$ 321,361</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>21,604,399</u>	
FUND BALANCE, END OF YEAR			<u>\$ 23,404,114</u>	

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION

September 30, 2023

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 and Asset Forfeiture Fund and fiduciary (pension) funds for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. 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 (GAAP). Accordingly, budgetary comparisons in the required supplementary information and other supplemental information are presented on this 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.

During the year ended September 30, 2023, the expenditures in the nondepartmental and municipal court departments in the General Fund were over budget by \$2,026 and \$349 respectively, and the expenditures in the Capital Projects and Capital Improvement Funds were over budget by \$3,593 and \$52,603, respectively.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
NON-UNIFORMED EMPLOYEES' RETIREMENT FUND

Last Ten Fiscal Years

MEASUREMENT DATE JUNE 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 550,661	\$ 561,591	\$ 593,018	\$ 523,913	\$ 504,137	\$ 539,453	\$ 500,005	\$ 478,954	\$ 478,857	\$ 378,669
Interest	1,603,511	1,571,239	1,526,612	1,432,062	1,351,398	1,291,687	1,235,787	1,195,165	1,104,645	1,041,305
Differences between expected and actual experience	333,939	(566,221)	(96,328)	158,266	145,765	(170,492)	(269,014)	(427,158)	(61,854)	51,094
Changes of assumptions	-	37,599	(283,541)	138,110	-	-	-	(130,351)	413,213	-
Benefit payments	(1,167,476)	(1,098,203)	(1,044,323)	(899,597)	(838,896)	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Net change in total pension liability	1,320,635	506,005	695,438	1,352,754	1,162,404	952,696	759,403	413,910	1,373,891	718,119
Total pension liability, beginning	22,930,505	22,424,500	21,729,062	20,376,308	19,213,904	18,261,208	17,501,805	17,087,895	15,714,004	14,995,885
Total pension liability, ending	24,251,140	22,930,505	22,424,500	21,729,062	20,376,308	19,213,904	18,261,208	17,501,805	17,087,895	15,714,004
Plan fiduciary net position										
Contributions - employer	505,165	536,394	624,178	502,464	481,932	534,824	538,890	559,056	544,097	473,909
Contributions - employee	181,027	169,616	171,584	173,203	169,259	159,800	150,996	144,794	139,616	137,488
Pension plan net investment income	1,482,492	(2,676,135)	5,354,264	573,282	728,198	1,438,824	1,841,090	249,335	1,053,742	1,859,720
Benefit payments	(1,167,476)	(1,098,203)	(1,044,323)	(899,597)	(838,896)	(707,952)	(707,375)	(702,700)	(560,970)	(752,949)
Administrative expense	(26,301)	(92,475)	(67,788)	(65,509)	(66,685)	(58,265)	(57,685)	(52,551)	(47,672)	(49,687)
Net change in plan fiduciary net position	974,907	(3,160,803)	5,037,915	283,843	473,808	1,367,231	1,765,916	197,934	1,128,813	1,668,481
Plan fiduciary net position, beginning	21,028,014	24,188,817	19,150,902	18,867,059	18,393,251	17,026,020	15,260,104	15,062,170	13,933,357	12,264,876
Plan fiduciary net position, ending	22,002,921	21,028,014	24,188,817	19,150,902	18,867,059	18,393,251	17,026,020	15,260,104	15,062,170	13,933,357
Employer net pension liability (asset)	\$ 2,248,219	\$ 1,902,491	\$ (1,764,317)	\$ 2,578,160	\$ 1,509,249	\$ 820,653	\$ 1,235,188	\$ 2,241,701	\$ 2,025,725	\$ 1,780,647
Plan fiduciary net position as a percentage of the total pension liability	90.73%	91.70%	107.87%	88.13%	92.59%	95.73%	93.24%	87.19%	88.15%	88.67%
Covered payroll	5,449,454	4,974,174	5,406,878	5,609,363	5,205,076	5,266,677	5,196,464	5,005,772	4,793,040	4,864,905
Employer's net pension liability (asset) as a percentage of covered payroll	41.26%	38.25%	(32.63%)	45.96%	29.00%	15.58%	23.77%	44.78%	42.26%	36.60%

Net investment income was adjusted in 2022 by \$16,926 to adjust the beginning of year plan fiduciary net position to the plan's audited amounts.

Changes of assumptions. In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2000 Combined Healthy Table Generational projection using scale BB. In 2016, amounts reported as changes in assumptions resulted primarily from an increase in the Discount Rate from 6.94% to 7.00%. In 2020, amounts reported as changes in assumptions resulted primarily from an update to the mortality tables used; from RP-2000 Blue Collar Scale BB to PubG-2010 with MP-2019 Scale. The change in mortality tables resulted in an increase in liability, as well as an updated actuarial value of assets valuation method to spread the difference between the actual investment income and expected income over a three-year period. In 2021, the plan updated the mortality improvement scale from MP-2019 to MP-2020. The Plan updated the salary increase assumption from a flat 4.0% for all participants to service-based rates ranging from 5.0% for new hires to 3.5% for those with 15 or more years of service. The Plan updated interest rate to be 7.0%; net of investment expenses only. Implemented an administrative expense load to normal cost based on prior year's administrative expenses. The Plan modified the pre-retirement death benefit modified to provide a spousal benefit in the event of an active death, if the participant has 5 or more years of credited service, prior to early or normal retirement eligibility instead of refund of contributions only. In 2022, amounts reported as changes in assumptions resulted primarily from an update to the mortality improvement scale from MP-2020 to MP-2021.

There were no benefit changes during the year.

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
NON-UNIFORMED EMPLOYEES' RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined pension contributions	\$ 498,212	\$ 531,004	\$ 619,693	\$ 500,128	\$ 473,176	\$ 525,359	\$ 529,622	\$ 547,815	\$ 531,691	\$ 453,411
Contributions in relation to the actuarially determined contribution	605,165	536,394	624,178	502,464	481,932	534,824	538,890	559,056	544,097	473,909
Contribution deficiency (excess)	<u>\$ (106,953)</u>	<u>\$ (5,390)</u>	<u>\$ (4,485)</u>	<u>\$ (2,336)</u>	<u>\$ (8,756)</u>	<u>\$ (9,465)</u>	<u>\$ (9,268)</u>	<u>\$ (11,241)</u>	<u>\$ (12,406)</u>	<u>\$ (20,498)</u>
Covered payroll	\$ 5,319,403	\$ 4,974,174	\$ 5,406,878	\$ 5,609,363	\$ 5,205,076	\$ 5,266,677	\$ 5,196,464	\$ 5,005,772	\$ 4,793,040	\$ 4,864,905
Contributions as a percentage of covered payroll	11.38%	10.78%	11.54%	8.96%	9.26%	10.15%	10.37%	11.17%	11.35%	9.74%

Notes to schedule

Valuation date

Actuarially determined contribution rates are calculated as of July 1

Methods and assumptions used to determine contribution rates

Actuarial cost method Entry age

Amortization method Level dollar, closed

Remaining amortization period 14 years

Asset valuation method Smoothed method, market value reduced by 2/3 and 1/3 of the gain/(loss) in each of the prior years, respectively

Inflation 2.00%

Salary increases 3.5% - 5.0%

Investment rate of return 7.00%, net of investment expenses

Retirement age Probabilities of retirement are assigned to ages between 55 and 69, with all employees assumed to retire by age 69

Mortality

2023 through 2021: Pre-Retirement Mortality: Pub-2010 General Employees table, amount-weighted, projected generationally with scale MP-2021. Post-Retirement Mortality: Retired members: Pub-2010 General Retirees table, amount-weighted, projected generationally with scale MP-2021. Disabled members: Pub-2010 General/Teachers Disabled table, amount-weighted, projected generationally with scale MP-2021. Beneficiary members: Pub-2010 Contingent Survivor table, amount weighted, projected generationally with scale MP-2021. 2020: Pre-Retirement Mortality: Pub-2010 General Employees table, amount-weighted, projected generationally with scale MP-2019. Post-Retirement Mortality: Retired members: Pub-2010 General Retirees table, amount-weighted, projected generationally with scale MP-2019. Disabled members: Pub-2010 General/Teachers Disabled table, amount-weighted, projected generationally with scale MP-2019. Beneficiary members: Pub-2010 Contingent Survivor table, amount weighted, projected generationally with scale MP-2019. 2019 through 2015: RP-2000 Combined Healthy Table Generational projection using Scale BB. 2014 and prior: RP-2000 Combined Healthy Table Generational projection using Scale AA.

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
NON-UNIFORMED EMPLOYEES' RETIREMENT FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED JUNE 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual rate of return, net of investment expense	7.03%	(11.18%)	28.33%	3.06%	3.99%	8.47%	12.09%	1.66%	7.54%	15.28%

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

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

Last Ten Fiscal Years

MEASUREMENT DATE SEPTEMBER 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,137,925	\$ 1,138,933	\$ 832,442	\$ 1,096,636	\$ 1,005,464	\$ 994,484	\$ 941,122	\$ 888,793	\$ 838,618	\$ 839,544
Interest	3,701,929	3,799,538	2,737,370	3,511,446	3,384,479	3,258,781	3,141,917	3,013,562	2,860,499	2,753,542
Changes of benefit terms	707,508	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(959,793)	(1,720,510)	-	(68,468)	(320,836)	(143,420)	(279,615)	(92,530)	457,271	977,634
Changes of assumptions	391,872	68,592	-	276,664	-	-	-	-	-	-
Benefit payments, including refund of member contributions	(2,896,379)	(2,550,301)	(1,839,103)	(2,399,612)	(2,295,082)	(2,354,204)	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Net change in total pension liability	2,083,062	736,252	1,730,709	2,416,666	1,774,025	1,755,641	1,777,472	1,778,850	2,147,083	1,475,821
Total pension liability, beginning	55,130,014	54,393,762	52,663,053	50,246,387	48,472,362	46,716,721	44,939,249	43,160,399	41,013,316	39,537,495
Total pension liability, ending	57,213,076	55,130,014	54,393,762	52,663,053	50,246,387	48,472,362	46,716,721	44,939,249	43,160,399	41,013,316
Plan fiduciary net position										
Contributions - employer	974,481	883,085	936,031	1,078,842	1,141,253	1,109,879	1,137,681	1,053,439	945,822	857,131
Contributions - employee	367,619	367,110	255,318	540,230	336,825	327,813	303,847	277,605	264,381	249,647
Net investment income	4,869,488	(7,762,510)	5,502,214	6,995,708	8,119,976	(1,446,798)	5,599,207	3,405,344	1,152,431	1,876,874
Benefit payments	(2,896,379)	(2,550,301)	(1,839,103)	(2,399,612)	(2,295,082)	(2,354,204)	(2,025,952)	(2,030,975)	(2,009,305)	(3,094,899)
Administrative expense	(85,064)	(211,651)	(108,414)	(88,142)	(222,244)	(234,931)	(203,696)	(206,272)	(212,257)	-
Net change in plan fiduciary net position	3,230,145	(9,274,267)	4,746,046	6,127,026	7,080,728	(2,598,241)	4,811,087	2,499,141	141,072	(111,247)
Plan fiduciary net position, beginning	50,297,832	59,572,099	54,826,053	48,699,027	41,618,299	44,216,540	39,405,453	36,906,312	36,765,240	36,876,487
Plan fiduciary net position, ending	53,527,977	50,297,832	59,572,099	54,826,053	48,699,027	41,618,299	44,216,540	39,405,453	36,906,312	36,765,240
Employer net pension liability (asset)	\$ 3,685,099	\$ 4,832,182	\$ (5,178,337)	\$ (2,163,000)	\$ 1,547,360	\$ 6,854,063	\$ 2,500,181	\$ 5,533,796	\$ 6,254,087	\$ 4,248,076
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.56%	91.23%	109.52%	104.11%	96.92%	85.86%	94.65%	87.69%	85.51%	89.64%
Covered payroll	6,805,594	7,336,526	6,987,614	7,391,292	6,763,010	6,564,009	5,888,391	5,643,996	5,319,108	5,493,694
Employer's net pension liability (asset) as a percentage of covered payroll	54.15%	65.86%	(74.11%)	(29.26%)	22.88%	104.42%	42.46%	98.05%	117.58%	77.33%

The plan had a change in fiscal year end from December 31 to September 30. The change in the Plan's fiscal year end resulted in the Plan recognizing a 9-month period between December 31, 2020 and September 30, 2021. The change in Net Pension Liability during this period is reported with the September 30, 2021 measurement date. The change resulted in a one-time adjustment that was immediately recognized in the Plan's pension expense. The change was applied prospectively. Effective October 1, 2023, the plan's valuation date changed from January 1 to October 1.

Changes in assumptions: In 2020, the mortality tables were updated from RP-2000 Blue Collar to PubS-2010 mortality table, and the mortality improvement scale was updated from Scale BB to MP-2020. In 2022, the mortality tables were updated from MP-2020 to MP-2021, the interest rate was updated to be 7.00%, net of investment expense only, implemented an administrative expense load to normal cost based on prior year's administrative expenses, and implemented a valuation method for surplus to adjust total employer contribution based on a 30-year open amortization. In 2023, the changes included updating the salary scale assumptions based on number of years of service, updating the retirement, termination, and disability rates, updating the marital status to married men are assumed to be 2 years older than married women, adjusting the administrative load to be the prior year's administrative expenses, adjusted for one half year based on assumed inflation to better reflect the timing of expenses, adjusting the amortization wage inflation from 3.5% to 2.6%, and modifying the actuarial value of assets to reflect an 80% to 120% corridor.

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
UNIFORMED EMPLOYEES' PENSION FUND

Last Ten Fiscal Years

	Fiscal Year Ended									
	September 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined pension contributions	\$ 957,382	\$ 909,504	\$ 1,051,246	\$ 1,108,910	\$ 1,078,425	\$ 1,082,658	\$ 1,000,892	\$ 898,643	\$ 814,376	\$ 1,004,082
Contributions in relation to the actuarially determined contribution	974,481	883,085	1,078,842	1,141,253	1,109,879	1,137,681	1,053,439	945,822	857,131	1,004,082
Contribution deficiency (excess)	<u>\$ (17,099)</u>	<u>\$ 26,419</u>	<u>\$ (27,596)</u>	<u>\$ (32,343)</u>	<u>\$ (31,454)</u>	<u>\$ (55,023)</u>	<u>\$ (52,547)</u>	<u>\$ (47,179)</u>	<u>\$ (42,755)</u>	<u>\$ -</u>
Covered payroll	\$ 6,805,594	\$ 7,336,526	\$ 6,987,614	\$ 7,391,292	\$ 6,763,010	\$ 6,564,009	\$ 5,888,391	\$ 5,643,996	\$ 5,319,108	\$ 5,493,694
Contributions as a percentage of covered payroll	14.32%	12.04%	15.44%	15.44%	16.41%	17.33%	17.89%	16.76%	16.11%	18.28%

Notes to schedule

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 for fiscal year 2022 and earlier years.

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Normal cost plus a 30-year open amortization as a level percentage payroll of the surplus
Remaining amortization period	30 years
Asset valuation method	Smoothed method, market value reduced by 2/3 and 1/3 of the loss in each of the prior years, respectively
Inflation	2.00%
Salary increases	3.0% to 5.5%
Investment rate of return	2023: 6.75%, net of investment expenses; 2022: 7.00%, net of investment expenses; 2021 and prior: 7.00%, 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	2023 and 2022: Pre-Retirement Mortality - Pub 2010 Safety Employees table, amount-weighted, projected generationally with scale MP-2021. Post-Retirement Mortality - Pub-2010 Safety Retirees table, Safety Disabled table or Contingent Survivor table, amount-weighted, projected generationally with scale MP-2021. 2021 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.

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

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

Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual rate of return, net of investment expense	5.99%	(14.92%)	14.29%	19.75%	(3.32%)	14.35%	9.34%	3.18%	5.69%	16.85%

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

September 30, 2023

	Measurement Date as of September 30					
	2023	2022	2021	2020	2019	2018
Service cost	\$ 64,319	\$ 95,046	\$ 115,185	\$ 83,477	\$ 72,392	\$ 72,917
Interest cost	59,019	36,227	35,543	49,578	46,747	42,890
Differences between expected and actual experience	11,348	-	29,328	-	(6,654)	(2,417)
Changes in assumptions or other input	(61,666)	(279,625)	(251,568)	199,421	64,696	(33,043)
Net benefits paid by employer	(77,609)	(71,747)	(85,139)	(90,803)	(84,559)	(67,377)
Net change in total OPEB liability	(4,589)	(220,099)	(156,651)	241,673	92,622	12,970
Total OPEB liability, beginning	1,211,319	1,431,418	1,588,069	1,346,396	1,253,774	1,240,804
Total OPEB liability, ending	\$ 1,206,730	\$ 1,211,319	\$ 1,431,418	\$ 1,588,069	\$ 1,346,396	\$ 1,253,774
Covered payroll	\$ 12,124,997	\$ 12,310,700	\$ 12,394,492	\$ 13,000,655	\$ 11,968,086	\$ 11,830,686
Total OPEB liability as a percentage of covered payroll	9.95%	9.84%	11.55%	12.22%	11.25%	10.60%

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

In FY23: (1) The per capita cost assumptions were updated to reflect premiums effective July 1, 2023 and the enrollments were updated to a blend of plan and model enrollments. (2) The health care cost trend rates were updated based on recent health care trend experience. (3) The plan participation assumption for Uniformed employees was updated from 20% to 40% based on historical election experience in the past three valuation cycles. (4) The HRA election assumption was updated from 90% to 50% based on historical HRA reimbursements in the past four years. (5) The salary scale and demographic assumptions for Uniformed employees was updated based on the City of Clayton Uniformed Employees' Pension Plan 2023 Experience Study dated November 2023. (6) The percentage of active employees electing spousal coverage at retirement has been updated from 60% for all employees to 40% for Uniformed employees and 10% for Non-Uniformed employees based on historical election experience in the past three valuation cycles. Additionally, husbands are now assumed to be two years older than wives (the prior valuation assumed three-year spousal age difference) based on the City of Clayton Uniformed Employees' Pension Plan 2023 Experience Study dated November 2023. (7) The Municipal Bond 20-year Index Rate was updated from 4.77% to 4.87% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2023.

In FY22: (1) The discount rate has been increased from 2.43% to 4.77% since the previous valuation. The discount rate of 4.77% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2022. The increase in the discount rate decreased the liability. (2) The mortality projection scale was updated from MP-2020 to MP-2021.

In FY21: (1) The discount rate has been increased from 2.14% to 2.43% since the previous valuation. The discount rate of 2.43% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2021. The increase in the discount rate decreased the liability. (2) The mortality assumption for Uniformed employees was updated from RP-2000 Blue Collar Mortality Table with Generational-BB Scale to PubS-2010 Amount Weighted Safety Mortality - MP-2020. Additionally, the mortality improvement scale for Non-Uniformed employees was updated from MP-2019 to MP-2020. These changes increased the liability. (3) The salary scale for non-uniformed employees was updated from 4.0% to a scale based on years of service with a range of 3.5% - 5.0%. This slightly increased the liability. (4) The starting per capita costs were updated based on current premiums. This decreased the liability.

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

In FY19: (1) The discount rate has been decreased from 3.64% to 3.58% since the previous valuation. The discount rate of 3.58% is based on the S&P Municipal Bond 20-Year High Grade Rate Index as of September 30, 2019. The decrease in the discount rate increased the liability. (2) The initial healthcare trend rate was increased from 6.5% to 7.0% to reflect current market conditions. This initial rate is assumed to decrease by 0.25% per year until it reaches the ultimate trend rate in fiscal year 2028.

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

See Independent Auditor's Report.

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR 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 \$2,000 per residence.

Drug and Asset 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.

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

2021 Special Obligation Bond Issue Fund - This fund is used to account for the accumulation of resources for and the repayment of special obligation bond principal and interest.

2022 General Obligation Bond Issue Fund - This fund is used to account for the accumulation of resources for and the repayment of general obligation bond principal and interest.

CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for financial resources used for the acquisition or construction of capital facilities.

Capital Projects Fund - This fund is used to support the funding of the City's share of Center of Clayton renovations, the City's initial costs related to the ice rink demolition project, and other construction costs.

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

September 30, 2023

	Special Revenue	Capital Projects Fund	Debt Service	Total
ASSETS				
Cash and cash equivalents	\$ 100,016	\$ 2,982,496	\$ 147,836	\$ 3,230,348
Investments	1,239,202	249,000	1,807,492	3,295,694
Accounts receivable	824	-	-	824
Intergovernmental receivable	-	-	86,930	86,930
Interest receivable	12,283	51	15,285	27,619
	<u>\$ 1,352,325</u>	<u>\$ 3,231,547</u>	<u>\$ 2,057,543</u>	<u>\$ 6,641,415</u>
LIABILITIES				
Accounts payable	\$ 10,139	\$ 50,657	\$ 318	\$ 61,114
Advances from other funds	-	814,543	-	814,543
	<u>10,139</u>	<u>865,200</u>	<u>318</u>	<u>875,657</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	271	-	25,488	25,759
	<u>271</u>	<u>-</u>	<u>25,488</u>	<u>25,759</u>
FUND BALANCES				
Restricted				
Capital projects	-	2,366,347	-	2,366,347
Economic development	81,334	-	-	81,334
Debt service	-	-	2,031,737	2,031,737
Public safety	1,131,202	-	-	1,131,202
Sewer lateral	129,379	-	-	129,379
	<u>1,341,915</u>	<u>2,366,347</u>	<u>2,031,737</u>	<u>5,739,999</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,352,325</u>	<u>\$ 3,231,547</u>	<u>\$ 2,057,543</u>	<u>\$ 6,641,415</u>

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS

September 30, 2023

	Special Taxing District	Sewer Lateral	Drug and Asset Forfeiture	Total
ASSETS				
Cash and cash equivalents	\$ 5,700	\$ 9,668	\$ 84,648	\$ 100,016
Investments	77,595	119,708	1,041,899	1,239,202
Accounts receivable	-	824	-	824
Interest receivable	1,519	1,179	9,585	12,283
	<u>84,814</u>	<u>131,379</u>	<u>1,136,132</u>	<u>1,352,325</u>
Total assets	<u>\$ 84,814</u>	<u>\$ 131,379</u>	<u>\$ 1,136,132</u>	<u>\$ 1,352,325</u>
LIABILITIES				
Accounts payable	\$ 3,209	\$ 2,000	\$ 4,930	\$ 10,139
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	271	-	-	271
FUND BALANCES				
Restricted				
Economic development	81,334	-	-	81,334
Public safety	-	-	1,131,202	1,131,202
Sewer lateral	-	129,379	-	129,379
	<u>81,334</u>	<u>129,379</u>	<u>1,131,202</u>	<u>1,341,915</u>
Total fund balances	<u>81,334</u>	<u>129,379</u>	<u>1,131,202</u>	<u>1,341,915</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 84,814</u>	<u>\$ 131,379</u>	<u>\$ 1,136,132</u>	<u>\$ 1,352,325</u>

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS

September 30, 2023

	2019 Special Obligation Bond Issue Fund	2021 Special Obligation Bond Issue Fund	2022 General Obligation Bond Issue Fund	Total
ASSETS				
Cash and cash equivalents	\$ 80,267	\$ -	\$ 67,569	\$ 147,836
Investments - restricted	960,868	-	846,624	1,807,492
Intergovernmental receivable	84,017	-	2,913	86,930
Interest receivable	5,888	-	9,397	15,285
 Total assets	<u>\$ 1,131,040</u>	<u>\$ -</u>	<u>\$ 926,503</u>	<u>\$ 2,057,543</u>
 LIABILITIES				
	<u>\$ 318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 318</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	15,488	-	10,000	25,488
 FUND BALANCES				
Restricted Debt service	1,115,234	-	916,503	2,031,737
 Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,131,040</u>	<u>\$ -</u>	<u>\$ 926,503</u>	<u>\$ 2,057,543</u>

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Special Revenue	Capital Projects Fund	Debt Service Fund	Total
REVENUES				
Property taxes	\$ 526,208	\$ -	\$ 1,989,918	\$ 2,516,126
Special assessments	94,116	-	-	94,116
Sales taxes	-	-	495,993	495,993
Investment income	54,198	33,305	67,473	154,976
Total revenues	<u>674,522</u>	<u>33,305</u>	<u>2,553,384</u>	<u>3,261,211</u>
EXPENDITURES				
Current				
Public safety	94,650	-	-	94,650
Capital outlay	70,200	148,057	-	218,257
Debt service				
Principal	-	-	2,045,000	2,045,000
Interest and fiscal charges	-	-	886,601	886,601
Total expenditures	<u>164,850</u>	<u>148,057</u>	<u>2,931,601</u>	<u>3,244,508</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>509,672</u>	<u>(114,752)</u>	<u>(378,217)</u>	<u>16,703</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	500,000	574,400	1,074,400
Transfers out	<u>(537,699)</u>	<u>-</u>	<u>-</u>	<u>(537,699)</u>
Total other financing sources (uses)	<u>(537,699)</u>	<u>500,000</u>	<u>574,400</u>	<u>536,701</u>
NET CHANGE IN FUND BALANCE	(28,027)	385,248	196,183	553,404
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>1,369,942</u>	<u>1,981,099</u>	<u>1,835,554</u>	<u>5,186,595</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,341,915</u>	<u>\$ 2,366,347</u>	<u>\$ 2,031,737</u>	<u>\$ 5,739,999</u>

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NON-MAJOR SPECIAL REVENUE FUNDS

For the Year Ended September 30, 2023

	Special Taxing District	Sewer Lateral	Drug and Asset Forfeiture	Total
REVENUES				
Property taxes	\$ 526,208	\$ -	\$ -	\$ 526,208
Special assessments	-	94,116	-	94,116
Investment income	6,694	5,202	42,302	54,198
Total revenues	<u>532,902</u>	<u>99,318</u>	<u>42,302</u>	<u>674,522</u>
EXPENDITURES				
Current				
Public safety	-	-	94,650	94,650
Capital outlay	-	70,200	-	70,200
Total expenditures	<u>-</u>	<u>70,200</u>	<u>94,650</u>	<u>164,850</u>
EXCESS (DEFICIENCY) OF REVENUES	<u>532,902</u>	<u>29,118</u>	<u>(52,348)</u>	<u>509,672</u>
OTHER FINANCING USES				
Transfers out	<u>(537,699)</u>	<u>-</u>	<u>-</u>	<u>(537,699)</u>
NET CHANGE IN FUND BALANCE	(4,797)	29,118	(52,348)	(28,027)
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>86,131</u>	<u>100,261</u>	<u>1,183,550</u>	<u>1,369,942</u>
FUND BALANCE, END OF YEAR	<u>\$ 81,334</u>	<u>\$ 129,379</u>	<u>\$ 1,131,202</u>	<u>\$ 1,341,915</u>

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - NON-MAJOR DEBT SERVICE FUNDS

For the Year Ended September 30, 2023

	2019 Special Obligation Bond Issue Fund	2021 Special Obligation Bond Issue Fund	2022 General Obligation Bond Issue Fund	Total
REVENUES				
Property taxes	\$ 1,172,197	\$ -	\$ 817,721	\$ 1,989,918
Sales taxes	495,993	-	-	495,993
Investment income	26,015	-	41,458	67,473
Total revenues	<u>1,694,205</u>	<u>-</u>	<u>859,179</u>	<u>2,553,384</u>
EXPENDITURES				
Debt service				
Principal	1,020,000	405,000	620,000	2,045,000
Interest and fiscal charges	409,783	169,418	307,400	886,601
Total expenditures	<u>1,429,783</u>	<u>574,418</u>	<u>927,400</u>	<u>2,931,601</u>
EXCESS (DEFICIENCY) OF REVENUES	<u>264,422</u>	<u>(574,418)</u>	<u>(68,221)</u>	<u>(378,217)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>574,400</u>	<u>-</u>	<u>574,400</u>
NET CHANGE IN FUND BALANCE	264,422	(18)	(68,221)	196,183
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED	<u>850,812</u>	<u>18</u>	<u>984,724</u>	<u>1,835,554</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,115,234</u>	<u>\$ -</u>	<u>\$ 916,503</u>	<u>\$ 2,031,737</u>

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SPECIAL TAXING DISTRICT SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Property taxes	\$ 537,098	\$ 531,145	\$ 526,208	\$ (4,937)
Investment income	1,165	1,165	6,694	5,529
Total revenues	<u>538,263</u>	<u>532,310</u>	<u>532,902</u>	<u>592</u>
EXPENDITURES				
Economic development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>538,263</u>	<u>532,310</u>	<u>532,902</u>	<u>592</u>
OTHER FINANCING USES				
Transfers out	<u>(537,699)</u>	<u>(537,699)</u>	<u>(537,699)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 564</u>	<u>\$ (5,389)</u>	<u>(4,797)</u>	<u>\$ 592</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>86,131</u>	
FUND BALANCE, END OF YEAR			<u>\$ 81,334</u>	

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SEWER LATERAL SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Special assessments	\$ 94,250	\$ 94,250	\$ 94,116	\$ (134)
Investment income	1,318	1,318	5,202	3,884
Total revenues	<u>95,568</u>	<u>95,568</u>	<u>99,318</u>	<u>3,750</u>
EXPENDITURES				
Capital outlay	<u>80,000</u>	<u>70,200</u>	<u>70,200</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 15,568</u>	<u>\$ 25,368</u>	29,118	<u>\$ 3,750</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>100,261</u>	
FUND BALANCE, END OF YEAR			<u>\$ 129,379</u>	

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
2019 SPECIAL OBLIGATION BOND ISSUE DEBT SERVICE FUND

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property taxes	\$ 1,231,550	\$ 1,170,977	\$ 1,172,197	\$ 1,220
Sales taxes	500,000	500,000	495,993	(4,007)
Investment income	4,418	20,669	26,015	5,346
Total revenues	<u>1,735,968</u>	<u>1,691,646</u>	<u>1,694,205</u>	<u>2,559</u>
EXPENDITURES				
Debt service				
Principal	1,020,000	1,020,000	1,020,000	-
Interest and fiscal charges	411,150	411,150	409,783	(1,367)
Total expenditures	<u>1,431,150</u>	<u>1,431,150</u>	<u>1,429,783</u>	<u>(1,367)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 304,818</u>	<u>\$ 260,496</u>	264,422	<u>\$ 3,926</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>850,812</u>	
FUND BALANCE, END OF YEAR			<u>\$ 1,115,234</u>	

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
2021 SPECIAL OBLIGATION BOND ISSUE DEBT SERVICE FUND

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 138	\$ 138	\$ -	\$ (138)
EXPENDITURES				
Debt service				
Principal	405,000	405,000	405,000	-
Interest and fiscal charges	171,100	171,100	169,418	(1,682)
Total expenditures	<u>576,100</u>	<u>576,100</u>	<u>574,418</u>	<u>(1,682)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(575,962)</u>	<u>(575,962)</u>	<u>(574,418)</u>	<u>1,544</u>
OTHER FINANCING SOURCES				
Transfers in	<u>574,100</u>	<u>574,100</u>	<u>574,400</u>	<u>300</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,862)</u>	<u>\$ (1,862)</u>	(18)	<u>\$ 1,844</u>
FUND BALANCE, BEGINNING OF YEAR			<u>18</u>	
FUND BALANCE, END OF YEAR			<u>\$ -</u>	

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
2022 GENERAL OBLIGATION BOND ISSUE DEBT SERVICE FUND

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Property taxes	\$ 957,198	\$ 816,033	\$ 817,721	\$ 1,688
Investment income	8,664	32,771	41,458	8,687
Total revenues	<u>965,862</u>	<u>848,804</u>	<u>859,179</u>	<u>10,375</u>
EXPENDITURES				
Debt service				
Principal	620,000	620,000	620,000	-
Interest and fiscal charges	<u>306,600</u>	<u>309,100</u>	<u>307,400</u>	<u>(1,700)</u>
Total expenditures	<u>926,600</u>	<u>929,100</u>	<u>927,400</u>	<u>(1,700)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 39,262</u>	<u>\$ (80,296)</u>	(68,221)	<u>\$ 12,075</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>984,724</u>	
FUND BALANCE, END OF YEAR			<u>\$ 916,503</u>	

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

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

For the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Intergovernmental	\$ 965,535	\$ -	\$ -	\$ -
Investment income	11,255	33,305	33,305	-
Total revenues	<u>976,790</u>	<u>33,305</u>	<u>33,305</u>	<u>-</u>
EXPENDITURES				
Capital outlay	<u>1,761,470</u>	<u>144,464</u>	<u>148,057</u>	<u>3,593</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(784,680)</u>	<u>(111,159)</u>	<u>(114,752)</u>	<u>(3,593)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (284,680)</u>	<u>\$ 388,841</u>	385,248	<u>\$ (3,593)</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>1,981,099</u>	
FUND BALANCE, END OF YEAR			<u>\$ 2,366,347</u>	

See Independent Auditor's Report.

MAJOR GOVERNMENTAL FUNDS

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.

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

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

CITY OF CLAYTON, MISSOURI

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

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax	\$ 4,095,092	\$ 4,409,824	\$ 4,409,824	\$ -
Intergovernmental	1,620,483	1,075,289	1,075,437	148
Donations and reimbursements	51,990	34,833	251,063	216,230
Investment income	62,660	205,144	258,682	53,538
Special assessments	5,192	5,192	4,388	(804)
Total revenues	<u>5,835,417</u>	<u>5,730,282</u>	<u>5,999,394</u>	<u>269,112</u>
EXPENDITURES				
Capital outlay	<u>2,981,162</u>	<u>1,951,652</u>	<u>2,004,255</u>	<u>52,603</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>2,854,255</u>	<u>3,778,630</u>	<u>3,995,139</u>	<u>216,509</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	261,164	261,164	261,164	-
Transfers out	(3,495,214)	(3,495,214)	(3,495,514)	(300)
Total other financing sources	<u>(3,234,050)</u>	<u>(3,234,050)</u>	<u>(3,234,350)</u>	<u>(300)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (379,795)</u>	<u>\$ 544,580</u>	760,789	<u>\$ 216,209</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>5,658,177</u>	
FUND BALANCE, END OF YEAR			<u>\$ 6,418,966</u>	

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

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

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental	\$ -	\$ 59,205	\$ 59,205	\$ -
Donations and reimbursements	15,000	6,155	6,155	-
Investment income	79,115	270,909	342,191	71,282
Miscellaneous	-	54,993	54,993	-
Total revenues	<u>94,115</u>	<u>391,262</u>	<u>462,544</u>	<u>71,282</u>
EXPENDITURES				
Capital outlay	<u>2,489,817</u>	<u>1,770,453</u>	<u>1,640,879</u>	<u>(129,574)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(2,395,702)</u>	<u>(1,379,191)</u>	<u>(1,178,335)</u>	<u>200,856</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,766,505	1,766,505	1,766,505	-
Transfers out	(261,164)	(261,164)	(261,164)	-
Sale of capital assets	64,900	94,000	94,000	-
Total other financing sources	<u>1,570,241</u>	<u>1,599,341</u>	<u>1,599,341</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (825,461)</u>	<u>\$ 220,150</u>	421,006	<u>\$ 200,856</u>
FUND BALANCE, BEGINNING OF YEAR, AS RESTATED			<u>8,995,610</u>	
FUND BALANCE, END OF YEAR			<u>\$ 9,416,616</u>	

See Independent Auditor's Report.

FIDUCIARY FUNDS

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, 2023

	City of Clayton Non-Uniformed Employees' Retirement Fund	City of Clayton Uniformed Employees' Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ 289,678	\$ 506,635	\$ 796,313
Investments			
U.S. government and agency securities	-	2,905,890	2,905,890
Common stocks	-	7,632,962	7,632,962
Corporate bonds	-	5,218,052	5,218,052
Taxable municipal obligations	-	803,129	803,129
Mutual funds	19,513,144	30,233,136	49,746,280
Property funds	2,179,878	6,135,403	8,315,281
Interest receivable	20,221	104,020	124,241
Total assets	<u>22,002,921</u>	<u>53,539,227</u>	<u>75,542,148</u>
LIABILITIES			
Accrued liabilities	-	11,250	11,250
NET POSITION RESTRICTED			
Net position restricted for pensions	<u>\$ 22,002,921</u>	<u>\$ 53,527,977</u>	<u>\$ 75,530,898</u>

See Independent Auditor's Report.

CITY OF CLAYTON, MISSOURI

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUNDS**

For the Year Ended September 30, 2023

	City of Clayton Non-Uniformed Employees' Retirement Fund	City of Clayton Uniformed Employees' Pension Fund	Total
ADDITIONS			
Contributions			
Participant contributions	\$ 181,027	\$ 367,619	\$ 548,646
Employer contributions	505,165	974,481	1,479,646
Total contributions	<u>686,192</u>	<u>1,342,100</u>	<u>2,028,292</u>
Investment income			
Net appreciation in fair value of investments and interest and dividends	1,557,055	5,094,948	6,652,003
Investment expense	<u>(74,563)</u>	<u>(225,460)</u>	<u>(300,023)</u>
Net investment income	<u>1,482,492</u>	<u>4,869,488</u>	<u>6,351,980</u>
Total additions	<u>2,168,684</u>	<u>6,211,588</u>	<u>8,380,272</u>
DEDUCTIONS			
Benefits	1,167,476	2,896,379	4,063,855
Administrative	<u>26,301</u>	<u>85,064</u>	<u>111,365</u>
Total deductions	<u>1,193,777</u>	<u>2,981,443</u>	<u>4,175,220</u>
CHANGE IN NET POSITION	<u>974,907</u>	<u>3,230,145</u>	<u>4,205,052</u>
NET POSITION RESTRICTED FOR PENSIONS, BEGINNING OF YEAR	<u>21,028,014</u>	<u>50,297,832</u>	<u>71,325,846</u>
NET POSITION RESTRICTED FOR PENSIONS, END OF YEAR	<u>\$ 22,002,921</u>	<u>\$ 53,527,977</u>	<u>\$ 75,530,898</u>

See Independent Auditor's Report.

STATISTICAL SECTION

CITY OF CLAYTON, MISSOURI

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net investment in capital assets	\$ 77,800,938	\$ 77,788,179	\$ 77,759,606	\$ 73,053,128	\$ 76,799,222	\$ 74,739,550	\$ 71,073,997	\$ 63,730,611	\$ 59,213,835	\$ 57,476,317
Restricted	12,380,386	11,980,116	5,405,938	6,447,836	3,917,943	2,381,252	1,634,234	3,020,748	2,049,796	2,615,467
Unrestricted	22,324,269	21,552,522	19,242,856	16,930,909	14,150,279	15,462,515	15,305,096	15,857,391	14,542,546	16,239,618
 Total Governmental Activities										
Net Position	<u>\$ 112,505,593</u>	<u>\$ 111,320,817</u>	<u>\$ 102,408,400</u>	<u>\$ 96,431,873</u>	<u>\$ 94,867,444</u>	<u>\$ 92,583,317</u>	<u>\$ 88,013,327</u>	<u>\$ 82,608,750</u>	<u>\$ 75,806,177</u>	<u>\$ 76,331,402</u>

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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
EXPENSES										
Governmental Activities										
General Government	\$ 5,840,621	\$ 5,121,281	\$ 2,538,400	\$ 4,770,338	\$ 5,443,152	\$ 4,481,815	\$ 4,814,472	\$ 4,965,846	\$ 4,462,401	\$ 5,015,781
Public Safety	15,831,914	10,726,647	12,948,515	13,642,622	13,594,413	12,696,321	12,255,940	11,240,555	11,243,156	11,133,094
Public Works	9,940,866	8,840,108	8,151,320	7,986,159	8,236,305	7,995,173	7,763,038	6,897,265	6,747,391	6,297,163
Parks and recreation	3,781,103	3,780,810	4,068,651	6,123,640	5,172,004	3,360,390	2,914,876	2,747,973	2,834,322	2,778,702
Economic development	435,403	348,843	308,769	370,375	577,677	508,248	535,756	595,984	486,341	-
Community development	1,189,482	870,886	988,682	1,055,055	1,006,341	1,040,674	1,058,584	917,979	832,718	311,973
Interest and fiscal charges	375,639	5,764	888,286	1,198,883	1,063,529	1,157,963	1,355,310	1,472,979	1,437,162	1,525,218
Total Governmental Activities Expenses	37,395,028	29,694,339	29,892,623	35,147,072	35,093,421	31,240,584	30,697,976	28,838,581	28,043,491	27,061,931
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
General Government	2,017,577	2,612,840	2,370,049	2,608,679	2,667,635	3,098,503	2,228,732	1,952,455	1,819,017	1,667,576
Public Safety	2,841,645	2,523,703	2,144,808	2,156,797	2,444,973	2,818,348	2,832,013	2,374,798	2,493,473	2,449,170
Public Works	1,601,366	1,575,199	1,208,999	1,209,263	1,615,737	1,556,265	1,511,207	1,354,173	1,323,109	1,223,177
Parks and recreation	853,883	845,530	785,234	330,933	971,692	997,971	1,050,064	1,042,643	1,024,886	1,038,084
Economic Development	-	-	-	1,191	19,177	12,182	-	-	-	-
Operating grants and contributions	1,941,403	1,850,634	3,977,836	3,260,578	1,987,207	1,718,667	1,174,849	1,143,239	1,966,370	1,895,184
Capital grants and contributions	1,392,226	2,199,408	2,435,936	2,065,607	1,465,069	1,997,673	4,888,546	1,983,200	1,230,820	2,441,406
Total Governmental Activities Program Revenues	10,648,100	11,607,314	12,922,862	11,633,048	11,171,490	12,199,609	13,685,411	9,850,508	9,857,675	10,714,597
Net Revenues (Expenses)										
Total Primary Government										
Net Revenues (Expenses)	<u>\$ (26,746,928)</u>	<u>\$ (18,087,025)</u>	<u>\$ (16,969,761)</u>	<u>\$ (23,514,024)</u>	<u>\$ (23,921,931)</u>	<u>\$ (19,040,975)</u>	<u>\$ (17,012,565)</u>	<u>\$ (18,988,073)</u>	<u>\$ (18,185,816)</u>	<u>\$ (16,347,334)</u>

CITY OF CLAYTON, MISSOURI

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

Page 2 of 2

	For The Years Ended September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental Activities										
Taxes:										
Property	\$ 9,419,092	\$ 9,941,614	\$ 8,756,495	\$ 9,376,040	\$ 9,006,455	\$ 9,088,794	\$ 9,051,027	\$ 8,326,593	\$ 8,055,653	\$ 7,051,113
Sales	11,195,173	10,524,550	8,583,839	7,851,390	8,421,580	8,148,321	7,101,367	7,257,356	7,085,858	6,186,273
Utility	6,102,376	4,943,445	4,617,848	4,773,931	5,070,234	5,744,718	5,301,493	5,235,918	5,434,842	5,452,949
Other	283,187	261,560	273,323	249,752	242,728	246,369	240,183	236,529	100,488	100,488
Grants and contributions not restricted to specific programs	-	1,749,989	388,121	81,150	167,192	175,559	183,866	192,157	198,215	202,533
Investment income	2,011,581	715,304	88,317	764,478	790,982	560,330	283,949	331,992	246,181	138,456
Gain on sale of capital assets	52,550	62,897	238,345	1,967,646	(50,851)	41,001	4,024,986	-	-	6,323.00
Miscellaneous	203,705	98,216	-	14,066	2,506,887	408,926	214,256	185,115	245,587	62,629
Total Governmental Activities General Revenues And Other Changes in Net Position	<u>29,267,664</u>	<u>28,297,575</u>	<u>22,946,288</u>	<u>25,078,453</u>	<u>26,206,058</u>	<u>24,322,166</u>	<u>22,417,142</u>	<u>25,790,646</u>	<u>21,366,824</u>	<u>19,200,764</u>
CHANGES IN NET POSITION										
Governmental activities	<u>2,520,736</u>	<u>10,210,550</u>	<u>5,976,527</u>	<u>1,564,429</u>	<u>2,284,127</u>	<u>5,281,191</u>	<u>5,404,577</u>	<u>6,802,573</u>	<u>(525,225)</u>	<u>2,853,430</u>
Total Governmental Activities Change In Net Position	<u>\$ 2,520,736</u>	<u>\$ 10,210,550</u>	<u>\$ 5,976,527</u>	<u>\$ 1,564,429</u>	<u>\$ 2,284,127</u>	<u>\$ 5,281,191</u>	<u>\$ 5,404,577</u>	<u>\$ 6,802,573</u>	<u>\$ (525,225)</u>	<u>\$ 2,853,430</u>

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Nonspendable	\$ 16,936	\$ 15,843	\$ 1,314,664	\$ 1,447,225	\$ 1,540,355	\$ 1,561,882	\$ 137,521	\$ 133,928	\$ 196,165	\$ 24,339
Assigned	178,083	2,339,809	103,203	248,876	112,724	101,865	75,447	151,333	162,249	107,705
Unassigned	23,209,095	19,955,927	18,475,820	17,105,672	16,359,632	15,803,748	16,774,553	16,658,068	16,004,710	16,207,104
Total General Fund	\$ 23,404,114	\$ 22,311,579	\$ 19,893,687	\$ 18,801,773	\$ 18,012,711	\$ 17,467,495	\$ 16,987,521	\$ 16,943,329	\$ 16,363,124	\$ 16,339,148
All Other Governmental Funds										
Nonspendable	\$ 130,243	\$ 241,277	\$ 1,814,543	\$ 1,814,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	15,358,537	14,764,765	8,658,384	10,171,615	9,804,423	9,404,959	9,326,000	12,913,899	15,807,553	3,328,388
Committed	-	-	7,828,678	6,324,376	6,229,291	5,414,329	5,236,670	5,049,806	3,458,922	2,621,045
Assigned	6,086,801	5,463,120	-	283,051	-	-	-	-	-	-
Unassigned	-	-	-	(2,094,062)	(2,018,015)	-	-	-	(268,271)	(1,636,835)
Total All Other Governmental Funds	\$ 21,575,581	\$ 20,469,162	\$ 18,301,605	\$ 16,499,523	\$ 14,015,699	\$ 14,819,288	\$ 14,562,670	\$ 17,963,705	\$ 18,998,204	\$ 4,312,598

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	For The Years Ended September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Property Taxes	\$ 9,390,375	\$ 9,854,654	\$ 8,775,991	\$ 9,403,270	\$ 8,959,729	\$ 9,088,794	\$ 9,051,027	\$ 8,411,302	\$ 8,058,411	\$ 7,095,591
Special Assessments	98,504	99,376	107,156	100,535	99,334	113,595	107,721	128,334	151,706	131,814
Sales Taxes	11,195,173	10,524,550	8,583,839	7,851,390	8,421,580	8,148,321	7,101,367	7,257,356	6,954,159	6,065,100
Licenses and permits	2,050,642	2,605,419	2,320,249	2,575,902	2,614,950	2,823,850	2,170,772	1,934,515	1,793,424	1,617,546
Public utility licenses	6,102,376	4,943,445	4,617,848	4,773,931	5,070,234	5,744,718	5,301,493	5,235,918	5,434,842	5,452,949
Intergovernmental	3,359,672	5,564,435	5,986,363	4,785,080	3,146,709	3,340,241	2,498,143	2,670,657	2,547,724	4,242,718
Community programs	2,100,177	1,850,437	1,666,054	1,331,322	1,900,666	1,900,933	1,910,456	1,814,190	1,853,324	1,806,270
Parking facilities and meters	2,210,578	2,164,292	1,736,967	1,750,570	2,320,134	2,279,399	2,256,024	1,997,499	1,928,908	1,790,473
Fines and forfeitures	839,670	740,125	1,665,342	670,438	664,861	970,319	948,652	864,913	1,200,721	1,067,415
Donations and reimbursements	257,218	388,050	474,412	529,423	529,020	899,713	4,016,959	694,944	559,030	470,190
Investment income	2,011,581	716,342	390,110	766,036	790,982	560,330	283,949	331,992	246,181	138,456
Miscellaneous	203,705	324,891	597,650	400,811	385,115	508,245	417,411	388,766	513,165	151,949
Total Revenues	39,819,671	39,776,016	36,921,981	34,938,708	34,903,314	36,378,458	36,063,974	31,730,386	31,241,595	30,030,471
Expenditures										
General government	4,819,983	4,352,173	4,217,397	4,068,834	3,903,764	3,683,857	3,374,336	3,148,997	3,112,501	4,424,982
Parks and recreation	2,498,857	2,424,668	2,483,734	5,246,803	4,490,177	2,583,506	2,257,630	2,131,223	2,140,523	4,850,023
Public safety	13,868,482	12,963,884	12,934,302	12,802,677	12,717,274	11,960,204	11,404,125	10,434,097	10,459,971	2,255,175
Public Works	6,782,188	5,992,473	5,897,747	5,941,193	6,173,166	6,051,921	5,976,177	5,637,166	5,652,642	10,231,631
Economic development	465,278	392,143	313,678	370,173	575,607	507,434	536,541	598,487	484,908.00	-
Community development	1,151,382	925,754	991,403	1,048,198	999,210	1,041,255	1,055,687	920,584	828,553	314,959
Capital outlay	3,863,391	3,827,347	4,308,596	7,276,661	5,171,746	5,406,728	9,814,424	8,178,107	3,049,893	5,625,574
Debt service:										
Principal	2,045,000	1,652,170	2,038,018	1,888,018	2,503,018	3,350,437	3,648,214	3,582,579	3,013,765	2,900,407
Interest and fiscal charges	886,601	758,340	1,060,395	1,192,382	1,140,362	1,231,983	1,460,382	1,585,645	1,587,457	1,505,084
Bond issue costs	-	271,341	-	151,359	-	-	-	-	16,647	-
Total Expenditures	36,381,162	33,560,293	34,245,270	39,986,298	37,674,324	35,817,325	39,527,516	36,216,885	30,346,860	32,107,835
Excess of Expenditures over Revenues	3,438,509	6,215,723	2,676,711	(5,047,590)	(2,771,010)	561,133	(3,463,542)	(4,486,499)	894,735	(2,077,364)
Other Financing Sources (Uses)										
Issuance of bonds	-	15,190,000	-	12,430,000	-	-	-	-	21,735,000	-
Premium on bonds issued	-	1,421,258	-	1,578,245	-	-	-	-	920,519	-
Payments to refunded bond escrow agent	-	(17,062,099)	-	(8,553,084)	-	-	-	-	(8,904,781)	-
Sale of capital assets	96,405	118,800	217,325	2,865,275	2,512,637	175,459	106,699	4,032,205	64,108	20,207
Transfers in	4,294,377	5,811,182	8,286,221	8,614,916	7,021,244	8,010,570	7,774,545	9,933,507	8,252,504	7,205,701
Transfers out	(4,294,377)	(5,811,182)	(8,286,221)	(8,614,916)	(7,021,244)	(8,010,570)	(7,774,545)	(9,933,507)	(8,252,504)	(7,205,701)
Total other financing sources (uses)	96,405	(332,041)	217,325	8,320,436	2,512,637	175,459	106,699	4,032,205	13,814,846	20,207
Net change in fund balances	\$ 3,534,914	\$ 5,883,682	\$ 2,894,036	\$ 3,272,846	\$ (258,373)	\$ 736,592	\$ (3,356,843)	\$ (454,294)	\$ 14,709,581	\$ (2,057,157)
Debt service as a percentage of noncapital expenditures	8.75 %	7.77 %	10.35 %	9.88 %	11.21 %	15.07 %	17.19 %	18.43 %	16.92 %	16.64

CITY OF CLAYTON, MISSOURI

SALES AND USE 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)	1/2 Cent Public Safety Sales Tax (2)	1/2 Cent Capital Improvement Sales Tax	1/2 Cent Parks & Storm Water Sales Tax (3)	Use Tax (4)	
2023	\$ 3,482,287	\$ 791,824	\$ 920,545	\$ 1,094,700	\$ 1,567,258	\$ 1,841,509	\$ 1,497,050	\$ 11,195,173
2022	3,051,946	788,463	915,661	985,954	1,562,114	1,836,863	1,383,549	10,524,550
2021	2,680,223	607,673	704,161	892,048	1,196,798	1,407,989	1,094,947	8,583,839
2020	2,364,158	557,019	637,562	843,266	1,084,728	1,276,220	1,088,437	7,851,390
2019	2,879,417	677,049	790,582	874,717	1,344,893	1,582,225	272,697	8,421,580
2018	2,733,710	708,535	821,568	841,360	1,398,203	1,644,945	-	8,148,321
2017	2,823,079	662,365	767,326	-	1,308,815	1,539,782	-	7,101,367
2016	2,863,801	678,838	788,109	-	1,344,658	1,581,950	-	7,257,356
2015	2,664,119	668,865	744,481	-	1,321,725	1,554,970	-	6,954,160
2014	2,647,827	643,165	-	-	1,274,591	1,499,517	-	6,065,100

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

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

(3) Beginning in FY 2020, a portion of the total Parks & Storm Water Sales Tax is recorded in the 2019 SO Refunding & Improv. Bond Fund.

(4) The Use tax was approved in 2018, and the City began collection in April 2019.

CITY OF CLAYTON, MISSOURI
UTILITY TAX AND FRANCHISE FEES
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Utility Tax</u>				<u>Franchise Fee</u>	<u>Total</u>
	<u>Electric</u>	<u>Gas</u>	<u>Water</u>	<u>Telephone</u>	<u>Cable T.V.</u>	
2023 (2)	\$ 2,793,393	\$ 884,100	\$ 516,892	\$ 1,691,896	\$ 216,095	\$ 6,102,376
2022	2,682,595	723,946	457,572	1,079,332	207,978	5,151,423
2021	2,399,661	652,975	411,545	1,153,667	232,058	4,849,906
2020	2,412,118	638,504	394,823	1,328,486	255,743	5,029,674
2019	2,572,400	775,026	412,007	1,310,801	252,756	5,322,990
2018 (1)	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	2,716,760	609,240	356,242	1,553,676	262,048	5,497,966
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
% Increase						
(Decrease) from						
2014-2023						
	2%	4%	64%	10%	-18%	7%

(1) The City received an electric utility settlement in FY 2018.

(2) The City received a Charter telephone settlement in FY 2023.

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	Assessed Value	Total		Direct Tax Rate
	Residential Property	Commercial Property				Estimated Actual Value		
2023	\$ 690,855	\$ 437,978	\$ 109,443	\$ 3,373	\$ 1,241,649	\$ 5,343,570	\$ 0.657	
2022	677,735	436,330	91,406	3,272	1,208,744	5,214,935	0.668	
2021	641,275	447,513	85,670	3,343	1,177,801	5,040,989	0.699	
2020	642,785	439,919	82,963	3,097	1,168,764	5,016,334	0.688	
2019	541,267	377,392	81,494	2,660	1,002,813	4,280,861	0.817	
2018	535,439	390,983	86,314	3,451	1,016,186	4,309,536	0.825	
2017	482,559	338,832	82,829	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	

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

CITY OF CLAYTON, MISSOURI

DIRECT AND ALL OVERLAPPING GOVERNMENTS (RESIDENTIAL ONLY) PER \$100 OF ASSESSED VALUE

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
City of Clayton:										
General	0.498	0.497	0.520	0.515	0.583	0.571	0.629	0.614	0.646	0.659
Police Building Debt	0.091	0.091	0.102	0.101	0.114	0.113	0.123	0.122	0.128	-
General Obligation Debt	0.068	0.080	0.077	0.072	0.120	0.141	0.121	0.129	0.124	0.128
Total City of Clayton	<u>0.657</u>	<u>0.668</u>	<u>0.699</u>	<u>0.688</u>	<u>0.817</u>	<u>0.825</u>	<u>0.873</u>	<u>0.865</u>	<u>0.898</u>	<u>0.787</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	0.418	0.418	0.443	0.443	0.489	0.489	0.515	0.515	0.523	0.523
St. Louis County Library	0.206	0.206	0.235	0.212	0.234	0.234	0.246	0.246	0.250	0.250
Special School District	1.050	1.016	1.108	1.108	1.198	1.191	1.241	1.235	1.261	1.240
St. Louis Community College	0.279	0.279	0.199	0.199	0.213	0.211	0.219	0.218	0.220	0.220
Metropolitan St. Louis Sewer District (Extension)	0.105	0.104	0.108	0.108	0.117	0.116	0.120	0.088	0.088	0.107
Metropolitan Zoological Park and Museum District	0.253	0.246	0.253	0.255	0.272	0.269	0.280	0.278	0.280	0.280
Sheltered Workshop (Dev. Disability Productive)	0.070	0.071	0.075	0.075	0.084	0.084	0.088	0.088	0.090	0.089
Clayton School District	4.033	4.037	4.153	4.155	3.692	3.649	3.842	3.849	4.103	4.017
Deer Creek Sewer District	0.066	0.066	0.069	-	-	-	-	0.083	0.086	0.086
University City Storm Sewer District	0.069	0.069	0.076	-	-	-	-	0.093	0.093	0.000
Total Overlapping Governments	<u>6.578</u>	<u>6.542</u>	<u>6.748</u>	<u>6.584</u>	<u>6.329</u>	<u>6.274</u>	<u>6.580</u>	<u>6.722</u>	<u>7.023</u>	<u>6.842</u>
Total City And Overlapping Governments	<u>7.235</u>	<u>7.210</u>	<u>7.447</u>	<u>7.272</u>	<u>7.146</u>	<u>7.099</u>	<u>7.453</u>	<u>7.587</u>	<u>7.921</u>	<u>7.629</u>

Source: St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PRINCIPAL PROPERTY TAXPAYERS

CURRENT FISCAL YEAR AND NINE FISCAL YEARS AGO

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value (2)
LCP Forsyth Blvd Property Owner LLC	\$ 30,400,000	1	2.45%	\$ -	-	-
Clayton Franklin Clayton Plaza LLC	23,914,880	2	1.93%	-	-	-
Prime US 101 South Hanley LLC	22,176,670	3	1.79%	-	-	-
Clayton Corporate Park Mgmt. Co.	19,460,580	4	1.57%	27,794,330	1	3.23%
Clayton Central Owner LLC	16,571,200	5	1.33%	11,654,690	7	1.35%
BLR Properties LLC	15,950,710	6	1.28%	-	-	-
MEPT Shaw Park Plaza LLC PTA - K #145	15,126,950	7	1.22%	12,233,860	6	1.42%
8182 Maryland Associates MOLTD PTNSP	13,108,830	8	1.06%	9,258,820	8	1.08%
Barton Apartments SPE LLC	12,297,050	9	0.99%	-	-	-
Forsyth Centre Associates LLC	11,839,460	10	0.95%	8,276,700	9	0.96%
KBSII Pierre Laclede Center LLC	-	-	-	22,119,100	2	2.57%
KBS Clayton Plaza LLC	-	-	-	21,540,800	3	2.50%
HEF 1 - StL No. 1 LLC	-	-	-	15,202,620	4	1.77%
Duke Realty Limited Partnership	-	-	-	12,761,760	5	1.48%
Bemiston Tower Clayton LLC	-	-	-	7,492,620	10	0.87%
Total	\$ 180,846,330		14.57%	\$ 148,335,300		17.24%

Source: St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PROPERTY TAX LEVIES AND COLLECTIONS (1)

LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Taxes Levied For the Fiscal Year (1)	Collected Within The Fiscal Year Of the Levy		Collections In Subsequent Years	Total Collections To Date Date (2)(3)	
		Amount	Percent of Levy		Amount	Percent of Levy
2023	\$ 8,955,389	\$ 8,940,477	99.8%	\$ 2,327	\$ 8,942,805	99.9%
2022	8,844,654	9,096,545	102.8%	127,306	9,223,851	104.3%
2021	8,635,147	8,536,565	98.9%	(247,958)	8,288,606	96.0%
2020	8,722,815	8,696,307	99.7%	124,228	8,820,535	101.1%
2019	8,642,887	8,533,753	98.7%	(10,604)	8,523,149	98.6%
2018	8,596,280	8,565,427	99.6%	(89,123)	8,476,304	98.6%
2017	8,439,729	8,422,469	99.8%	(76,554)	8,345,915	99.9%
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%

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.

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				Total Primary Government	Percentage of Personal Income (2)	Per Capita (2)
	Capital Improvement Bonds	General Obligation Bonds	Note Payable	Finance Purchase			
2023	\$ 15,077	\$ 10,089	\$ -	\$ -	\$ 25,166	2.08 %	\$ 1,469
2022	16,837	10,871	-	-	27,708	2.63	1,597
2021	19,043	11,752	-	17	30,813	2.62	1,775
2020	20,467	12,415	-	119	33,001	3.06	2,070
2019	16,359	13,058	-	218	29,635	3.01	1,859
2018	18,266	13,676	-	315	32,257	3.68	2,024
2017	20,902	14,279	132	411	35,724	4.07	2,241
2016	23,874	14,861	351	504	39,590	4.51	2,484
2015 (3)	26,800	15,434	558	595	43,388	4.82	2,722
2014	31,092	-	756	677	32,525	2.28	2,041

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 2015, general obligation bonds of \$15,000,000 were issued to resurface and repave neighborhood street 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 (IN THOUSANDS)

Fiscal Year	General Obligation Bonds (1)	Percentage Of Actual Taxable Value of Property (2)	Per Capita (3)
2023	\$ 10,089	0.81 %	589
2022	10,871	0.90	626
2021	11,752	1.00	677
2020	12,415	1.06	779
2019	13,058	1.30	819
2018	13,676	1.35	858
2017	14,279	1.58	896
2016	14,861	1.66	932
2015	15,434	1.78	941
2014	-	-	-

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

September 30, 2023

<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	\$ 70,422,127	4.08%	\$ 2,872,225
Clayton School District	44,162,000	90.0%	39,739,313
Subtotal	<u>114,584,127</u>		<u>42,611,538</u>
City of Clayton	<u>25,166,180</u>	100.0%	<u>25,166,180</u>
Total	<u>\$ 139,750,307</u>		<u>\$ 67,777,718</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	<u>\$ 1,241,649</u>
Debt Limit - 10% of assessed valuation	<u>\$ 124,165</u>
Amount of debt applicable to debt limit	
Total general obligation debt	10,089
Less: Amount available in debt service fund	<u>917</u>
Net bond indebtedness applicable to debt limit	<u>9,172</u>
Legal Debt margin	<u>\$ 114,993</u>

City Purposes Basic Limit

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit (1)	\$ 124,165	\$ 120,874	\$ 117,780	\$ 116,876	\$ 100,281	\$ 101,619	\$ 90,217	\$ 89,789	\$ 86,773	\$ 86,688
Total net debt applicable to Debt Limit	<u>9,172</u>	<u>9,850</u>	<u>11,574</u>	<u>11,197</u>	<u>11,683</u>	<u>12,468</u>	<u>13,463</u>	<u>14,115</u>	<u>14,807</u>	<u>-</u>
Legal debt margin	<u>\$ 114,993</u>	<u>\$ 111,024</u>	<u>\$ 106,206</u>	<u>\$ 105,679</u>	<u>\$ 88,598</u>	<u>\$ 89,151</u>	<u>\$ 76,754</u>	<u>\$ 75,674</u>	<u>\$ 71,966</u>	<u>\$ 86,688</u>
Total net debt applicable to the limit as a percentage of debt limit	7.39%	8.15%	9.83%	9.58%	11.65%	12.27%	14.92%	15.72%	17.06%	0.00%

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 FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (Thousands of Dollars)</u>	<u>Per capita Income (1)</u>	<u>Clayton School District Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2023	17,355	\$ 1,228,248	\$ 70,772	2,358	2.7 %
2022	17,355	1,254,350	72,276	2,368	0.8
2021	17,355	1,175,385	67,726	2,412	1.3
2020	15,939	1,079,485	67,726	2,529	2.2
2019	15,939	983,325	61,693	2,623	1.0
2018	15,939	877,171	55,033	2,681	1.1
2017	15,939	877,171	55,033	2,683	1.4
2016	15,939	877,171	55,033	2,522	2.1
2015	15,939	901,032	56,530	2,485	2.0
2014	15,939	936,129	58,732	2,549	3.4

Notes:

- (1) Source: Data from U.S. Census Bureau.
- (2) Source: Administrative Office - School District of Clayton.
- (3) Source: 2014 through 2015 - Missouri Department of Economic Development. 2016 through 2023 - Missouri Economic Research & Information Center.

CITY OF CLAYTON, MISSOURI

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (1)
St. Louis County	2,141	1	4.65%	1,342	3	2.92%
Washington University	1,118	2	2.43%	2,137	1	4.65%
Enterprise Holdings, Inc.	1,112	3	2.42%	1,598	2	3.47%
Centene Corporation	822	4	1.79%	754	4	1.64%
Commerce Bank NA	549	5	1.19%	501	6	1.09%
Caleres (Brown Shoe Co., Inc.)	484	6	1.05%	728	5	1.58%
Clayton School District	455	7	0.99%	498	7	1.08%
Moneta Group, LLC	424	8	0.92%	-	-	-
NISA Investment Advisors, LLC	401	9	0.87%	367	9	0.80%
Ritz Carlton	373	10	0.81%	-	-	-
Husch Blackwell	-	-	-	448	8	0.97%
RubinBrown LLP	-	-	-	312	10	0.68%
Total	7,879		17.13%	8,685		18.88%

Notes:

(1) Percentage for 2014 and 2023 based on estimate of 46,000 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 EQUIVALENTS CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees As Of September 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government:										
City Manager (1)	3.50	3.00	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.60
Economic Development	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.65
Events (1) (2)	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Parking Control (3)	3.00	3.00	3.00	3.00	-	-	-	-	-	-
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Finance	6.00	6.00	6.00	6.00	6.00	6.00	7.00	7.00	6.00	6.00
Municipal court (4)	2.00	2.00	2.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
Information systems (5)	8.00	8.00	8.00	7.90	7.90	5.75	3.75	3.75	3.75	3.75
Planning and development (6)	10.00	10.00	10.00	11.00	11.00	11.00	10.00	9.00	9.00	9.00
Police:										
Officers (7)	49.00	49.00	48.00	50.00	50.00	50.00	49.00	49.00	49.00	49.00
Civilians (3) (5)	5.00	4.75	4.75	4.85	7.85	8.00	8.00	8.00	8.00	8.00
Fire:										
Firefighters and officers (8)	42.00	42.00	42.00	42.00	42.00	36.00	35.00	35.00	35.00	35.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works:										
Engineering	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Street maintenance (9)	13.00	14.00	13.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Vehicle maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Building maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Parking maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Street Lighting	1.00	-	-	-	-	-	-	-	-	-
Parks and Recreation:										
Administration/recreation (2) (10)	6.75	6.75	6.25	6.75	6.75	6.75	6.75	5.75	5.75	6.50
Parks maintenance (11)	9.00	9.00	8.00	8.00	8.00	8.00	7.00	7.00	7.00	7.00
Total	176.25	175.50	172.00	177.50	177.50	169.50	163.50	161.50	160.50	160.50

Notes:

- (1) Marketing & Communications Specialist position split between City Manager's Office and Events beginning in 2022.
- (2) Transfer of Event Specialist position to Events (new program) from Parks and Recreation Administration & Recreation in 2015. Position vacant and not filled in 2022.
- (3) Parking Control moved from the Police Department to Administrative Services in 2020.
- (4) Court Assistant added in 2018. One full-time Court Assistant was replaced with part-time positions in 2012. Full-time Court Assistant position vacated and replaced with part-time position for last 6 months of 2021.
- (5) Revised allocation of position split between Information Systems and Police in 2019 and 2021.
- (6) New Administrative Specialist position added in 2017. Plans Examiner added in 2018. Planner position vacated and was not filled in 2021.
- (7) Detective position permanently eliminated in 2021. A Lieutenant was added in 2018. One full-time Police Officer position not filled in 2021 and filled in 2022.
- (8) Training Officer added in 2018. Six firefighters/paramedics added in 2019; three were added for the full year and 3 were added the 2nd half of 2019.
- (9) Municipal Service position vacated and was not filled in 2021 and another vacated and not filled in 2022.
- (10) New Inclusion Services Coordinator position added in 2017. Community Recreation Supervisor position vacated and not filled in 2021, filled in 2022 with half of position funded by the City.
- (11) One laborer position added in 2018.

Source: City of Clayton Annual Budgets

CITY OF CLAYTON, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Arrests	402	340	468	385	484	729	719	898	894	1,281
Parking violations	493	540	479	469	1,112	886	931	3,221	3,269	1,400
Traffic violations	1,611	1,848	1,355	809	1,381	2,065	2,095	3,221	3,576	5,892
Parking tickets (1)	29,033	25,724	21,447	18,618	27,404	33,308	35,585	47,103	49,684	37,905
Fire:										
Emergency response - ambulance	1,567	1,293	1,083	1,242	1,435	1,604	1,592	1,597	1,655	1,619
Emergency response - fire	1,951	1,373	1,298	1,308	1,394	1,504	1,598	1,440	1,747	1,904
Inspections	739	650	642	674	660	656	661	569	656	683
Parks and Recreation:										
Shaw Park Pool - Passes	709	764	823	394	547	766	785	804	809	915
Shaw Park Ice Rink - Passes	-	-	-	-	-	11	29	28	34	36
Platinum Passes	464	300	261	260	344	402	447	463	449	448
Tennis Court - Passes	47	43	70	33	39	45	52	54	89	120
Shelter Rentals (including picnic pads) (2)	392	459	459	149	349	285	305	302	313	322
Planning and Development:										
Residential permits issued	271	265	273	313	327	304	278	348	310	325
Est. cost of construction for residential permits	\$ 29,154,899	\$ 16,992,476	\$ 27,241,790	\$ 46,479,336	\$ 34,247,386	\$ 20,610,886	\$ 15,417,999	\$ 56,122,533	\$ 56,085,206	\$ 31,818,681
Commercial permits issued	280	177	144	123	134	146	133	133	138	122
Est.cost of construction for commercial permits	\$ 256,791,988	\$ 153,413,990	\$ 102,753,621	\$ 233,065,786	\$ 299,536,497	\$ 186,315,067	\$ 78,297,903	\$ 20,635,084	\$ 30,080,212	\$ 38,585,373
Finance and Administration:										
Business licenses issued	806	828	846	939	923	920	883	813	873	936
Liquor licenses issued	66	69	66	72	70	70	71	69	71	70

Notes:

(1) Parking tickets not included in parking violations.

(2) No shelter rentals held from April 2020 - June 2020 due to COVID-19 restrictions.

Note: No operating indicators by function/program are available for the Public Works Department.

Sources: City of Clayton Annual Reports (2014-2023), various City departments

CITY OF CLAYTON, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Government:										
Parking Control	3	3	3	3	3	4	4	4	-	-
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	19	19	19	19	19	19	23	23	23	23
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles:										
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Pumpers (1)	1	1	2	2	2	2	2	1	1	1
Rescue Vehicles (1)	1	1	-	-	-	1	2	2	2	1
Ambulances (2)	2	2	2	2	2	2	2	2	2	2
Command Vehicles	4	4	4	4	4	4	3	3	3	3
Public Works:										
Lane miles of streets - paved	106.70	106.73	106.73	106.71	106.71	106.71	98.75	98.72	98.72	98.72
Lane miles of alleys (3)	8.01	8.01	8.01	6.41	6.41	6.41	6.41	6.45	6.45	6.45
Miles of sidewalks (4)	61.75	61.75	61.75	61.75	61.75	61.75	54	54	54	54
Number of street light fixtures (5)	2,151	2,143	2,139	2,134	2,116	2,103	2,036	2,035	2,024	2,024
Number of signalized intersections										
Number of traffic signals (6)	24	24	24	24	23	22	22	22	22	22
Parks and Recreation:										
Acres of Parks (7)	78.73	78.73	78.73	78.48	78.48	78.42	78.42	78.42	78.42	93.19
Number of Parks	11	11	11	11	11	11	11	11	11	11
Athletic Complex	1	1	1	1	1	1	1	1	1	1
Aquatic Center	1	1	1	1	1	1	1	1	1	1

Notes:

- (1) In 2015, transfer of truck from City of Ladue. As of 2018, the truck is no longer in Clayton due to sharing the vehicle with City of Maplewood.
In 2022, the pumper is no longer shared with Maplewood and is used as a rescue vehicle when another primary unit is out of service.
- (2) Reserve ambulance totaled in 2021 and City is waiting on replacement.
- (3) Based on lane mile unit of measure where 1 mile of pavement 12 ft. wide equals one lane mile.
- (4) Quantity represents paved linear miles of sidewalk.
- (5) An inventory of the existing street light fixtures was completed in 2014.
- (6) Number of signalized intersections owned and maintained by the City.
- (7) In 2015, The Center of Clayton transferred ownership of Stuber Gymnasium to Clayton School District; property boundaries were adjusted accordingly reducing park acreage by 15.02 acres. In 2015, added property to Hanley Park - additional 0.25 acres. In 2018 added 0.25 acres for Maryland Park, which has not yet been developed.

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

Sources: City of Clayton Annual Reports (2014-2023), various City departments