

CITY OF CLAYTON, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2010

PREPARED BY THE FINANCE
DEPARTMENT

CITY OF CLAYTON, MISSOURI
FINANCIAL REPORT

	Page
SECTION I - INTRODUCTORY SECTION:	
Letter of Transmittal	i
Principal Officials	viii
Organizational Chart	ix
Certificate of Achievement	x
SECTION II - FINANCIAL SECTION:	
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Net Assets - Pension Trust Funds	19
Statement of Changes in Fiduciary Net Assets - Pension Trust Funds	20
Notes to Financial Statements	21
Required Supplemental Information:	
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - General Fund	51
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	52
Other Supplemental Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	55
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	56
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual:	
Special Taxing District Special Revenue Fund	57
Sewer Lateral Special Revenue Fund	58
1999 Bond Issue Debt Service Fund	59
2002 Capital Project Bond Debt Service Fund	60
2005 Bond Debt Service Fund	61
Major Governmental Funds - Budgetary Information:	
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual:	
Revolving Public Improvement Capital Projects Fund	63
Equipment Replacement Capital Projects Fund	64
2009 Build America Bond Debt Service Fund	65

SECTION II - FINANCIAL SECTION (Continued):

Fiduciary Fund Types:

Schedule of Changes in Fiduciary Net Assets - Budget and Actual:

Nonuniformed Employees' Retirement Pension Trust Fund	67
Uniformed Employees' Pension Trust Fund	68

SECTION III - STATISTICAL SECTION:

Net Assets by Component - Last Eight Fiscal Years	70
Changes in Net Assets - Last Eight Fiscal Years	71
Fund Balances of Governmental Funds - Last Eight Fiscal Years	73
Changes in Fund Balances of Governmental Funds - Last Eight Fiscal Years	74
Assessed and Actual Value of Taxable Property - Last Ten Fiscal Years	75
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years	76
Principal Taxpayers - Current Year and Nine Years Ago	77
Property Tax Levies and Collections - Last Ten Fiscal Years	78
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	79
Ratio of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	80
Computation of Direct and Overlapping Debt - General Obligation Bonded Debt	81
Property Tax Rates - Direct and All Overlapping Governments - Last Ten Fiscal Years	82
Demographic and Economic Statistics - Last Ten Fiscal Years	83
Principal Employers - Current Year and Ten Years Ago	84
Full-time Equivalent City Government Employees by Functions/Programs - Last Ten Fiscal Years	85
Operating Indicators by Functions/Programs - Last Eight Fiscal Years	86
Capital Asset Statistics by Functions/Programs - Last Ten Fiscal Years	87

INTRODUCTORY SECTION



The City of Clayton

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March 3, 2011

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

The Comprehensive Annual Financial Report (CAFR) of the City of Clayton, Missouri, (the City) for the fiscal year (FY) ended September 30, 2010, is herewith submitted for your review. The information presented in the CAFR is the responsibility of the City's management. The City believes that the financial statements, supporting schedules, and statistical information fairly present the financial condition of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs.

REPORTING STANDARDS

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 U.S. generally accepted accounting principles (GAAP). Furthermore, the City is presenting its Comprehensive Annual Financial Report under the reporting model required by the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The format and a description of these reports are addressed in the Management's Discussion and Analysis (MD&A) and in the notes to the financial statements.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The diversity of governmental operations and the necessity for legal compliance preclude recording and summation of all financial transactions in a single accounting entity. The City's accounting system is therefore organized and operated on a fund basis, wherein each fund is a distinct and separate self-balancing entity.

The City's financial records utilize two bases of accounting. The modified accrual basis is utilized by governmental funds. Under this basis, revenues are recognized when measurable and available, and expenditures are recorded when the fund liability is incurred, except for interest on long-term debt.

The accrual basis of accounting is utilized by the pension trust funds. Consideration is given to the adequacy of internal accounting controls governing the financial transactions and records of the City.

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 policy and generally accepted accounting principles.

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 reservations of the fund balance.

THE REPORTING ENTITY AND ITS SERVICES

The City was incorporated in 1913. Its borders encompass 2.54 square miles and combine a bustling downtown with quiet, secure residential neighborhoods. The City's downtown is the region's premier business district and home to Forbes and Fortune 500 headquarters and branches. The City has a residential population of 16,074 and an estimated daytime population of 46,000. The City serves as the governmental seat for St. Louis County, Missouri. The governing body for the City consists of an elected six-member Board of Aldermen and the Mayor who collectively appoints a City Manager to administer daily operations.

The City provides a full range of municipal services including public works, parks and recreation, public safety, community development and general administration that are encompassed in the following departments: Public Works, Parks and Recreation, Police, Fire, Finance, Planning and Development, Information Technology and Administrative Services.

All funds included in this CAFR reflect the above municipal of the City.

FIDUCIARY DUTIES

One of the fiduciary duties carried out by the City is pension management. Eligible City employees participate in one of two single-employer pension plans. These plans are the City of Clayton Uniformed Employees Retirement Fund and the Non-Uniformed Employees Retirement Fund.

Effective January 1, 1994, the City revised the previously existing uniformed employee defined benefit and defined contribution plans, and combined these plans into a single defined benefit plan, Uniformed Employees Retirement Fund. Uniformed employees contribute 5% of their salary until they have completed thirty years of service. The City contributes an actuarially determined amount to meet current costs and the amortization of past service liability.

The Non-Uniformed Employees Retirement Fund is a defined benefit plan in which employees normally contribute 3% of their salary and the City contributes an actuarially determined amount to the plan. The plan has exceeded 100% funding for several years. Since 1991, the City has chosen to suspend the employee contribution and in December 2004, the City suspended voluntary employer contributions. Beginning October 1, 2009, the City re-instated its contributions to this Fund.

Both the Uniformed and Non-Uniformed Employee Pension Funds have made significant strides to recover the losses experienced in FY 2008 and FY 2009 due to the market collapse at the end of 2008. In FY 2008, the Uniformed Pension Fund assets lost 13% and the Non-Uniformed Pension Fund assets lost 12% compared to FY 2007. In FY 2009, the Uniformed Plan had rebounded somewhat to a 2.2% gain and the Non-Uniformed Plan to a 1.4% loss. In FY 2010, the Uniformed

Pension Fund ending balance improved by \$2,110,354 or an increase of 8.7% over FY 2009. The Non-Uniformed Pension Fund ending balance improved by \$602,011 or 7.1% over FY 2009.

The actuary valuation date is January 1 for the Uniformed plan and with the decline in asset value in calendar year 2009, the City employer contribution for FY 2010 increased to \$1,181,801 from \$677,458 in FY 2009. The City employer contribution for the budget year FY 2011 (October 1, 2010) decreased slightly to \$990,993 due to the plan's value increasing slightly in the calendar year 2010.

The Non-Uniformed actuary does blend the changes in asset valuation over a five year period so that one significant change will not dramatically impact the funding level in any given year. The City's employer contribution in FY 2010 was \$215,485 and the budget for FY 2011 has increased to \$252,495.

The funding level for the Non-Uniformed plan decreased from 92.3% to 86.6% as of July 1, 2010 and the Uniformed plan increased from 69.1% to 77.2% as of January 1, 2010.

DEBT ADMINISTRATION

At year-end, long term liabilities totaled \$37,223,661 (see footnote F on page 33) and includes: government-wide debt of \$37,137,078 consisting of general obligation bonds, special obligation bonds, capital leases, and an intergovernmental loan agreement with St. Louis County for the Shaw Park Drive Parking Facility; unamortized premium on bonds of \$168,120; compensated absences of \$327,726; and less the deferred amount on refunding of \$409,263.

ECONOMIC EVENTS AND THE FUTURE

Within two and a half square miles, the City blends a bustling business district with an outstanding housing mix. The central business district (CBD) combines approximately 7,000,000 square feet of prestigious office space with the vitality of more than 1,000,000 square feet of retail space. The City's charming residential neighborhoods provide a mix of housing, to include single-family homes, condominiums and multi-family apartment dwellings. Much of the residential area is within walking distance of the CBD or neighborhood retail districts that include specialty boutiques, flower shops, restaurants, dry cleaners, fitness facilities, and cafes.

The City has maintained a thriving business district despite the economic challenges the nation faces today. The City has a diverse income mix and is not overly dependant on Property tax which is balanced between commercial and residential. Therefore, the City is able to maintain a strong financial footing.

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

The City's thriving retail community includes approximately 80 restaurants (many of which are award-winning), 90 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's quality of life has attracted Enterprise Rent-A-Car, Brown Shoe Group, Commerce Bank, Centene Corporation, Rehab Care Group, Graybar, Barry-Wehmler Companies, Olin Corporation, Apex Oil, and a majority of the largest law firms in the St. Louis area. The City maintains one of the highest commercial occupancy rates in the region. The City office and retail market continues to be one of the steadiest submarkets in the St. Louis area. Vacancy rates for the last several years have continued to stay in the 10% to 12% range, one of the lowest vacancy rates in the metropolitan area, and slightly lower than the regional average.

In addition to its thriving economy, the City has beautiful residential neighborhoods and the City has devoted more than 70 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.

In 2010, home values continued to decline across the country and in some areas of the country by double digits. The City was slightly more fortunate in the housing market this past year. The City's total residential assessed value reversed the declines of 2009 with a 0.6% increase for 2010. The median sale price for a home in the City during 2010 was \$595,000 with an average sale price of \$729,881. Overall, the City still experiences a number of significant residential upgrades, condominium conversions, home remodeling/additions, and new condominium buildings. In the past 12 months from October 1, 2009 to September 30, 2010, the City has experienced more than \$11 million in residential construction of new homes and remodeling of existing residential structures.

This year the City completed updating the City's Central Business District (CBD) Master Plan. The study was begun in October 2009 and was conducted by Sasaki and Associates. The Sasaki Strategy team delivered a plan for a stronger identity for the CBD, specifically the retail component. The revised plan provides a comprehensive framework for future development and strategic retail marketing efforts. Some of the proposed implementations are as follows:

- Recruiting boutique retail shops that help differentiate the City from other retail destinations;
- Investing in streetscape improvements that will change the perception of and improve the pedestrian experience throughout downtown and provide better connections to mass transit;
- Investing in an interconnecting open space system that creates a downtown identity;
- Enhancing Shaw Park to create an active and inviting edge with lively sports, entertainment and cultural venues along Brentwood Boulevard (a busy road on the edge of the City's business district);
- Undertaking a comprehensive signage and way-finding study to unify the entire downtown and highlight the sub-districts of downtown; and
- Developing a consistent and effective marketing strategy to benefit private and public sectors and encourage tourism.

DEVELOPMENT

The City continues to process and approve plans for major developments. The Centene Corporation, with a proposal to develop the half block area bounded by Forsyth Boulevard, Carondelet Avenue, and Hanley Road, has completed the first tower and is over 90% occupied. The 17 story building is home to the world headquarters of the company and also houses the law

firms of Stinson Morrison and Armstrong Teasdale. The project also provides 17,000 square feet of new retail space on the ground floor of the parking garage. Centene will commence construction of the second tower once market conditions warrant the additional office space.

2010 marked the addition of two new restaurants for the City. Chez Leon opened early in 2010 and Mosaic Bistro opened later this past summer.

FUTURE DEVELOPMENT

With the adoption of the revised downtown master plan, the City now has numerous action items to begin to prioritize. The plan suggested increased wayfinding signage, widened sidewalks in addition to identifying potential redevelopment sites.

The following projects have been approved but delayed due to the current world-wide financial conditions:

Mark S. Mehlman Realty has presented plans for the Carondelet Village. The proposal for the mixed-use development includes approximately 110,000 square feet of retail space, a multi-screen movie theater/performing arts center which will be connected to a boutique hotel with 150 rooms, and 110,000 square feet of boutique office space. With the addition of a critical mass in retail and a 663 parking facility, the developer feels that the \$128 million project will reestablish the City as a shopping destination. The proposed Village will offer the City residents the opportunity to stay in the City to shop, while drawing visitors from the entire region to shop and dine in the City. At its December 18, 2007 meeting the Board of Aldermen unanimously approved the City's first ever use of Tax Increment Financing (TIF) for the proposed development. Following the adoption of the ordinance authorizing the use of TIF, the project must go through the site plan review process. The Board must also negotiate a redevelopment agreement.

In the spring of 2008, Brown Shoe Co. proposed to build a \$568 million, multi-phased project on 12.5 acres on and around the company's headquarters on Maryland Avenue in the City. Plans for the proposed development include approximately 1.2 million square feet of office space, 50,000 to 80,000 square feet of retail space, 300 to 420 residential units, parking and possibly a hotel. The project was scheduled to open in 2012, but the company recently announced that it would "indefinitely" postpone the new development due to weak real estate and credit markets and a need for Brown Shoe to lower spending. The City and Brown Shoe Co. are optimistic that the project will go forward at a later date. While the project remains on hold, the high-profile company still has a positive impact in the community.

FINANCIAL PLANNING

The City, in FY 2011, expects to receive more than \$46 million in revenue. This is a decrease of \$12.9 million when compared to the FY 2010 adopted budget. The majority of the decrease in revenue is due to bond proceeds for the new police facility that were received in FY 2010 and not in FY 2011. \$1 million is related to a one-time telephone settlement payment received in FY 2010 and not budgeted in FY 2011. \$120,000 is due to a decrease in the budgeted amount for interest on investments FY 2011. Finally, \$1 million is related to the sale of assets budgeted in FY 2010 and not in FY 2011.

The overall breakdown of revenue by category includes \$13.6 million of inter-fund transfers, property tax totaling \$6.9 million, sales tax totaling \$5.2 million, utility tax revenue of \$5.2 million, licenses and fees totaling \$3.6 million, \$5.1 million of intergovernmental, and miscellaneous of \$4.2 million.

The City, in FY 2011, is estimated to spend \$50.9 million. This is a decrease of \$717,720 when compared to the FY 2010 adopted budget and is related to the following: a \$1.5 million reduction in General Fund expenditures and a \$1.1 million reduction in capital purchases for FY 2011.

Capital projects and equipment replacement are a key component of the City's long range expenditure plan. The planned capital projects and equipment purchases for the next three-year period beginning October 1, 2010 are approximately \$35 million. Included in this amount over the three-year period is almost \$13 million allocated for a new police facility; ongoing improvements to streetscape, streets, pedestrian safety, sidewalks, and alleys of \$3.16 million; fleet and equipment replacement totaling \$5.6 million; \$6.5 million for the purchase of real estate located in a flood zone for redevelopment purposes; and park improvements of \$4.4 million.

MAJOR INITIATIVES

The City conducted its second annual citizen's survey in 2010. The City maintained the high ratings it received in 2009, when the City conducted its first annual citizen survey, setting new high standards in nine categories tracked by The ETC Institute (the survey administrator). A citizen survey will be conducted each year to ensure we are meeting the needs and expectations of our customers. The City continues to develop its performance measurement and management system to align City services and programs with the feedback from the annual Citizen Survey and strategic priorities in *Vision 2013*. In 2010, the City revised its original version to include the following six service area goals:

- I. Ensure the public's safety;
- II. Maintain and grow a strong, diversified economic base;
- III. Create and maintain a beautiful, clean and healthy community;
- IV. Encourage widespread participation in a variety of recreational and cultural activities;
- V. Foster all safe and accessible modes of travel; and
- VI. Efficiently and transparently align organizational resources.

In an effort to continually improve upon its exceptional customer service, the City implemented a new Online Service Center. This new system streamlines doing business with the City. Now citizens, visitors and the business community can submit service requests, obtain answers to Frequently Asked Questions, register for Parks programs and pay traffic tickets on line 24/7.

The City continues to lead the region as a "green" city and by the end of FY 2010, the City was half way through its *Green Power Community Challenge* initiative. This year-long challenge, which officially began April 1, 2010, is the largest attempt in Missouri to become the first EPA (Environmental Protection Agency) Green Power Community in the state. The City's goal is to exceed the challenge goal by Earth Day, April 22, 2011.

Following a five-year search for a new location for the City's Police Department, the City purchased the Heritage Building for \$7.5 million. By purchasing the Heritage building, it allows the City to preserve the classic real estate property from possible demolition for a new high-rise development in the future. In August, 2010, the City residents voted to increase their property tax levy increase by \$0.03.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2009. 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 comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last twenty-three consecutive years (fiscal years ended 1987-2009). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Additionally, the GFOA awarded the Distinguished Budget Award to the City for FY 2010. This was the City's third Distinguished Budget Award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only and we have already submitted the FY 2011 budget for consideration.

INDEPENDENT AUDIT

The City's policy is to have the financial statements of the City audited annually by an independent Certified Public Accountant. The City has complied with this policy for FY 2010 and the independent auditor's report of Hochschild, Bloom and Company, LLP is included with this CAFR.

ACKNOWLEDGEMENTS

The quality and timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the Mayor and Board of Aldermen, City staff, and Hochschild, Bloom and Company, LLP.

Respectfully submitted,



Craig S. Owens
City Manager



Donald J. Yucuis
Director of Finance

MAYOR

Linda Goldstein

ALDERMEN

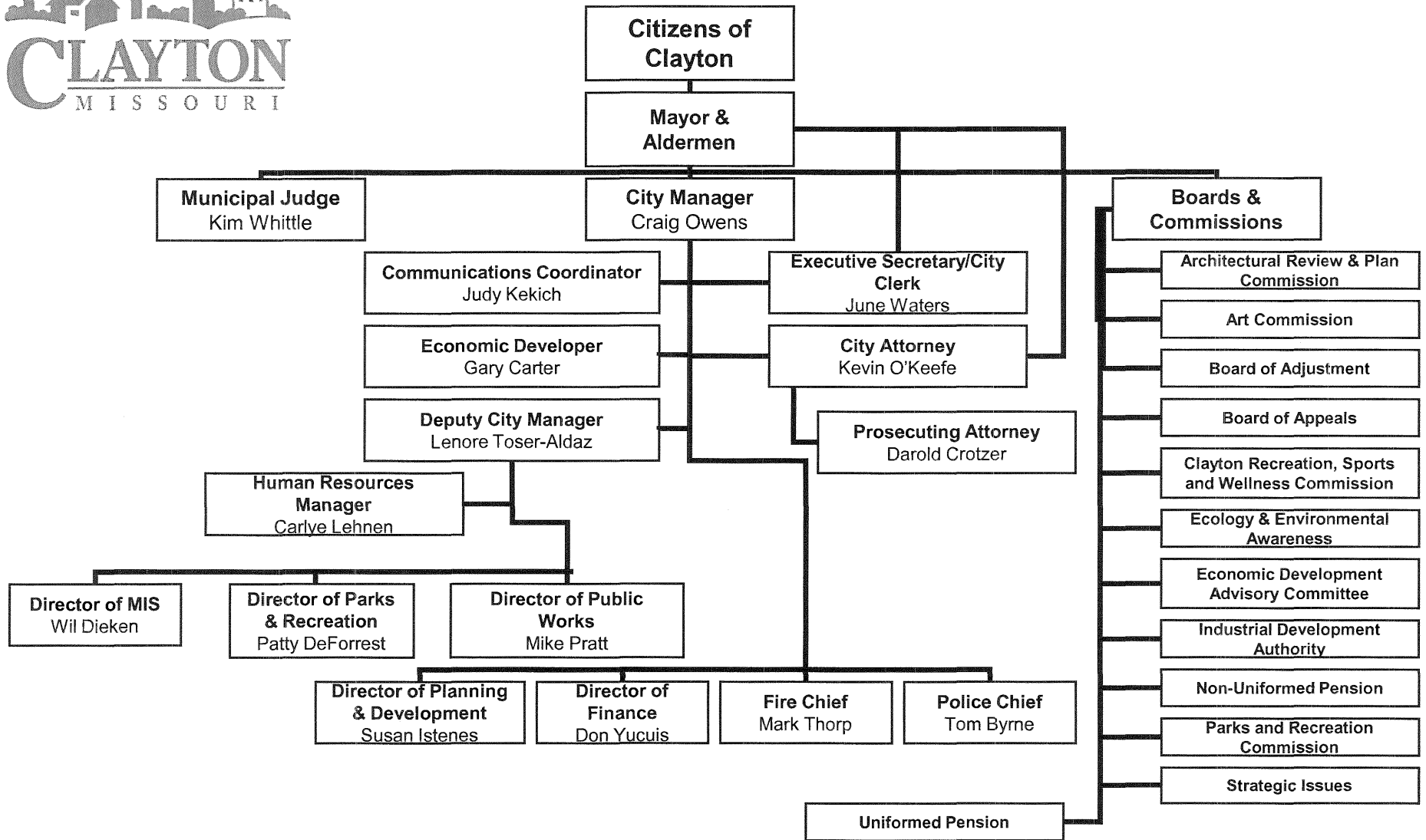
Judy R. Goodman, Ward I
Andrea Maddox-Dallas, Ward I
Cynthia Garnholz, Ward II
Michelle Harris, Ward II
Alex Berger, III, Ward III
Steven E. Lichtenfeld, Ward III

CITY MANAGER

Craig S. Owens



City of Clayton Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Clayton
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

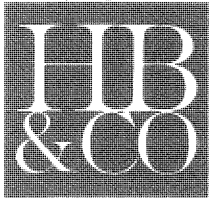
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

FINANCIAL SECTION



Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

March 3, 2011

Honorable Mayor and Members of the Board of Aldermen
CITY OF CLAYTON, MISSOURI

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF CLAYTON, MISSOURI** (the City) as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2010, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 3, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

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The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

The management of the City of Clayton, Missouri (the City) 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, 2010. 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

- The most significant change in Fiscal Year (FY) 2010 was the merging of the proprietary fund type, Parking Facilities Revenue Fund, an enterprise fund, and the Insurance Fund, an internal service fund into the General Fund as well as merging the Capital Improvement Project Fund into the Revolving Public Improvement Fund. Note P on page 49 illustrates the prior period adjustment and reclassification of fund balances at September 30, 2009 to merge these Funds.
- The net assets of the City at the close of the most recent fiscal year were \$57,302,985; a decrease of \$41,929 from the prior year restated amount of \$57,344,914. \$26,909,957 of the total net assets are unrestricted and may be used to meet the municipality's on-going obligations to citizens and creditors.
- The City's governmental funds on page 17 as of the close of the current fiscal year reported an ending fund balance of \$38,569,818, a net increase of \$5,742,235 in comparison to the prior year restated balance of \$32,827,583. Approximately 66.7% of the amount or \$25,763,722 is unreserved and available for spending at the City's discretion.

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's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

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

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

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

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

Government-wide statements are principally supported by taxes and intergovernmental revenues and include general government, public safety, streets and highways, parks and recreation, and community development.

The government-wide financial statements can be found on pages 13 and 14 of this report.

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 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 reconciliation in the fund statements explains 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
- Revolving Public Improvement
- Equipment Replacement
- 2009 Build America Bond Fund

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

The larger funds are presented as major funds while the other funds are presented in the combining statements for nonmajor funds. A description of the major funds can be found on page 22 in the notes to financial statements. Both major and nonmajor fund statements include a balance sheet and statement of revenues, expenditures and changes in fund balances.

The City adopts an annual budget for all funds except the Police Forfeiture and Police Officer Standards Training Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget. Budgetary comparisons for the General Fund can be found on pages 51 to 52 in the required supplemental information. All other major and nonmajor funds budgetary comparisons can be found in the other supplemental information section starting on page 54.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City is the trustee, or fiduciary, for the Uniformed and Non-Uniformed Employee Retirement plans. 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 assets and a statement of changes in fiduciary net assets. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund statements may be found on pages 19 and 20.

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 and may be found on pages 21 through 49.

Required supplemental information. In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 51 and 52 of this report.

Other Supplemental information. The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplemental information. Combining and individual fund statements and schedules can be found on pages 54 through 68 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This is the eighth year that the City has presented its financial statements under the reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Therefore, a comparative analysis of government-wide data is included in this report.

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$57,302,985 at the close of the most recent fiscal year, a decrease of \$41,929.

A major portion of the City's net assets are invested in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure) less any related debt used to acquire those assets and total \$26,675,814 or 46.5% of net assets. 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 assets of \$26,909,957 are another major portion of the City's net assets (47%) that may be used to meet on-going obligations to citizens and creditors.

	City Of Clayton's Net Assets					
	Governmental Activities		Business Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
ASSETS						
Current and other assets	\$ 44,049,835	25,808,370	-	10,570,884	44,049,835	36,379,254
Capital assets	56,471,640	35,783,886	-	12,669,496	56,471,640	48,453,382
Total Assets	<u>100,521,475</u>	<u>61,592,256</u>	<u>-</u>	<u>23,240,380</u>	<u>100,521,475</u>	<u>84,832,636</u>
LIABILITIES						
Current liabilities	4,518,483	3,307,818	-	97,899	4,518,483	3,405,717
Noncurrent liabilities	<u>38,700,007</u>	<u>20,806,738</u>	<u>-</u>	<u>3,275,267</u>	<u>38,700,007</u>	<u>24,082,005</u>
Total Liabilities	<u>43,218,490</u>	<u>24,114,556</u>	<u>-</u>	<u>3,373,166</u>	<u>43,218,490</u>	<u>27,487,722</u>
NET ASSETS						
Invested in capital assets, net of related debt	26,675,814	15,329,996	-	9,397,875	26,675,814	24,727,871
Restricted	3,717,214	3,782,799	-	265,500	3,717,214	4,048,299
Unrestricted	<u>26,909,957</u>	<u>18,364,905</u>	<u>-</u>	<u>10,203,839</u>	<u>26,909,957</u>	<u>28,568,744</u>
Total Net Assets	<u>\$ 57,302,985</u>	<u>37,477,700</u>	<u>-</u>	<u>19,867,214</u>	<u>57,302,985</u>	<u>57,344,914</u>

The statement of activities is the second statement in the government-wide statements. The following table outlines the major components of this statement.

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

City Of Clayton's Statement Of Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Program Revenues:						
Charges for services	\$ 5,853,059	4,396,485	-	1,521,683	5,853,059	5,918,168
Operating grants	1,865,220	1,098,553	-	-	1,865,220	1,098,553
Capital grants/ contributions	372,500	1,024,386	-	-	372,500	1,024,386
Total Program Revenues	<u>8,090,779</u>	<u>6,519,424</u>	<u>-</u>	<u>1,521,683</u>	<u>8,090,779</u>	<u>8,041,107</u>
General Revenues:						
Property tax	6,388,623	6,886,241	-	-	6,388,623	6,886,241
Sales tax	5,260,745	5,541,603	-	-	5,260,745	5,541,603
Utility tax	6,172,511	4,894,278	-	-	6,172,511	4,894,278
Other taxes	100,488	538,881	-	-	100,488	538,881
Investment earnings	667,936	659,833	-	320,578	667,936	980,411
Gain on sale of capital assets	264,774	4,887	-	-	264,774	4,887
Other general revenues	652,450	1,092,730	-	-	652,450	1,092,730
Total General Revenues	<u>19,507,527</u>	<u>19,618,453</u>	<u>-</u>	<u>320,578</u>	<u>19,507,527</u>	<u>19,939,031</u>
Total Revenues	<u>27,598,306</u>	<u>26,137,877</u>	<u>-</u>	<u>1,842,261</u>	<u>27,598,306</u>	<u>27,980,138</u>
Program Expenses:						
General government	6,066,181	5,184,518	-	-	6,066,181	5,184,518
Public safety	9,784,707	9,153,714	-	-	9,784,707	9,153,714
Streets and Highways	6,847,543	7,133,404	-	-	6,847,543	7,133,404
Parks and recreation	2,938,071	2,135,837	-	-	2,938,071	2,135,837
Community development	432,432	199,035	-	-	432,432	199,035
Interest on long-term debt	1,571,301	779,891	-	-	1,571,301	779,891
Parking facility	-	-	-	1,081,979	-	1,081,979
Total Program Expenses	<u>27,640,235</u>	<u>24,586,399</u>	<u>-</u>	<u>1,081,979</u>	<u>27,640,235</u>	<u>25,668,378</u>
Excess (deficiency) before transfers	(41,929)	1,551,478	-	760,282	(41,929)	2,311,760
Transfers	-	784,733	-	(784,733)	-	-
Change in net assets	(41,929)	2,336,211	-	(24,451)	(41,929)	2,311,760
Net Assets - Beginning of Year	57,344,914	35,103,096	-	19,891,665	57,344,914	54,994,761
Prior Period Adjustment	-	38,393	-	-	-	38,393
Net Assets - End of Year	<u>\$ 57,302,985</u>	<u>37,477,700</u>	<u>-</u>	<u>19,867,214</u>	<u>57,302,985</u>	<u>57,344,914</u>

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

The City's overall net assets of \$57,302,985 decreased \$41,929 during the current fiscal year. FY 2010 revenues totaling \$27,598,306 are \$381,832 less than FY 2009. Program revenue totaling \$8,090,779 is approximately the same as FY 2009, but operating grants were more by \$766,667 and capital grants were lower by \$651,886. General revenue from property, sales and utility taxes total \$17,821,879 or 91.3% of total general revenues of \$19,507,527 and increased by \$499,757. Property tax revenue decreased \$497,618 to \$6,388,623 due to the leveling off of the debt service levy. Sales tax decreased by \$280,858 to \$5,260,745 mainly due to the downturn of the economy. Utility tax increased by \$1,278,233 to \$6,172,511 due to a one time settlement of \$990,000 from one of the telephone vendors. Investment earnings decreased \$312,475 due to very low interest rates.

Program expenses totaling \$27,640,235 were \$1,971,857 more than FY 2009. The main reasons for the increase are: increased pension costs of \$662,000; increased operating expenses of \$490,000 related to the purchase of a building; and increased interest on long term debt of \$791,410.

FINANCIAL ANALYSIS OF THE GOVERNMENT'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 combined the Proprietary Funds into the General Fund starting in Fiscal Year 2010.

The City's total governmental funds, as shown on page 15, at the end of the current fiscal year, reported an ending fund balance of \$38,569,818, an increase of \$5,742,235 in comparison with the prior year. Approximately 67% of this total amount (\$25,763,722) constitutes unreserved fund balance, which is available for spending at the government's discretion. Although the Equipment Replacement Fund has an unreserved balance, if those funds were used, then alternative sources of revenue would need to be found to pay for equipment purchased in the future. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) encumbrances to liquidate contracts and purchase orders, \$2,438,293, 2) to pay debt service, \$3,218,609, and 3) capital projects, \$7,149,194. The governmental funds may be viewed on pages 15 through 18.

The General Fund is the main operating fund of the City and now includes Parking and Insurance Funds (formerly Proprietary Funds). At the end of the current fiscal year, unreserved fund balance was \$22,623,263 while total fund balance is \$23,057,756. Fund balance represents 100% of total General Fund expenditures and transfers. The City's General Fund minimum reserve policy level is 25% of expenditures and transfers. The City's FY 2010 General Fund balance decreased \$426,306. FY 2010 revenue totaled \$22,123,196 and is \$2,213,829 more than FY 2009. Three areas accounted for the majority of the change, public utilities were \$1,275,000 more due to a \$1 million one-time settlement from one cell phone company and increased utility revenue and offset by a decrease of \$666,000 in miscellaneous revenue due to onetime revenue from the regional computer crime group and moving ambu-

**CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

lance fees to charges for services. A decrease of \$28,000 in investment income was due to low interest rates.

The Revolving Public Improvement Fund (starting in FY 2010, includes Capital Improvement Project Fund) balance totaling \$2,664,925 includes \$398,512 unreserved and \$2,266,413 reserved for encumbrances. The net decrease in fund balance of \$586,101 was due to less grant revenue and an increase in planned capital outlay and transfers compared to the prior year. Transfers in of \$8,437,354 are from the 2009 Bond Issue and General Fund and transfers out of \$2,355,223 are to pay for a portion of the debt service on the 2007 and 2009 bond issues.

The Equipment Replacement Fund has a total fund balance of \$2,358,012. Almost the entire fund balance is unreserved but designated for the replacement of all the vehicles and large dollar equipment in the City based on a long range replacement plan. The funding source is from a charge-back to the General Fund.

GENERAL FUND SIGNIFICANT VARIANCES - BUDGET AND ACTUAL

Pages 51 and 52 summarize the General Fund budget to actual. The General Fund final budget for revenues totaled \$22,169,265 and was approximately \$1.5 million lower than the original budget. The difference was directly associated with the sale of land and public utility license revenue. The final budget for expenditures totaled \$21,856,049 and was approximately \$300,000 lower than the original budget. As stated earlier, the City policy on General Fund balance is a minimum of 25% of expenditures and transfers. The current General Fund balance is at 100%.

Overall, the net change in fund balance was a decrease of \$426,306. Actual General Fund revenue totaling \$22,123,196 was \$46,069 less than the final budget. The actual General Fund expenditures totaling \$21,428,933 were \$427,116 or 1.9% less than the final budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets as of September 30, 2010 totaled \$56,471,640 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvement other than buildings, machinery/equipment, infrastructure, and construction in progress. The total change in the City's investment in capital assets was an increase of \$8,018,258 with capital assets increasing \$2,059,695, construction in progress increasing \$7,197,132 and offset by depreciation of \$1,238,569.

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

City Of Clayton Capital Assets
(Net Of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	\$ 2,963,342	1,320,981	-	1,642,361	2,963,342	2,963,342
Buildings	23,227,343	12,909,823	-	10,921,798	23,227,343	23,831,621
Improvements other than buildings	438,900	385,859	-	25,935	438,900	411,794
Machinery/equipment	3,663,496	2,725,514	-	79,402	3,663,496	2,804,916
Infrastructure	17,962,740	17,423,022	-	-	17,962,740	17,423,022
Construction in progress	8,215,819	1,018,687	-	-	8,215,819	1,018,687
Total Capital Assets, Net	\$56,471,640	35,783,886	-	12,669,496	56,471,640	48,453,382

Additional information on the City's capital assets can be found in Note C in the notes to financial statements starting on page 30 of this report.

LONG-TERM DEBT

The City had government-wide debt outstanding of \$37,137,078 at the end of the current fiscal year. \$2,955,000 is general obligation debt backed by the full faith and credit of the City. \$31,790,000 is special obligation debt and \$2,392,078 is a note payable and capital lease which are paid for from annual appropriations.

CITY OF CLAYTON, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

City Of Clayton's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Series 2005	\$10,080,000	9,210,000	-	1,835,000	10,080,000	11,045,000
Series 2007	6,710,000	7,470,000	-	-	6,710,000	7,470,000
Series 2009 GO	2,955,000	3,950,000	-	-	2,955,000	3,950,000
Series 2009\ BAB	15,000,000	-	-	-	15,000,000	-
Capital lease payable	960,737	-	-	-	960,737	-
Note payable	1,431,341	-	-	1,576,341	1,431,341	1,576,341
 Total Long- term Debt	<u>\$37,137,078</u>	<u>20,630,000</u>	<u>-</u>	<u>3,411,341</u>	<u>37,137,078</u>	<u>24,041,341</u>

The City issued new debt of \$16,020,000 and reduced principal by \$2,924,263 during the current fiscal year. Additional information on the City's long-term debt can be found in Note F in the notes to financial statements starting on page 33 of this report.

THE OUTLOOK FOR NEXT YEAR

The City's reliance on operating revenue is spread among three major revenue sources, property tax, sales tax, and utility tax and is projected to have minimal growth.

A planned property tax revenue decrease occurred and is directly related to the GO debt levy. Sales tax is projected to increase 2% and utility tax is expected to increase 3%. The City plans to spend down the General Fund balances to the minimum 25% policy level over the next several years.

The near future will see a continuing need to evaluate funding policies in order to maintain services at the current level. Overall, the economic outlook for the City is optimistic. This optimism includes maintaining the current high level of service to residents by addressing the funding needs of the community as needed.

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 government'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.

CITY OF CLAYTON, MISSOURI
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 3,275,521
Investments	34,810,640
Receivables:	
Intergovernmental	1,143,944
Property taxes	177,406
Public utility licenses	497,072
Special assessments	291,275
Interest	123,758
Other	577,938
Due from Fiduciary Fund	21,000
Prepaid insurance	131,418
Bond issue costs, net	417,936
Net pension asset	282,427
Investments - restricted	2,299,500
Capital assets:	
Land and construction in progress	11,179,161
Other capital assets, net of accumulated depreciation	45,292,479
Total Assets	<u>100,521,475</u>
LIABILITIES	
Accounts payable	945,894
Accrued interest payable	492,585
Accrued liabilities	638,619
Unearned revenues	2,014,427
Deposits	426,958
Noncurrent liabilities:	
Due within one year	3,919,599
Due in more than one year	33,304,062
Due in more than one year - net OPEB obligation	46,821
Due in more than one year - net pension obligation	1,429,525
	<u>43,218,490</u>
NET ASSETS	
Invested in capital assets, net of related debt	26,675,814
Restricted for:	
Debt service	3,357,861
Special taxing district	79,734
Sewer lateral	279,619
Unrestricted	<u>26,909,957</u>
Total Net Assets	<u>\$ 57,302,985</u>

CITY OF CLAYTON, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

FUNCTIONS/PROGRAMS	<u>Expenses</u>	Program Revenues		<u>Net Revenues (Expenses) And Change In Net Assets</u>	
		<u>Charges For Services</u>	<u>Operating Grants And Contributions</u>		<u>Capital Grants And Contributions</u>
Governmental Activities					
General government	\$ 6,066,181	1,773,196	-	(4,292,985)	
Public safety	9,784,707	2,125,691	418,178	(7,240,838)	
Streets and highways	6,847,543	1,068,315	1,434,665	(4,344,563)	
Parks and recreation	2,938,071	885,857	12,377	(1,667,337)	
Community development	432,432	-	-	(432,432)	
Interest on long-term debt	1,571,301	-	-	(1,571,301)	
Total Governmental Activities	<u>\$ 27,640,235</u>	<u>5,853,059</u>	<u>1,865,220</u>	<u>372,500</u>	<u>(19,549,456)</u>
General Revenues					
Taxes:					
Property				6,388,623	
Sales				5,260,745	
Utility				6,172,511	
Other				100,488	
Investment income				667,936	
Miscellaneous				652,450	
Gain on sale of capital assets				264,774	
Total General Revenues				<u>19,507,527</u>	
CHANGE IN NET ASSETS				(41,929)	
NET ASSETS, OCTOBER 1				<u>57,344,914</u>	
NET ASSETS, SEPTEMBER 30				<u>\$ 57,302,985</u>	

See notes to financial statements

CITY OF CLAYTON, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<u>General Fund</u>	<u>Revolving Public Improvement Fund</u>	<u>Equipment Replacement Fund</u>	<u>2009 Build America Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 938,150	515,815	305,309	918,692	597,555	3,275,521
Investments	21,972,661	3,885,777	2,050,000	6,181,417	720,785	34,810,640
Receivables:						
Intergovernmental	417,691	726,253	-	-	-	1,143,944
Property taxes	154,343	-	-	-	23,063	177,406
Public utility licenses	497,072	-	-	-	-	497,072
Special assessments	-	172,710	-	-	118,565	291,275
Interest	45,526	8,418	8,374	49,085	12,355	123,758
Other	556,695	-	21,243	-	-	577,938
Due from other funds	21,595	-	-	-	-	21,595
Investments - restricted	265,500	-	-	-	2,034,000	2,299,500
Total Assets	<u>\$ 24,869,233</u>	<u>5,308,973</u>	<u>2,384,926</u>	<u>7,149,194</u>	<u>3,506,323</u>	<u>43,218,649</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 448,437	451,338	26,914	-	19,205	945,894
Accrued liabilities	631,279	-	-	-	7,340	638,619
Due to other funds	-	-	-	-	595	595
Deferred revenues	324,803	2,172,710	-	-	139,252	2,636,765
Deposits	406,958	20,000	-	-	-	426,958
Total Liabilities	<u>1,811,477</u>	<u>2,644,048</u>	<u>26,914</u>	<u>-</u>	<u>166,392</u>	<u>4,648,831</u>
Fund Balances						
Reserved for:						
Encumbrances	168,993	2,266,413	2,887	-	-	2,438,293
Debt service	265,500	-	-	-	2,953,109	3,218,609
Capital projects	-	-	-	7,149,194	-	7,149,194
Unreserved:						
General Fund	22,623,263	-	-	-	-	22,623,263
Special Revenue Funds	-	-	-	-	386,822	386,822
Capital Projects Funds	-	398,512	2,355,125	-	-	2,753,637
Total Fund Balances	<u>23,057,756</u>	<u>2,664,925</u>	<u>2,358,012</u>	<u>7,149,194</u>	<u>3,339,931</u>	<u>38,569,818</u>
Total Liabilities And Fund Balances	<u>\$ 24,869,233</u>	<u>5,308,973</u>	<u>2,384,926</u>	<u>7,149,194</u>	<u>3,506,323</u>	<u>43,218,649</u>

CITY OF CLAYTON, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010

Total Fund Balances - Governmental Funds \$ 38,569,818

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$75,874,889 and the accumulated depreciation is \$19,403,249. 56,471,640

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 622,338

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. 131,418

Certain assets (obligations) are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Net pension asset	282,427
Net pension obligation	(1,429,525)
OPEB obligation	(46,821)

Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Accrued compensated absences	(327,726)
Accrued interest payable	(492,585)
Bonds, notes, and capital leases payable outstanding	(37,137,078)
Unamortized bond premium	(168,120)
Unamortized issuance costs	417,936
Unamortized deferred charges	409,263

Net Assets Of Governmental Activities \$ 57,302,985

CITY OF CLAYTON, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>General Fund</u>	<u>Revolving Public Improvement Fund</u>	<u>Equipment Replacement Fund</u>	<u>2009 Build America Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
General property taxes	\$ 5,358,513	-	-	-	1,016,067	6,374,580
Assessment income	-	35,786	-	-	127,056	162,842
Licenses and permits	1,780,141	-	-	-	-	1,780,141
Public utility licenses	6,165,908	6,603	-	-	-	6,172,511
Intergovernmental	3,906,699	3,695,492	-	-	-	7,602,191
Community programs	1,413,736	-	-	-	-	1,413,736
Parking facilities and meters	1,474,297	-	-	-	-	1,474,297
Fines and forfeitures	1,070,643	-	-	-	8,156	1,078,799
Investment income	352,663	40,333	30,058	201,383	43,499	667,936
Miscellaneous	600,596	53,361	-	-	-	653,957
Total Revenues	<u>22,123,196</u>	<u>3,831,575</u>	<u>30,058</u>	<u>201,383</u>	<u>1,194,778</u>	<u>27,380,990</u>
EXPENDITURES						
Current:						
General government	4,824,548	-	-	-	4,000	4,828,548
Public safety	9,441,363	-	-	-	16,879	9,458,242
Streets and highways	4,636,808	-	-	-	-	4,636,808
Parks and recreation	1,991,742	-	-	-	-	1,991,742
Community development	-	-	-	-	432,432	432,432
Capital outlay	-	10,499,807	1,522,368	-	72,574	12,094,749
Debt service:						
Principal	365,000	-	59,263	-	2,500,000	2,924,263
Interest and fiscal charges	169,472	-	42,885	381,436	695,422	1,289,215
Bond issuance costs	-	-	-	271,353	-	271,353
Total Expenditures	<u>21,428,933</u>	<u>10,499,807</u>	<u>1,624,516</u>	<u>652,789</u>	<u>3,721,307</u>	<u>37,927,352</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>694,263</u>	<u>(6,668,232)</u>	<u>(1,594,458)</u>	<u>(451,406)</u>	<u>(2,526,529)</u>	<u>(10,546,362)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	417,522	8,437,354	430,157	247,934	2,047,701	11,580,668
Transfers out	(1,538,091)	(2,355,223)	-	(7,687,354)	-	(11,580,668)
Issuance of debt	-	-	-	15,000,000	-	15,000,000
Issuance of capital lease	-	-	1,020,000	-	-	1,020,000
Bond premium	-	-	-	40,020	-	40,020
Sale of capital assets	-	-	228,577	-	-	228,577
Total Other Financing Sources (Uses)	<u>(1,120,569)</u>	<u>6,082,131</u>	<u>1,678,734</u>	<u>7,600,600</u>	<u>2,047,701</u>	<u>16,288,597</u>
NET CHANGES IN FUND BALANCES	<u>(426,306)</u>	<u>(586,101)</u>	<u>84,276</u>	<u>7,149,194</u>	<u>(478,828)</u>	<u>5,742,235</u>
FUND BALANCES, OCTOBER 1	<u>23,484,062</u>	<u>3,251,026</u>	<u>2,273,736</u>	<u>-</u>	<u>3,818,759</u>	<u>32,827,583</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 23,057,756</u>	<u>2,664,925</u>	<u>2,358,012</u>	<u>7,149,194</u>	<u>3,339,931</u>	<u>38,569,818</u>

CITY OF CLAYTON, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010

Net Change In Fund Balances - Governmental Funds \$ 5,742,235

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$10,088,424) exceeded depreciation (\$2,038,968) in the current period. 8,049,456

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations) is to decrease net assets. (31,198)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (47,458)

The issuance of long-term debt (e.g., bonds, 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discount, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of bond principal	2,720,000
Repayment of note payable	145,000
Repayment of capital lease	59,263
Issuance of bonds	(15,000,000)
Premium on bonds	(40,020)
Bond issue costs	271,353
Issuance of capital lease	(1,020,000)
Amortization of premium, issuance costs, and deferred amount on refunding	(88,609)

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 the governmental funds.

Accrued interest on debt	(193,477)
Prepaid insurance	17,130
Compensated absences	(18,053)
Net pension obligation	(611,479)
Net pension asset	3,928

Change In Net Assets Of Governmental Activities \$ (41,929)

CITY OF CLAYTON, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUNDS
SEPTEMBER 30, 2010

ASSETS

Cash and cash equivalents	\$ 740,240
Investments:	
U.S. government and agency securities	3,322,961
Common stocks	3,650,886
Corporate bonds	4,186,645
Taxable municipal obligations	567,115
Mutual funds	20,060,969
Property funds	2,815,511
Interest receivable	81,562
Total Assets	<u>35,425,889</u>

LIABILITIES

Due to other funds	21,000
Unsettled investment transactions	11,879
Total Liabilities	<u>32,879</u>

NET ASSETS

Held in trust for pension benefits	<u>\$ 35,393,010</u>
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CITY OF CLAYTON, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET ASSETS - PENSION TRUST FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

ADDITIONS

Contributions:

Participant contributions	\$ 228,175
Employer contributions	1,397,286
Total Contributions	1,625,461

Investment income:

Net appreciation in fair value of investments and interest and dividends	2,770,672
Less - Investment expense	(176,232)
Total Investment Income	2,594,440

Total Additions	4,219,901
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DEDUCTIONS

Benefits paid	1,507,536
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CHANGE IN NET ASSETS

2,712,365

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, OCTOBER 1

32,680,645

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEPTEMBER 30

\$ 35,393,010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the **CITY OF CLAYTON, MISSOURI** (the City) in the preparation of the accompanying basic financial statements are summarized below:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units - an amendment of GASB 14*. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. It was determined that the City does not have any component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using 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, franchise taxes, licenses, 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.

The City reports the following major governmental funds:

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

Revolving Public Improvement Fund -- The Revolving Public 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, road and bridge taxes, and certain special assessment taxes.

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

2009 Build America Bond Fund -- The 2009 Build America Bond Fund is a Debt Service Fund used to account for the proceeds for the project and debt service payments of the 2009 Build America Bonds.

Additionally, the City reports the following fiduciary funds:

Pension Trust Funds -- The Pension Trust Funds are used to account for assets held in a trustee capacity for the City's eligible employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges and

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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.

4. 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, mutual funds, and other evidence of indebtedness or ownership, but excluding any debt of the City itself, and individual insurance policies.

Investments that have a maturity date of less than one year at the time of purchase are carried at cost or amortized cost because of their short-term maturities. Investments that have a maturity date of greater than one year at the time of purchase are carried at fair value. Fair value is based on quoted market prices.

5. Allowance for Uncollectibles

Accounts receivables are shown net of an allowance for uncollectibles of \$134,154.

6. Prepaid Items

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

7. Due To/From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from" are considered "available spendable resources" and are subject to elimination upon consolidation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Restricted Assets

Certain resources set aside for the repayment of special obligation bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

9. 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 revenue equal to the amount that is not currently available are recognized in the fund that provides the resources.

10. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 for general capital assets and \$100,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do 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:

Asset	Years
Buildings	15 - 50
Improvements other than buildings	5 - 20
Machinery and equipment	3 - 15
Infrastructure	30 - 50

11. Compensated Absences

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue on January 1 of each year. A maximum of 80 hours may be carried over to a subsequent calendar year. Upon termination, the employee is paid for unused vacation.

Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. Upon termination, and only if the employee is vested, the employee is paid \$1 for each hour of sick leave balance. A liability for these amounts is reported in the governmental funds only if the amounts due at year end have matured.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported and amortized over the term of the related debt.

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 cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for subsequent year appropriations or is legally restricted by outside parties for use for a specific purpose.

14. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds 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 the prior commitments. Encumbrances do not constitute current year expenditures or liabilities.

15. Interfund Transactions

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

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

16. Property Taxes

Property taxes are levied in October of each year 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Property Taxes (Continued)

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 the 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.

17. 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.

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS

1. 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 cash not insured by the Federal Deposit Insurance Corporation (FDIC).

As of September 30, 2010, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of September 30, 2010, the City had the following investments:

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

2. Investments (Continued)

Investments	Fair Market Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
Primary Government							
Certificates of deposit	\$37,110,140	-	32,915,227	4,194,913	-	-	Not rated
Fiduciary Funds							
U.S. government and agency securities:							
U.S. Treasuries	395,061	-	-	-	-	395,061	AAA
U.S. Agencies	2,927,900	-	312,751	356,054	551,277	1,707,818	AAA
Common stock	3,650,886	3,650,886	-	-	-	-	N/A
Corporate bonds	1,514,434	-	-	783,740	465,418	265,276	A
Corporate bonds	551,962	-	143,117	228,434	-	180,411	AA
Corporate bonds	961,987	-	-	190,639	394,943	376,405	AAA
Corporate bonds	27,900	-	-	-	-	27,900	BB
Corporate bonds	700,374	-	30,123	315,481	210,976	143,794	BBB
Corporate bonds	86,669	-	-	-	-	86,669	CC
Corporate bonds	230,770	-	-	-	50,250	180,520	CCC
Corporate bonds	112,549	-	-	50,755	-	61,794	Not rated
Taxable municipal obligations	89,177	-	35,915	53,262	-	-	A
Taxable municipal obligations	334,777	-	100,926	80,636	128,642	24,573	AA
Taxable municipal obligations	143,161	-	-	143,161	-	-	AAA
Mutual funds	20,060,969	20,060,969	-	-	-	-	Not rated
Property funds	2,815,511	2,815,511	-	-	-	-	Not rated
Total Fiduciary Funds	<u>34,604,087</u>	<u>26,527,366</u>	<u>622,832</u>	<u>2,202,162</u>	<u>1,801,506</u>	<u>3,450,221</u>	
Grand Total Investments	<u>\$71,714,227</u>	<u>26,527,366</u>	<u>33,538,059</u>	<u>6,397,075</u>	<u>1,801,506</u>	<u>3,450,221</u>	

Investment Policy

Governmental Activities

The objectives of the City's investment policy 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.

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

2. Investments (Continued)

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

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

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

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

Pension Trust Funds

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

- a. 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.
- b. Diversify the portfolio to help ensure that adverse or unexpected activity will not have an excessively detrimental impact on the entire portfolio. Investment management will be delegated to external professional organizations for the sole benefit of the membership and their beneficiaries for the purpose of providing a retirement benefit.

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

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

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

2. Investments (Continued)

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 requirement. The City will not invest in securities maturing more than three years from the date of purchase unless matched to a specific cash flow.

At September 30, 2010, the general government portfolios only had investments in depository agreements.

Credit Risk

Governmental Activities

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

Pension Trust Funds

The investment policies of the pension funds do not address credit quality standards. The above table reflects the credit ratings for the two retirement plans associated with the securities invested in the pension trust funds as of September 30, 2010, 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 U. S. 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. The City had no investments other than certificates of deposit at September 30, 2010.

NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

2. Investments (Continued)

Pension Trust Funds

The pension investment policies specify that the investment mix shall be in a range of 55-65% equity securities, 25-35% fixed income securities, and 5-15% real estate. Target allocation for the equity securities is 30% large cap, 15% small cap and 15% international; fixed income 30%; and real estate 10%. The trustees follow these guidelines for all investments while adhering to the list of permissible investments outlines 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. At September 30, 2010, the pension plans did not have concentrations with any one issuer greater than 5%.

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 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. At September 30, 2010, the City of Clayton Uniformed Employees' Retirement Fund has \$8,076,720 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 Retirement Fund.

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended September 30, 2010			
	Balance September 30 2009	Additions And Transfers	Deletions And Transfers	Balance September 30 2010
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,963,342	-	-	2,963,342
Construction in progress	1,018,687	8,217,850	1,020,718	8,215,819
Total Capital Assets Not Being Depreciated	<u>3,982,029</u>	<u>8,217,850</u>	<u>1,020,718</u>	<u>11,179,161</u>
Capital assets being depreciated:				
Buildings and improvements	29,661,586	132,883	-	29,794,469
Improvements other than building	778,019	80,135	-	858,154
Machinery and equipment	6,523,847	1,538,671	783,717	7,278,801
Infrastructure	25,672,581	1,139,603	47,880	26,764,304
Total Capital Assets Being Depreciated	<u>62,636,033</u>	<u>2,891,292</u>	<u>831,597</u>	<u>64,695,728</u>
Less - Accumulated depreciation for:				
Buildings and improvements	5,829,965	737,161	-	6,567,126
Improvements other than building	366,225	53,029	-	419,254
Machinery and equipment	3,718,931	668,039	771,665	3,615,305
Infrastructure	8,249,559	580,739	28,734	8,801,564
Total Accumulated Depreciation	<u>18,164,680</u>	<u>2,038,968</u>	<u>800,399</u>	<u>19,403,249</u>
Total Capital Assets Being Depreciated, Net	<u>44,471,353</u>	<u>852,324</u>	<u>31,198</u>	<u>45,292,479</u>
Governmental Activities Capital Assets, Net	<u>\$ 48,453,382</u>	<u>9,070,174</u>	<u>1,051,916</u>	<u>56,471,640</u>

Beginning capital assets were increased by \$12,669,496 to account for the merge of the Parking Facilities Enterprise Fund into the General Fund.

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

	For The Year Ended September 30 2010
Governmental Activities	
General government	\$ 546,273
Public safety	307,132
Streets and highways	896,402
Parks and recreation	289,161
Total	<u>\$2,038,968</u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - RESTRICTED ASSETS

The account balances show below are restricted in accordance with the 2005A, 2005B and 2007 bond indentures:

	<u>September 30, 2010</u>	
	<u>Actual</u>	<u>Required</u>
Series 2005A Bond Reserve Account	\$ 1,216,500	1,216,500
Series 2005B Bond Reserve Account	265,500	265,500
Series 2007 Bond Reserve Account	<u>817,500</u>	<u>817,500</u>
Total	<u>\$ 2,299,500</u>	<u>2,299,500</u>

NOTE E - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>For The Year Ended September 30 2010</u>
General Fund	Nonmajor Funds	\$ 595
General Fund	Pension Trust Funds	<u>21,000</u>
Total		<u>\$21,595</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made or to eliminate negative cash balances within various funds.

<u>Transfers Out</u>	<u>Transfers In</u>	<u>For The Year Ended September 30 2010</u>
2009 Build America Bond Fund	Revolving Public Improvement Fund	\$ 7,687,354
Revolving Public Improvement Fund	Nonmajor Funds	1,937,701
General Fund	Revolving Public Improvement Fund	750,000
General Fund	Equipment Replacement Fund	430,157
Revolving Public Improvement Fund	General Fund	417,522
General Fund	2009 Build America Bond Fund	247,934
General Fund	Nonmajor Funds	<u>110,000</u>
Total		<u>\$11,580,668</u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - INTERFUND TRANSACTIONS (Continued)

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) provide unrestricted revenues collected in the General Fund to finance capital improvements and other activities in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

NOTE F - LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

	<u>For The Year Ended September 30, 2010</u>			<u>Balance</u> <u>September 30</u> <u>2010</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
	<u>Balance</u> <u>September 30</u> <u>2009</u>	<u>Additions</u>	<u>Reductions</u>		
Governmental Activities					
Special obligation bonds	\$ 18,515,000	15,000,000	1,725,000	31,790,000	2,385,000
General obligation bonds	3,950,000	-	995,000	2,955,000	995,000
Plus - Premium	175,160	40,020	47,060	168,120	-
Less - Deferred charges	(490,990)	-	(81,727)	(409,263)	-
Note payable	1,576,341	-	145,000	1,431,341	150,000
Capital lease payable	-	1,020,000	59,263	960,737	61,873
Compensated absences	309,673	712,686	694,633	327,726	327,726
	<u>\$ 24,035,184</u>	<u>16,772,706</u>	<u>3,584,229</u>	<u>37,223,661</u>	<u>3,919,599</u>
Total Governmental Activities					

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

During the fiscal year ended September 30, 2010, the City issued Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2009A and 2009B totaling \$6,420,000 and \$8,580,000, respectively, with interest rates ranging from 1% to 4.5% and 5% to 5.75%, respectively. The bonds were issued to acquire and renovate a facility for the police department. The bonds mature December 1, 2019 and December 1, 2029, respectively. The balance at September 30, 2010 was \$6,420,000 and \$8,580,000, respectively.

Special Obligation Refunding Bonds, Series 2007 totaling \$8,175,000 were issued on October 23, 2007 with an interest rate of 3.75%, maturing December 1, 2018. The 2007 bonds were issued to refund \$7,375,000 of the Series 2002 bond issue with an interest rate of 2.65%. The 2002 bonds were originally used to construct a new outdoor pool in Shaw Park, a new Fire Station, and to renovate City Hall. The balance at September 30, 2010 was \$6,710,000.

Special Obligation Refunding Bonds, Series 2005A totaling \$12,165,000 were issued on April 26, 2005 with interest rates ranging from 3% to 4.1%, maturing December 1, 2017. The 2005A bonds were issued to refund the 1997 and 1998A bonds that were originally used for the following purposes: to construct a multi-purpose

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

recreation center in cooperation with Clayton School District; reconstruct the Shaw Park Ice Rink and Tennis Center; purchase fifty parking spaces in a new St. Louis County parking garage; and private street infrastructure improvements in two subdivisions. The balance at September 30, 2010 was \$8,465,000.

Special Obligation Refunding Taxable Bonds, Series 2005B totaling \$2,655,000, were issued on April 26, 2005 with an interest rate of 4.85%, maturing December 1, 2015. The 2005B bond was issued to refund the 1998B bonds that were originally used to acquire real estate and construct a parking garage. The balance at September 30, 2010 was \$1,615,000.

General Obligation Refunding Bonds, Series 2009 totaling \$3,950,000 were issued on March 10, 2009, with interest rates ranging from 2% to 3%, maturing December 1, 2012. The bond proceeds were used to refund \$3,970,000 of the Series 1999 bond issuance with an interest rate of 4.25%. The 1999 bonds were originally used to improve City parks; to resurface residential streets and sidewalks; improvements to infrastructure in three City subdivisions; building improvements to comply with the American Disabilities Act; perform improvements to curb, sidewalk and traffic signals in the Clayton Central Business District; perform improvements to the City recreational facilities including Shaw Park Pool, Ice Rink, and Hanley House; and replacement of the underground tank at the Municipal Garage. The balance at September 30, 2010 was \$2,955,000.

The City has an agreement with St. Louis County, Missouri (the County) to pay for a portion of Shaw Park parking garage. The garage was completed in fiscal year 2005 and the City's portion of the garage to be repaid to the County is \$2,764,176. The note bears interest at rates similar to those found in the bonds the County issued, which range from 4% to 4.75%. Monthly payments of \$19,234 will continue through May 2018. The balance at September 30, 2010 was \$1,431,341.

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

<u>For The Years Ended September 30</u>	<u>Special Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 2,385,000	1,286,837	3,671,837
2012	2,515,000	1,208,810	3,723,810
2013	2,815,000	1,118,972	3,933,972
2014	2,235,000	1,029,564	3,264,564
2015	2,320,000	944,600	3,264,600
2016 - 2020	10,940,000	3,257,673	14,197,673
2021 - 2025	3,935,000	1,816,832	5,751,832
2026 - 2030	4,645,000	672,639	5,317,639
Total	<u>\$ 31,790,000</u>	<u>11,335,927</u>	<u>43,125,927</u>

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

<u>For The Years Ended September 30</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 995,000	68,750	1,063,750
2012	1,015,000	43,575	1,058,575
2013	945,000	14,175	959,175
Total	<u>\$ 2,955,000</u>	<u>126,500</u>	<u>3,081,500</u>

<u>For The Years Ended September 30</u>	<u>Note Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 150,000	66,610	216,610
2012	155,000	60,010	215,010
2013	165,000	53,035	218,035
2014	175,000	45,445	220,445
2015	180,000	37,351	217,351
2016-2018	606,341	58,853	665,194
Total	<u>\$ 1,431,341</u>	<u>321,304</u>	<u>1,752,645</u>

Capital Lease

During the fiscal year ended September 30, 2010, the City entered into a capital lease agreement to purchase a ladder truck for \$1,020,000. The lease matures November 2021, with an interest rate of 4.71%. The capitalized cost of the truck is \$1,028,386, and accumulated depreciation is \$51,419 at September 30, 2010.

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

<u>For The Years Ended September 30</u>	
2011	\$ 102,148
2012	111,434
2013	111,434
2014	111,434
2015	111,434
2016 - 2020	557,171
2021 - 2022	130,007
Total Minimum Lease Payments	<u>1,235,062</u>
Less - Amount representing interest	<u>274,325</u>
Present Value of Future Minimum Lease Payments	<u>\$ 960,737</u>

NOTE G - 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, 2010, there were three series of industrial revenue bonds outstanding.

On May 12, 2009, the City approved the issuance of up to \$202,000,000 in Taxable Industrial Revenue Bonds to finance the acquisition of real property located at 7700-7736 Forsyth Boulevard related to the Centene Center project. At September 30, 2010, \$20,232,242 was issued and remains outstanding.

On May 12, 2009, the City approved the issuance of up to \$17,000,000 in Taxable Industrial Revenue Bonds to finance the purchase and installation of equipment related to the Centene Center project. At September 30, 2010, \$11,136 was issued and remains outstanding.

On May 23, 2009, the City approved the issuance of up to \$10,000,000 in Taxable Industrial Revenue Bonds to finance the acquisition of real property located at 21 South Hanley Road related to the Centene Center project. At September 30, 2010, \$2,860,717 was issued and remains outstanding.

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS

The City maintains two single-employer, defined benefit pension plans. The City's total payroll for the year ended September 30, 2010 was \$10,859,995.

1. Nonuniformed Employees' Retirement Fund

Plan Description and Provisions

The City sponsors and administers a single-employer defined benefit pension plan, the City of Clayton Nonuniformed Employees' Retirement Fund (NUERF), which covers substantially all full-time employees not covered under the City of Clayton Uniformed Employees' Retirement Fund. 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 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 con-

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

1. Nonuniformed Employees' Retirement Fund (Continued)

tributions 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:

<u>Group</u>	<u>July 1 2010</u>
Retirees and beneficiaries currently receiving benefits	28
Vested terminated employees	35
Active employees:	
Fully vested	62
Nonvested	29

All employees of the City, except policemen and firemen, who have completed six months of employment are eligible to participate as long as they continue to be employed by the City of Clayton 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 age, credited service, and average monthly compensation at early retirement, reduced by .25% for each month that early retirement precedes normal retirement.

Employees are required to contribute 3% of annual salary to the NUERF. However, the contribution requirements have been temporarily suspended since 1991. The City should appropriate annually such funds as are necessary, which, together with employee contributions and investment income, will cover the costs and accrued liability of the Plan.

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 5 years of credited service, a refund of member contributions plus 4% interest.
- With 5 or more years of credited service, the pension accrued to date of termination, payable commencing at his/her normal retirement date.

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

1. Nonuniformed Employees' Retirement Fund (Continued)

Funding Status and Progress

Pension Plan			
Valuation For The Actuarial Years Ended June 30	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)
2010	\$10,217,856	\$11,801,559	\$1,583,703
2009	10,035,142	10,869,394	834,252
2008	10,160,207	10,124,715	(35,492)
2007	9,661,919	9,533,677	(128,242)
2006	9,049,924	9,035,521	(14,403)
2005	8,655,695	8,512,416	(143,279)
Valuation For The Actuarial Years Ended June 30	Funded Ratio	Covered Payroll	UAAL As A Percentage Of Covered Payroll
2010	86.6%	\$4,724,615	33.5%
2009	92.3	4,690,330	17.8
2008	100.4	4,477,087	(.8)
2007	101.3	4,201,226	(3.1)
2006	100.2	3,966,774	(.4)
2005	101.7	3,971,048	(3.6)

Schedule Of Employer's Contributions

For The Years Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$353,902	\$161,614	45.7%
2009	251,507	-	-
2008	255,620	-	-
2007	256,078	-	-
2006	240,308	-	-
2005	238,217	-	-

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

1. Nonuniformed Employees' Retirement Fund (Continued)

Valuation date	July 1, 2010
Actuarial cost method	Entry age (normal)
Amortization method	Level dollar
Amortization period	Closed
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	4.5%
Inflation rate	-
Post-retirement benefit increases	Lower of annual consumer price index or 2%

Trend Information

Historical trend information about the NUERF is presented herewith as required supplemental information. This information is intended to help users assess the NUERF's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS). Certain changes have been made to prior year amounts due to actuarial adjustments.

Retirement Fund

<u>Valuation For The Actuarial Years Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation (Asset)</u>
2010	\$302,660	53.4%	\$1,429,525
2009	208,559	-	1,288,479
2008	221,481	-	1,079,920
2007	231,131	-	858,439
2006	224,280	-	627,308
2005	231,391	-	403,028

<u>Valuation For The Actuarial Years Ended June 30</u>	<u>Net Pension Obligation (Asset) Beginning Of Year</u>	<u>Annual Required Contribution</u>	<u>Interest On Net Pension Obligation (Asset)</u>	<u>Adjustment To Annual Required Contribution</u>	<u>Annual Pension Cost</u>	<u>Actual Contri- bution</u>	<u>Net Pension Obligation (Asset) End Of Year</u>
2010	\$1,288,479	\$353,902	\$90,194	\$141,436	\$302,660	\$161,614	\$1,429,525
2009	1,079,920	251,507	75,594	118,542	208,559	-	1,288,479
2008	858,439	255,620	60,091	94,230	221,481	-	1,079,920
2007	627,308	256,078	43,912	68,859	231,131	-	858,439
2006	403,028	240,308	28,212	44,240	224,280	-	627,308
2005	171,637	238,217	12,015	18,841	231,391	-	403,028

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

2. City of Clayton Uniformed Employees' Pension Fund

Plan Description and Provisions

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

<u>Group</u>	<u>January 1 2010</u>
Retirees and beneficiaries currently receiving benefits	54
Vested terminated employees	8
Active employees:	
Fully vested	43
Nonvested	42

Each 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 to vested employees, but benefits are not paid until age 55.

City ordinance requires each member to contribute 5% of basic pay during the first 25 years of credited service. The ordinance requires the City to contribute the actuarially computed amounts, which, together with employee contributions and investment income, will cover the costs of the Plan.

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

2. City of Clayton Uniformed Employees' Pension Fund (Continued)

Funding Status and Progress

Pension Plan			
Valuation For The Actuarial Years Ended December 31	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)
2009	\$21,744,890	\$31,448,981	(\$9,704,091)
2008	27,667,999	30,172,986	(2,504,987)
2007	25,274,151	28,927,898	(3,653,747)
2006	22,514,850	27,182,515	(4,667,665)
2005	21,317,133	26,264,282	(4,947,149)
2004	19,196,558	24,962,331	(5,765,773)
Valuation For The Actuarial Years Ended December 31	Funded Ratio	Covered Payroll	UAAL As A Percentage Of Covered Payroll
2009	69.1%	\$5,688,000	170.6%
2008	91.7	5,274,000	47.5
2007	87.4	5,102,000	71.6
2006	82.8	5,171,000	90.3
2005	81.2	4,905,000	100.8
2004	76.9	4,314,000	133.7

Schedule Of Employer's Contributions

For The Years Ended December 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2010	\$1,125,201	\$1,125,201	100.0%
2009	677,396	677,396	100.0
2008	733,009	733,009	100.0
2007	756,282	756,282	100.0
2006	798,089	798,089	100.0
2005	819,885	819,885	100.0

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

2. City of Clayton Uniformed Employees' Pension Fund (Continued)

Valuation date	January 1, 2010
Actuarial cost method	Entry age (normal)
Amortization method	Closed
Amortization period	24 years
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	3.5%
Inflation rate	-
Post-retirement benefit increases	Lower of annual consumer price index or 2%

Annual Pension Cost

Current year annual pension costs for the UERF are shown in the trend information. Annual required contributions were made by the UERF. There is not a net pension obligation for the UERF.

Trend Information

Historical trend information about the Plan is presented herewith as required supplementary information. This information is intended to help user's assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

Pension Plan								
Valuation For The Actuarial Years Ended December 31			Annual Pension Cost	Percentage Contributed				Net Pension Obligation (Asset)
2009			\$1,121,274	100.4%				(\$282,427)
2008			673,524	100.6				(278,499)
2007			729,190	100.5				(274,627)
2006			752,517	100.5				(270,808)
2005			794,376	100.5				(267,043)
2004			815,499	100.5				(263,330)
Valuation For The Actuarial Years Ended December 31	Net Pension Obligation (Asset) Beginning Of Year	Calculated Contribution	Interest On Net Pension Obligation (Asset)	Adjustment To Annual Required Contribution	Annual Pension Cost	Actual Contri- butions	Net Pension Obligation (Asset) End Of Year	
2009	(\$278,500)	\$1,125,201	(\$19,495)	(\$15,568)	\$1,121,274	\$1,125,201	(\$282,427)	
2008	(274,627)	677,396	(19,224)	(15,352)	673,524	677,396	(278,500)	
2007	(270,808)	733,009	(18,957)	(15,138)	729,190	733,009	(274,627)	
2006	(267,043)	756,282	(18,693)	(14,928)	752,517	756,282	(270,808)	
2005	(263,330)	798,089	(18,433)	(14,720)	794,376	798,089	(267,043)	
2004	(258,944)	819,885	(18,126)	(13,740)	815,499	819,885	(263,330)	

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

3. Condensed Statement of Fiduciary Net Assets

	September 30, 2010		
	City Of Clayton Non- uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
ASSETS			
Cash and cash equivalents	\$ 52,512	687,728	740,240
Investments:			
U.S. government and agency securities	-	3,322,961	3,322,961
Common stocks	-	3,650,886	3,650,886
Corporate bonds	-	4,186,645	4,186,645
Taxable municipal obligations	-	567,115	567,115
Mutual funds	8,218,526	11,842,443	20,060,969
Property funds	750,276	2,065,235	2,815,511
Interest receivable	10,106	71,456	81,562
Total Assets	9,031,420	26,394,469	35,425,889
LIABILITIES			
Due to other funds	8,500	12,500	21,000
Unsettled investment transactions	-	11,879	11,879
Total Liabilities	8,500	24,379	32,879
NET ASSETS			
Held in trust for pension benefits	\$ 9,022,920	26,370,090	35,393,010

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)

4. Condensed Statement of Changes in Fiduciary Net Assets

	September 30, 2010		
	City Of Clayton Non- uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
ADDITIONS			
Contributions:			
Participant contributions	\$ -	228,175	228,175
Employer contributions	215,485	1,181,801	1,397,286
Total Contributions	<u>215,485</u>	<u>1,409,976</u>	<u>1,625,461</u>
Investment income:			
Net appreciation in fair value of investments and interest and dividends	701,744	2,068,928	2,770,672
Less - Investment expense	(30,952)	(145,280)	(176,232)
Total Investment Income	<u>670,792</u>	<u>1,923,648</u>	<u>2,594,440</u>
Total Additions	886,277	3,333,624	4,219,901
DEDUCTIONS			
Benefits	<u>284,266</u>	<u>1,223,270</u>	<u>1,507,536</u>
CHANGE IN NET ASSETS	602,011	2,110,354	2,712,365
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, OCTOBER 1	<u>8,420,909</u>	<u>24,259,736</u>	<u>32,680,645</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEPTEMBER 30	<u>\$ 9,022,920</u>	<u>26,370,090</u>	<u>35,393,010</u>

NOTE I - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS

Plan Description

The City sponsors and administers a single-employer OPEB plan that does not issue a separate stand-alone financial report. The City provides medical and prescription drug benefits to eligible retirees. All employees who retire from the City and meet the eligibility criteria may participate. Nonuniformed employees are eligible to retire once they have attained age 55 and have 10 years of service. Uniformed employees are eligible to retire once they have attained the age of 50 and have 10 years of service. All employees are eligible to retire once they have attained the age of 65. Retirees who elect to participate must pay the premium in effect for the cur-

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS
(Continued)

rent plan year or any subsequent year at the premium rates in effect at that time, less contributions made by the City. Since retirees pay only the portion of the premium not paid directly by the City each year, the remaining share of any premium cost to the City is determined on the basis of a blended rate or implicit rate subsidy calculation. The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The City's annual OPEB cost for the most recent actuarial valuation and the related information are as follows:

	For The Year Ended September 30 2009
Normal cost	\$28,202
Amortization of unfunded accrued liability	36,279
Interest to end of year	<u>2,579</u>
Annual Required Contribution	67,060
Interest on net OPEB obligation	<u>-</u>
Annual OPEB cost	67,060
Contributions made	<u>20,239</u>
Increase in net OPEB obligation	46,821
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB Obligation, End Of Year	<u>\$46,821</u>

The Plan, stated in the City's Personnel Policy, was established by City Ordinance, which assigned the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

In future years, three-year trend information will be presented. 2009 was the year of implementation of GASB 45 and the City has elected to implement prospectively, therefore, prior year comparative funding progress is not available.

Required Supplemental Information

Schedule Of Funding Progress

Valuation For The Actuarial Valuation October 1	Actuarial Value Of Assets (1)	Actuarial Accrued Liability (2)	Unfunded Accrued Liability (UAAL) (1)-(2)	Funded Ratio (1)/(2)	Covered Payroll	UAAL As A Percentage Of Covered Payroll
2008	\$ -	\$512,770	(\$512,770)	- %	\$10,378,293	4.94%

CITY OF CLAYTON, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS
(Continued)

Schedule Of Employer Contributions			
For The Year Ended September 30	Annual Required Cost	Contribution Made	Percent Contributed
2009	\$67,060	\$20,239	30.18%

Actuarial Methods and Assumptions

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

In the October 1, 2008 actuarial valuation, the liabilities were computed using the Projected Unit Credit Method. The initial unfunded actuarial accrued liability is being amortized over 20 years. The actuarial assumptions utilized a 4% discount rate. The valuation assumes a 9.5% premium cost rate for fiscal year 2009, reduced by decrements to an ultimate 5.5% increase for 2030 and later years.

NOTE J - DEFERRED COMPENSATION PLAN

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

NOTE K - 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 joined the St. Louis Area Insurance Trust (SLAIT) in January 2005, a public entity risk pool, for general liability, law enforcement liability, workers' compensation, and automobile liability. The change reduced the City's financial exposure for claims. The City's insurance coverage with each category of risk is in the amount of \$2.5 million per occurrence, except coverage for workers' compensation is in the amount of \$1 million per occurrence. The City pays an annual contribution to SLAIT for its insurance coverage. If the contributions produce insufficient funds to meet obligations, SLAIT is empowered to make special assessments. Members of SLAIT are jointly and severally liable for all claims against SLAIT.

Only July 1, 2009 the City joined a health insurance consortium of fourteen cities already participating in SLAIT's liability and worker's compensation insurance pool. By pooling with other municipalities for health insurance, the City has improved its buying power, eased its administrative burden, and attempted to insulate itself from potentially high rate increases and large insurance claims. The City entered the health insurance

NOTE K - RISK MANAGEMENT (Continued)

pool for a minimum term of three years with the option to renew at the end of the three years depending on the performance of the insurance pool and benefits to the City. The City pays monthly premiums (set at a predetermined rate based on the pool's history of claims paid) to SLAIT for its health insurance coverage. SLAIT has stop-loss insurance for claims in excess of \$100,000 per claimant and an aggregate of 125% of expected annual losses. If contributions to the insurance pool produce a surplus, SLAIT has the authority to determine how the surplus funds will be appropriated. If there is a deficit, members of the program are subject to an assessment.

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 three years.

NOTE L - COMMITMENTS AND CONTINGENCIES

Litigation. The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routing 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.

NOTE M - JOINT VENTURE

Pursuant to an agreement authorized by City ordinance, the City joined with the Clayton School District to construct and operate a recreational facility. The construction was funded by the City and the Clayton School District. Administration, accounting, and repair and maintenance of the facility will be shared in accordance with the agreement. The City has contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the City. The City is liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$150,000 for its share of the operational cash shortage incurred by the joint venture for the year ended September 30, 2010.

A condensed summary of financial information for the joint venture is as follows:

NOTE M - JOINT VENTURE (Continued)

	For The Year Ended September 30 2010
Assets	\$ 14,621,536
Liabilities	1,318,625
Net Assets	
Invested in capital assets, net of related debt	13,565,139
Unrestricted	(262,228)
Total Net Assets	\$ 13,302,911
Operating revenue	\$ 2,705,608
Operating expenses	(3,579,103)
Nonoperating expenses	(26,617)
Capital contributions	300,000
Change In Net Assets	\$ (600,112)

NOTE N - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$3,717,214 of restricted net assets, of which \$359,353 is restricted by enabling legislation.

NOTE O - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), establishes standards for the policies and disclosures for fund balance among other things. GASB 54 will be effective for the City for the year ending September 30, 2011. The City, however, has not yet completed its assessment of the statement or the potential impact of the statement on its financial position.

NOTE P - PRIOR PERIOD ADJUSTMENT AND RECLASSIFICATION OF FUND BALANCES

During the fiscal year ended September 30, 2010, the City merged the Internal Service Fund and Parking Facilities Enterprise Fund into the General Fund. They also merged the Capital Improvement Project Fund into the Revolving Public Improvement Fund.

The previously stated net assets/fund balances have been adjusted as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>General Fund</u>	<u>Revolving Public Improvement Fund</u>	<u>Capital Improvement Project Fund</u>	<u>Parking Facilities Enterprise Fund</u>	<u>Internal Service Fund</u>
Fund balance/net assets, September 30, 2009, as previously reported	\$ 37,439,307	19,867,214	12,636,338	2,290,633	960,393	19,867,214	576,432
Restatement for deferred revenue recognition	38,393	-	(135,643)	-	-	-	-
Restatement for reclassification of fund balances	<u>19,867,214</u>	<u>(19,867,214)</u>	<u>10,983,367</u>	<u>960,393</u>	<u>(960,393)</u>	<u>(19,867,214)</u>	<u>(576,432)</u>
Fund balance/net assets, September 30, 2009, as restated	<u><u>\$ 57,344,914</u></u>	<u><u>-</u></u>	<u><u>23,484,062</u></u>	<u><u>3,251,026</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF CLAYTON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
General property taxes	\$ 5,426,250	5,348,250	5,358,513	10,263
Licenses and permits	1,854,180	1,736,461	1,780,141	43,680
Public utility licenses	6,539,978	6,099,978	6,165,908	65,930
Intergovernmental	3,784,593	3,745,820	3,906,699	160,879
Community programs	1,661,815	1,424,139	1,413,736	(10,403)
Parking facilities and meters	1,764,900	1,764,900	1,474,297	(290,603)
Fines and forfeitures	1,069,656	1,022,857	1,070,643	47,786
Investment income	422,500	445,488	352,663	(92,825)
Miscellaneous	1,145,942	581,372	600,596	19,224
Total Revenues	<u>23,669,814</u>	<u>22,169,265</u>	<u>22,123,196</u>	<u>(46,069)</u>
EXPENDITURES				
Current:				
General government:				
City planning and development	914,907	896,034	856,304	(39,730)
Nondepartmental	776,056	878,898	848,919	(29,979)
Information systems	651,241	545,229	504,250	(40,979)
Communications	201,044	29,303	30,529	1,226
Finance	575,963	575,963	554,212	(21,751)
City manager's office	1,001,627	683,877	700,643	16,766
Municipal court	209,009	209,009	208,159	(850)
Board of aldermen and city clerk	78,099	103,099	79,995	(23,104)
Personnel administration	186,668	186,668	171,050	(15,618)
Building maintenance	423,405	829,995	870,487	40,492
Public safety	9,370,440	9,311,440	9,441,363	129,923
Streets and highways	5,191,002	5,004,202	4,636,808	(367,394)
Parks and recreation	2,042,915	2,067,860	1,991,742	(76,118)
Debt service:				
Principal	365,000	365,000	365,000	-
Interest and fiscal charges	169,472	169,472	169,472	-
Total Expenditures	<u>22,156,848</u>	<u>21,856,049</u>	<u>21,428,933</u>	<u>(427,116)</u>
REVENUES OVER EXPENDITURES	<u>1,512,966</u>	<u>313,216</u>	<u>694,263</u>	<u>381,047</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	417,522	417,522	417,522	-
Transfers out	(1,736,157)	(1,538,091)	(1,538,091)	-
Total Other Financing Sources (Uses)	<u>(1,318,635)</u>	<u>(1,120,569)</u>	<u>(1,120,569)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 194,331</u>	<u>(807,353)</u>	<u>(426,306)</u>	<u>381,047</u>
FUND BALANCE, OCTOBER 1			<u>23,484,062</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 23,057,756</u>	

CITY OF CLAYTON, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 2010

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 Police Forfeiture and P.O.S.T. Fund 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.
- b. Public hearings and open council meetings are held to obtain taxpayer comments.
- c. Prior to September 1, the budget is adopted by the Board of Aldermen.
- d. Budgets are adopted on a basis generally consistent with U.S. generally accepted accounting principles. Unencumbered appropriations lapse at year-end.
- e. Current year budget includes amendments. Budget amendments between funds or departments must be approved by the Board of Aldermen.

Expenditures Exceeded Appropriations

During the year ended September 30, 2010, expenditures exceeded appropriations in the following funds and departments:

<u>Fund/Department</u>	<u>Amount</u>
General Fund:	
Communications	\$ 1,226
City manager's office	16,766
Building maintenance	40,492
Public safety	129,923
 2009 Build America Bond Fund	 271,353

OTHER SUPPLEMENTAL INFORMATION SECTION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to 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 the sewer lateral fees assessed on all residential property, which funds are to be utilized for the repair of sewer lateral service lines, up to a maximum of \$3,000 per residence.

Police Forfeiture and P.O.S.T. 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.

1999 Bond Issue Fund -- This fund is used to account for the accumulation of resources for, and the payment of, general obligation refunding bond principal and interest.

2002 Capital Project Bond Fund -- This fund is used to account for the accumulation of resources for, and the payment of, special obligation refunding bond principal and interest.

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

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010

	<u>Special Revenue Funds</u>			<u>Debt Service Funds</u>			<u>Total</u>
	<u>Special Taxing District</u>	<u>Sewer Lateral</u>	<u>Police Forfeiture And P.O.S.T.</u>	<u>1999 Bond Issue</u>	<u>2002 Capital Project Bond</u>	<u>2005 Bond Debt Service</u>	
ASSETS							
Cash and cash equivalents	\$ 97,618	72,945	36,130	53,992	-	336,870	597,555
Investments	-	205,000	-	515,785	-	-	720,785
Property taxes receivable	-	-	-	23,063	-	-	23,063
Special assessments receivables	-	-	-	-	-	118,565	118,565
Interest receivable	-	1,674	-	227	7,686	2,768	12,355
Investments - restricted	-	-	-	-	817,500	1,216,500	2,034,000
	<u>-\$ 97,618</u>	<u>279,619</u>	<u>36,130</u>	<u>593,067</u>	<u>825,186</u>	<u>1,674,703</u>	<u>3,506,323</u>
Total Assets	<u>\$ 97,618</u>	<u>279,619</u>	<u>36,130</u>	<u>593,067</u>	<u>825,186</u>	<u>1,674,703</u>	<u>3,506,323</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 10,544	-	8,661	-	-	-	19,205
Accrued liabilities	7,340	-	-	-	-	-	7,340
Due to other funds	-	-	-	-	595	-	595
Deferred revenue	-	-	-	20,687	-	118,565	139,252
	<u>17,884</u>	<u>-</u>	<u>8,661</u>	<u>20,687</u>	<u>595</u>	<u>118,565</u>	<u>166,392</u>
Fund Balances							
Reserved for debt service	-	-	-	572,380	824,591	1,556,138	2,953,109
Unreserved:							
Special revenue funds	79,734	279,619	27,469	-	-	-	386,822
Total Fund Balances	<u>79,734</u>	<u>279,619</u>	<u>27,469</u>	<u>572,380</u>	<u>824,591</u>	<u>1,556,138</u>	<u>3,339,931</u>
Total Liabilities And Fund Balances	<u>\$ 97,618</u>	<u>279,619</u>	<u>36,130</u>	<u>593,067</u>	<u>825,186</u>	<u>1,674,703</u>	<u>3,506,323</u>

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds			Debt Service Funds			Total
	Special Taxing District	Sewer Lateral	Police Forfeiture And P.O.S.T.	1999 Bond Issue	2002 Capital Project Bond	2005 Bond Debt Service	
REVENUES							
General property taxes	\$ 223,154	-	-	792,913	-	-	1,016,067
Assessment income	-	97,595	-	-	-	29,461	127,056
Fines and forfeitures	-	-	8,156	-	-	-	8,156
Investment income	636	3,528	232	4,680	12,995	21,428	43,499
Total Revenues	<u>223,790</u>	<u>101,123</u>	<u>8,388</u>	<u>797,593</u>	<u>12,995</u>	<u>50,889</u>	<u>1,194,778</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	4,000	4,000
Public safety	-	-	16,879	-	-	-	16,879
Community development	432,432	-	-	-	-	-	432,432
Capital outlay	-	72,574	-	-	-	-	72,574
Debt service:							
Principal	-	-	-	995,000	760,000	745,000	2,500,000
Interest and fiscal charges	-	-	-	88,650	266,157	340,615	695,422
Total Expenditures	<u>432,432</u>	<u>72,574</u>	<u>16,879</u>	<u>1,083,650</u>	<u>1,026,157</u>	<u>1,089,615</u>	<u>3,721,307</u>
REVENUES OVER (UNDER) EXPENDITURES	(208,642)	28,549	(8,491)	(286,057)	(1,013,162)	(1,038,726)	(2,526,529)
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	1,017,701	1,030,000	2,047,701
NET CHANGES IN FUND BALANCES	(208,642)	28,549	(8,491)	(286,057)	4,539	(8,726)	(478,828)
FUND BALANCES, OCTOBER 1	<u>288,376</u>	<u>251,070</u>	<u>35,960</u>	<u>858,437</u>	<u>820,052</u>	<u>1,564,864</u>	<u>3,818,759</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 79,734</u>	<u>279,619</u>	<u>27,469</u>	<u>572,380</u>	<u>824,591</u>	<u>1,556,138</u>	<u>3,339,931</u>

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND
ACTUAL - SPECIAL TAXING DISTRICT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
General property taxes	\$ 235,275	235,275	223,154	(12,121)
Investment income	2,000	2,000	636	(1,364)
Total Revenues	237,275	237,275	223,790	(13,485)
EXPENDITURES				
Community development	411,095	471,095	432,432	(38,663)
NET CHANGE IN FUND BALANCE	\$ (173,820)	(233,820)	(208,642)	25,178
FUND BALANCE, OCTOBER 1			288,376	
FUND BALANCE, SEPTEMBER 30			\$ 79,734	

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER LATERAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES			
Assessment income	\$ 97,000	97,595	595
Investment income	<u>5,000</u>	<u>3,528</u>	<u>(1,472)</u>
Total Revenues	102,000	101,123	(877)
EXPENDITURES			
Capital outlay	<u>100,000</u>	<u>72,574</u>	<u>(27,426)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	28,549	<u>26,549</u>
FUND BALANCE, OCTOBER 1		<u>251,070</u>	
FUND BALANCE, SEPTEMBER 30		<u>\$ 279,619</u>	

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - 1999 BOND ISSUE DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
General property taxes	\$ 830,000	793,000	792,913	(87)
Investment income	8,440	8,440	4,680	(3,760)
Total Revenues	<u>838,440</u>	<u>801,440</u>	<u>797,593</u>	<u>(3,847)</u>
EXPENDITURES				
Debt service:				
Principal	995,000	995,000	995,000	-
Interest and fiscal charges	88,900	88,900	88,650	(250)
Total Expenditures	<u>1,083,900</u>	<u>1,083,900</u>	<u>1,083,650</u>	<u>(250)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (245,460)</u></u>	<u><u>(282,460)</u></u>	<u>(286,057)</u>	<u><u>(3,597)</u></u>
FUND BALANCE, OCTOBER 1			<u>858,437</u>	
FUND BALANCE, SEPTEMBER 30			<u><u>\$ 572,380</u></u>	

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - 2002 CAPITAL PROJECT BOND DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ 8,175	8,175	12,995	4,820
EXPENDITURES				
Debt service:				
Principal	760,000	760,000	760,000	-
Interest and fiscal charges	265,875	266,158	266,157	(1)
Total Expenditures	1,025,875	1,026,158	1,026,157	(1)
REVENUES OVER (UNDER) EXPENDITURES	(1,017,700)	(1,017,983)	(1,013,162)	4,821
OTHER FINANCING SOURCES				
Transfers in	1,017,701	1,017,701	1,017,701	-
NET CHANGE IN FUND BALANCE	\$ 1	(282)	4,539	4,821
FUND BALANCE, OCTOBER 1			820,052	
FUND BALANCE, SEPTEMBER 30			\$ 824,591	

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - 2005 BOND DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Assessment income	\$ 21,500	21,500	29,461	7,961
Investment income	25,093	25,093	21,428	(3,665)
Total Revenues	46,593	46,593	50,889	4,296
EXPENDITURES				
Current:				
General government	1,000	4,000	4,000	-
Debt service:				
Principal	745,000	745,000	745,000	-
Interest and fiscal charges	340,165	340,615	340,615	-
Total Expenditures	1,086,165	1,089,615	1,089,615	-
REVENUES OVER (UNDER) EXPENDITURES	(1,039,572)	(1,043,022)	(1,038,726)	4,296
OTHER FINANCING SOURCES				
Transfers in	1,030,000	1,030,000	1,030,000	-
NET CHANGE IN FUND BALANCE	\$ (9,572)	(13,022)	(8,726)	4,296
FUND BALANCE, OCTOBER 1			1,564,864	
FUND BALANCE, SEPTEMBER 30			\$ 1,556,138	

MAJOR GOVERNMENTAL FUNDS - BUDGETARY INFORMATION

CAPITAL PROJECTS FUNDS

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

Revolving Public 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, road and bridge taxes, and certain special assessment taxes.

Equipment Replacement Fund -- This fund is used to account for capital asset replacement funds.

DEBT SERVICE FUND

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

2009 Build America Bond Fund -- This fund is used to account for the proceeds for the project and debt service payments of the 2009 Build America Bonds.

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
REVOLVING PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Assessment income	\$ -	-	35,786	35,786
Public utility licenses	4,200	4,200	6,603	2,403
Intergovernmental	6,070,855	3,646,160	3,695,492	49,332
Investment income	20,550	20,550	40,333	19,783
Miscellaneous	-	2,049,588	53,361	(1,996,227)
Total Revenues	6,095,605	5,720,498	3,831,575	(1,888,923)
EXPENDITURES				
Capital outlay	14,956,256	11,909,471	10,499,807	(1,409,664)
REVENUES UNDER EXPENDI- TURES				
	(8,860,651)	(6,188,973)	(6,668,232)	(479,259)
OTHER FINANCING SOURCES (USES)				
Transfers in	17,750,000	8,836,000	8,437,354	(398,646)
Transfers out	(2,355,223)	(2,355,223)	(2,355,223)	-
Total Other Financing Sources (Uses)	15,394,777	6,480,777	6,082,131	(398,646)
NET CHANGE IN FUND BALANCE	\$ 6,534,126	291,804	(586,101)	(877,905)
FUND BALANCE, OCTOBER 1			3,251,026	
FUND BALANCE, SEPTEMBER 30			\$ 2,664,925	

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Investment income	\$ 24,000	24,000	30,058	6,058
EXPENDITURES				
Capital outlay	2,371,560	1,657,560	1,522,368	(135,192)
Debt service:				
Principal	59,263	59,263	59,263	-
Interest and fiscal charges	42,885	42,885	42,885	-
Total Expenditures	<u>2,473,708</u>	<u>1,759,708</u>	<u>1,624,516</u>	<u>(135,192)</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>(2,449,708)</u>	<u>(1,735,708)</u>	<u>(1,594,458)</u>	<u>141,250</u>
OTHER FINANCING SOURCES				
Transfers in	430,157	430,157	430,157	-
Issuance of capital lease	1,120,000	1,020,000	1,020,000	-
Sale of capital assets	245,000	213,000	228,577	15,577
Total Other Financing Sources	<u>1,795,157</u>	<u>1,663,157</u>	<u>1,678,734</u>	<u>15,577</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ (654,551)</u>	<u>(72,551)</u>	84,276	<u>156,827</u>
FUND BALANCE, OCTOBER 1			<u>2,273,736</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 2,358,012</u>	

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - 2009 BUILD AMERICA BOND DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Investment income	\$ -	203,503	201,383	(2,120)
EXPENDITURES				
Debt service:				
Interest and fiscal charges	442,000	381,436	381,436	-
Bond issuance costs	-	-	271,353	271,353
Total Expenditures	442,000	381,436	652,789	271,353
REVENUES UNDER EXPENDITURES	(442,000)	(177,933)	(451,406)	(273,473)
OTHER FINANCING SOURCES (USES)				
Transfers in	442,000	247,934	247,934	-
Transfers out	-	(8,086,000)	(7,687,354)	(398,646)
Issuance of debt	-	14,850,055	15,000,000	149,945
Bond premium	-	-	40,020	40,020
Total Other Financing Sources (Uses)	442,000	7,011,989	7,600,600	588,611
NET CHANGE IN FUND BALANCE	\$ -	6,834,056	7,149,194	315,138
FUND BALANCE, OCTOBER 1			-	
FUND BALANCE, SEPTEMBER 30			\$ 7,149,194	

FIDUCIARY FUND TYPES

Trust Funds are used to account for assets held by the City in a trustee capacity.

PENSION TRUST FUNDS

Nonuniformed Employees' Retirement Fund -- This fund is used to account for assets held in a trustee capacity for the City's nonuniformed employees.

City of Clayton 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
OTHER SUPPLEMENTAL INFORMATION SCHEDULE OF
CHANGES IN FIDUCIARY NET ASSETS - BUDGET AND ACTUAL -
NONUNIFORMED EMPLOYEES' RETIREMENT PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
ADDITIONS			
Employer contributions	\$ 220,000	215,485	(4,515)
Investment income:			
Net appreciation in fair value of investments and interest and dividends	538,405	701,744	163,339
Less - Investment expense	(44,805)	(30,952)	(13,853)
Total Investment Income	<u>493,600</u>	<u>670,792</u>	<u>177,192</u>
Total Additions	713,600	886,277	172,677
DEDUCTIONS			
Benefits	<u>316,318</u>	<u>284,266</u>	<u>(32,052)</u>
CHANGE IN NET ASSETS	<u>\$ 397,282</u>	602,011	<u>204,729</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, OCTOBER 1		<u>8,420,909</u>	
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEPTEMBER 30		<u>\$ 9,022,920</u>	

CITY OF CLAYTON, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES
IN FIDUCIARY NET ASSETS - BUDGET AND ACTUAL -
UNIFORMED EMPLOYEES' PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Original Budget	Final Budget	Actual	Over (Under) Budget
ADDITIONS				
Contributions:				
Participant contributions	\$ 222,500	222,500	228,175	5,675
Employer contributions	1,127,400	1,127,400	1,181,801	54,401
Total Contributions	1,349,900	1,349,900	1,409,976	60,076
Investment income:				
Net appreciation in fair value of investments and interest and dividends	1,545,747	1,545,747	2,068,928	523,181
Less - Investment expense	(148,953)	(158,383)	(145,280)	(13,103)
Total Investment Income	1,396,794	1,387,364	1,923,648	536,284
Total Additions	2,746,694	2,737,264	3,333,624	596,360
DEDUCTIONS				
Benefits	1,150,000	1,223,270	1,223,270	-
CHANGE IN NET ASSETS	\$ 1,596,694	1,513,994	2,110,354	596,360
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, OCTOBER 1			24,259,736	
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEPTEMBER 30			\$ 26,370,090	

STATISTICAL SECTION

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City’s overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	70 - 74
Revenue Capacity These schedules contain information to help the reader assess the City’s local revenue sources.	75 - 78
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	79 - 82
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	83 - 84
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	85 - 87

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF CLAYTON, MISSOURI
NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS

	September 30							
	2010 (1)	2009	2008	2007	2006	2005	2004	2003
Governmental Activities								
Invested in capital assets, net of related debt	\$ 26,675,814	15,329,996	12,335,368	11,295,023	8,732,202	6,595,418	5,755,970	3,385,887
Restricted	3,717,214	3,782,799	2,819,375	2,729,192	2,613,411	2,512,962	7,167,871	7,061,365
Unrestricted	26,909,957	18,326,512	19,948,353	15,591,402	14,090,912	14,478,948	10,849,389	10,606,559
Total Governmental Activities Net Assets	<u>\$ 57,302,985</u>	<u>37,439,307</u>	<u>35,103,096</u>	<u>29,615,617</u>	<u>25,436,525</u>	<u>23,587,328</u>	<u>23,773,230</u>	<u>21,053,811</u>
Business-type Activities								
Invested in capital assets, net of related debt	\$ -	9,397,875	9,404,409	9,415,507	9,545,577	11,540,026	10,256,621	9,825,160
Restricted	-	265,500	204,000	285,195	280,174	283,450	364,327	363,211
Unrestricted	-	10,203,839	10,283,256	10,306,400	10,127,036	6,211,445	7,316,261	7,055,289
Total Business-type Activities Net Assets	<u>\$ -</u>	<u>19,867,214</u>	<u>19,891,665</u>	<u>20,007,102</u>	<u>19,952,787</u>	<u>18,034,921</u>	<u>17,937,209</u>	<u>17,243,660</u>
Primary Government								
Invested in capital assets, net of related debt	\$ 26,675,814	24,727,871	21,739,777	20,710,530	18,277,779	18,135,444	16,012,591	13,211,047
Restricted	3,717,214	4,048,299	3,023,375	3,014,387	2,893,585	2,796,412	7,532,198	7,424,576
Unrestricted	26,909,957	28,530,351	30,231,609	25,897,802	24,217,948	20,690,393	18,165,650	17,661,848
Total Primary Government Net Assets	<u>\$ 57,302,985</u>	<u>57,306,521</u>	<u>54,994,761</u>	<u>49,622,719</u>	<u>45,389,312</u>	<u>41,622,249</u>	<u>41,710,439</u>	<u>38,297,471</u>

Note:

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

Source: Basic financial statements

GASB 34 was implemented in 2003.

CITY OF CLAYTON, MISSOURI
CHANGES IN NET ASSETS
LAST EIGHT FISCAL YEARS

	For The Years Ended September 30							
	2010 (1)	2009	2008	2007	2006	2005	2004	2003
EXPENSES								
Governmental Activities								
General government	\$ 6,066,181	5,184,518	5,286,324	4,585,667	4,253,478	4,706,827	2,875,742	3,185,066
Public safety	9,784,707	9,153,714	8,495,262	8,246,154	8,660,970	8,198,773	8,243,416	7,655,085
Streets and highways	6,847,543	7,133,404	5,411,338	5,919,304	4,530,039	4,530,110	4,856,137	4,158,084
Parks and recreation	2,938,071	2,135,837	2,079,965	1,975,986	2,865,602	2,211,655	2,279,115	2,014,876
Community development	432,432	199,035	173,316	220,788	975,774	528,627	100,657	130,408
Interest and fiscal charges	1,571,301	779,891	963,747	910,350	989,693	861,255	1,218,464	1,211,293
Total Governmental Activities Expenses	<u>27,640,235</u>	<u>24,586,399</u>	<u>22,409,952</u>	<u>21,858,249</u>	<u>22,275,556</u>	<u>21,037,247</u>	<u>19,573,531</u>	<u>18,354,812</u>
Business-type Activities								
Parking facility	-	1,081,979	1,210,118	1,155,318	1,274,489	1,247,961	1,092,781	1,042,756
Total Primary Government Expenses	<u>27,640,235</u>	<u>25,668,378</u>	<u>23,620,070</u>	<u>23,013,567</u>	<u>23,550,045</u>	<u>22,285,208</u>	<u>20,666,312</u>	<u>19,397,568</u>
PROGRAM REVENUES								
Governmental Activities								
Charges for services:								
General government	1,773,196	662,163	867,722	735,781	666,138	595,618	621,820	777,873
Public safety	2,125,691	1,295,680	1,286,279	1,141,418	931,486	1,381,324	1,334,618	1,230,252
Streets and highways	1,068,315	233,699	187,215	277,604	246,210	238,677	622,814	154,909
Parks and recreation	885,857	850,860	824,989	739,568	672,161	611,660	548,968	491,455
Community development	-	1,354,083	1,398,448	1,331,109	1,309,048	824,766	802,980	301,011
Operating grants and contributions	1,865,220	1,098,553	1,270,321	1,232,687	924,132	1,680,413	2,078,952	1,340,611
Capital grants and contributions	372,500	1,024,386	569,600	287,100	-	-	-	120,433
Total Governmental Activities Program Revenues	<u>8,090,779</u>	<u>6,519,424</u>	<u>6,404,574</u>	<u>5,745,267</u>	<u>4,749,175</u>	<u>5,332,458</u>	<u>6,010,152</u>	<u>4,416,544</u>
Business-type Activities								
Charges for services:								
Parking facility	-	1,521,683	1,420,803	1,416,686	1,486,560	1,595,313	1,711,194	1,721,204
Total Primary Government Program Revenues	<u>8,090,779</u>	<u>8,041,107</u>	<u>7,825,377</u>	<u>7,161,953</u>	<u>6,235,735</u>	<u>6,927,771</u>	<u>7,721,346</u>	<u>6,137,748</u>
NET REVENUES (EXPENSES)								
Governmental activities	(19,549,456)	(18,066,975)	(16,005,378)	(16,112,982)	(17,526,381)	(15,704,789)	(13,563,379)	(13,938,268)
Business-type activities	-	439,704	210,685	261,368	212,071	347,352	618,413	678,448
Total Primary Government Net Revenues (Expenses)	<u>(19,549,456)</u>	<u>(17,627,271)</u>	<u>(15,794,693)</u>	<u>(15,851,614)</u>	<u>(17,314,310)</u>	<u>(15,357,437)</u>	<u>(12,944,966)</u>	<u>(13,259,820)</u>

CITY OF CLAYTON, MISSOURI
CHANGES IN NET ASSETS (Continued)
LAST EIGHT FISCAL YEARS

	For The Years Ended September 30							
	2010 (1)	2009	2008	2007	2006	2005	2004	2003
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS								
Governmental Activities								
Taxes:								
Property	6,388,623	6,886,241	6,643,277	6,332,125	6,135,030	4,707,073	4,648,009	4,496,193
Sales	5,260,745	5,541,603	6,043,834	6,226,794	5,934,900	5,706,839	5,563,404	5,640,949
Utility	6,172,511	4,894,278	5,701,276	4,758,606	4,890,845	4,553,878	4,361,026	3,803,453
Other	100,488	538,881	556,272	565,780	554,595	100,613	100,534	104,854
Licenses (taxes)	-	-	-	-	-	-	492,858	493,240
Investment income	667,936	659,833	771,380	884,333	665,054	329,421	349,778	442,863
Contribution*	-	-	-	-	-	-	-	800,000
Gain (loss) on sale of capital assets	264,774	4,887	-	-	70,222	-	-	(98,720)
Miscellaneous	652,450	1,092,730	1,022,818	400,027	220,455	284,031	205,002	297,353
Transfers	-	784,733	754,000	1,124,409	904,477	390,576	139,849	145,374
Total Governmental Activities General Revenues And Other Changes In Net Assets	<u>19,507,527</u>	<u>20,403,186</u>	<u>21,492,857</u>	<u>20,292,074</u>	<u>19,375,578</u>	<u>16,072,431</u>	<u>15,860,460</u>	<u>16,125,559</u>
Business-type Activities								
Investment income	-	320,578	427,878	586,580	367,140	140,936	214,985	242,034
Gain on sale of capital assets	-	-	-	330,776	2,243,132	-	-	-
Miscellaneous	-	-	-	-	-	-	-	658
Transfers	-	(784,733)	(754,000)	(1,124,409)	(904,477)	(390,576)	(139,849)	(145,374)
Total Business-type Activities General Revenues And Other Changes In Net Assets	<u>-</u>	<u>(464,155)</u>	<u>(326,122)</u>	<u>(207,053)</u>	<u>1,705,795</u>	<u>(249,640)</u>	<u>75,136</u>	<u>97,318</u>
Total Primary Government General Revenues And Other Changes In Net Assets	<u>19,507,527</u>	<u>19,939,031</u>	<u>21,166,735</u>	<u>20,085,021</u>	<u>21,081,373</u>	<u>15,822,791</u>	<u>15,935,596</u>	<u>16,222,877</u>
CHANGES IN NET ASSETS								
Governmental activities	(41,929)	2,336,211	5,487,479	4,179,092	1,849,197	367,642	2,297,081	2,187,291
Business-type activities	-	(24,451)	(115,437)	54,315	1,917,866	97,712	693,549	775,766
Total Primary Government	<u>\$ (41,929)</u>	<u>2,311,760</u>	<u>5,372,042</u>	<u>4,233,407</u>	<u>3,767,063</u>	<u>465,354</u>	<u>2,990,630</u>	<u>2,963,057</u>

Notes:

- (1) Business-type Activities were combined with Governmental Activities.
- *One time donation from Enterprise Leasing Corp.

Source: Basic financial statements

GASB 34 was implemented in 2003.

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

	September 30							
	2010 (1)	2009	2008	2007	2006	2005	2004	2003
General Fund								
Reserved	\$ 434,493	46,246	50,748	124,339	4,095	4,000	18,654	78,453
Unreserved	<u>22,623,263</u>	<u>12,590,092</u>	<u>11,816,465</u>	<u>9,552,077</u>	<u>8,324,588</u>	<u>7,084,601</u>	<u>7,390,863</u>	<u>7,489,726</u>
Total General Fund	<u><u>\$ 23,057,756</u></u>	<u><u>12,636,338</u></u>	<u><u>11,867,213</u></u>	<u><u>9,676,416</u></u>	<u><u>8,328,683</u></u>	<u><u>7,088,601</u></u>	<u><u>7,409,517</u></u>	<u><u>7,568,179</u></u>
All Other Governmental Funds								
Reserved:								
Revolving Public Improvement Fund	\$ 2,266,413	601,000	1,074,715	-	-	-	1,294,260	865,807
Capital Improvement Project Fund	-	-	-	-	-	52	-	22,121
Equipment Replacement Fund	2,887	1,433	76,455	250	243,051	5,940	2,904	-
1997-98 Bond Debt Service Fund	-	-	-	-	-	-	-	207,345
2009 Build America Bond Fund	7,149,194	-	-	-	-	-	-	-
Other Governmental Funds	2,953,109	3,626,688	2,333,652	2,317,646	2,282,433	2,260,337	2,332,455	2,172,239
Unreserved, reported in:								
Revolving Public Improvement Fund	398,512	1,689,633	2,358,173	2,249,824	1,801,767	2,469,123	2,167,752	3,530,868
Capital Improvement Project Fund	-	-	-	-	-	-	-	(5,202)
Equipment Replacement Fund	2,355,125	2,272,303	2,551,415	2,662,744	2,406,124	2,994,069	3,051,034	2,770,853
Other Governmental Funds								
Special Revenue Funds	386,822	570,813	559,631	357,866	318,166	400,612	345,430	332,104
Capital Projects Funds	-	581,651	1,755,975	440,311	329,158	775,873	281,879	2,119,083
Total All Other Govern- mental Funds	<u><u>\$ 15,512,062</u></u>	<u><u>9,343,521</u></u>	<u><u>10,710,016</u></u>	<u><u>8,028,641</u></u>	<u><u>7,380,699</u></u>	<u><u>8,906,006</u></u>	<u><u>9,475,714</u></u>	<u><u>12,015,218</u></u>

Note:

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

Source: Basic financial statements

GASB 34 was implemented in 2003.

CITY OF CLAYTON, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS

	For The Years Ended September 30							
	2010 (1)	2009	2008	2007	2006	2005	2004	2003
REVENUES								
General property taxes	\$ 6,374,580	6,846,052	6,693,072	6,310,263	6,086,868	4,716,717	4,664,838	4,531,961
Assessment income	162,842	201,676	177,136	185,843	186,253	414,771	652,862	150,325
Licenses and permits	1,780,141	1,671,897	1,644,961	1,415,552	1,362,041	1,207,727	1,135,051	1,339,456
Public utility licenses	6,172,511	4,894,278	5,701,276	4,758,606	4,890,845	4,553,878	4,361,026	3,803,453
Intergovernmental	7,602,191	8,280,839	8,490,868	8,387,313	7,520,816	7,519,596	7,909,370	7,283,761
Community programs	1,413,736	1,193,102	1,281,421	1,249,216	1,112,109	1,000,188	960,036	972,018
Parking facilities and meters	1,474,297	-	-	-	-	-	-	-
Fines and forfeitures	1,078,799	1,097,872	1,189,598	929,316	777,766	756,907	764,265	684,168
Investment income	667,936	659,833	771,380	884,333	665,054	329,421	348,425	429,380
Miscellaneous	653,957	1,278,934	1,349,506	825,518	596,398	583,531	457,995	659,422
Total Revenues	<u>27,380,990</u>	<u>26,124,483</u>	<u>27,299,218</u>	<u>24,945,960</u>	<u>23,198,150</u>	<u>21,082,736</u>	<u>21,253,868</u>	<u>19,853,944</u>
EXPENDITURES								
General government	4,828,548	4,794,723	4,752,688	4,070,285	3,914,379	3,986,435	3,110,409	3,009,861
Public safety	9,458,242	8,658,593	8,362,366	8,119,616	7,921,971	7,930,225	7,838,638	7,137,008
Streets and highways	4,636,808	3,888,910	3,822,033	3,754,718	3,405,316	3,256,194	2,999,624	2,907,164
Parks and recreation	1,991,742	1,878,493	1,839,134	1,759,570	1,657,278	1,600,093	1,799,563	1,698,757
Community development	432,432	199,035	173,316	220,788	254,375	191,357	108,161	111,793
Capital outlay	12,094,749	5,004,207	2,585,407	2,918,374	3,930,973	3,106,040	5,745,639	10,224,954
Debt service:								
Principal	2,924,263	2,345,000	8,960,000	2,395,000	2,465,000	2,040,000	1,450,000	1,220,000
Interest and fiscal charges	1,289,215	786,175	894,912	882,260	962,248	892,930	1,231,434	1,133,151
Bond issue costs	271,353	56,446	76,239	-	-	139,036	-	11,166
Total Expenditures	<u>37,927,352</u>	<u>27,611,582</u>	<u>31,466,095</u>	<u>24,120,611</u>	<u>24,511,540</u>	<u>23,142,310</u>	<u>24,283,468</u>	<u>27,453,854</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(10,546,362)</u>	<u>(1,487,099)</u>	<u>(4,166,877)</u>	<u>825,349</u>	<u>(1,313,390)</u>	<u>(2,059,574)</u>	<u>(3,029,600)</u>	<u>(7,599,910)</u>
OTHER FINANCING SOURCES (USES)								
Bond proceeds	15,000,000	-	-	-	-	-	-	9,950,000
Proceeds from capital lease	1,020,000	-	-	-	-	-	15,804	-
Special item	-	-	-	-	-	-	-	800,000
Sale of capital assets	228,577	45,790	36,783	45,917	123,688	24,510	15,461	117,699
Issuance of refunding debt	-	3,950,000	8,175,000	-	-	12,165,000	-	-
Premium on issuance of debt	40,020	134,548	73,266	-	-	-	-	-
Payments to refunding escrow agent	-	(4,025,342)	-	-	-	(11,411,136)	-	-
Transfers in	11,580,668	3,073,696	2,303,079	4,796,573	3,488,397	3,852,528	4,570,241	10,149,648
Transfers out	(11,580,668)	(2,288,963)	(1,549,079)	(3,672,164)	(2,583,920)	(3,461,952)	(4,430,392)	(10,004,274)
Total Other Financing Sources (Uses)	<u>16,288,597</u>	<u>889,729</u>	<u>9,039,049</u>	<u>1,170,326</u>	<u>1,028,165</u>	<u>1,168,950</u>	<u>171,114</u>	<u>11,013,073</u>
NET CHANGES IN FUND BALANCES	<u>\$ 5,742,235</u>	<u>(597,370)</u>	<u>4,872,172</u>	<u>1,995,675</u>	<u>(285,225)</u>	<u>(890,624)</u>	<u>(2,858,486)</u>	<u>3,413,163</u>
Debt service as a percentage of noncapital expenditures	15.1 %	12.5	33.4	15.5	16.7	15.3	14.5	13.7

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

Source: Basic financial statements

GASB 34 was implemented in 2003.

CITY OF CLAYTON, MISSOURI
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS (IN THOUSANDS)

Fiscal Year	Real Property		Personal Property	Railroads And Utilities	Total		
	Residential Property	Commercial Property			Assessed Value	Estimated Actual Value	Direct Tax Rate
2010	\$ 470,815	\$ 335,157	\$ 84,470	\$ 2,986	\$ 893,428	\$ 3,787,977	0.673
2009	480,595	347,077	83,620	2,795	914,087	3,873,569	0.689
2008	459,370	346,326	84,556	2,881	893,133	3,762,594	0.691
2007	367,607	307,107	86,612	2,820	764,146	3,163,050	0.779
2006	361,777	307,555	86,774	2,367	758,473	3,132,865	0.796
2005	325,974	300,037	83,904	2,290	712,205	2,912,085	0.652
2004	325,478	298,990	83,640	2,290	710,398	2,905,407	0.652
2003	286,748	297,052	84,026	2,634	670,460	2,697,949	0.656
2002 *	284,752	292,087	89,103	3,624	669,566	2,690,159	0.644
2001	472,516	-	90,470	3,066	566,052	2,244,900	0.755

Notes:

(1) Source: St. Louis County Assessor

*First year that real property was distributed between residential and commercial property.

CITY OF CLAYTON, MISSOURI
PROPERTY TAX RATES (RESIDENTIAL ONLY) - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Taxes levied on all property in the City of Clayton										
City of Clayton	0.673	0.689	0.691	0.779	0.796	0.652	0.652	0.656	0.644	0.755
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	0.663	0.698	0.698	0.708	0.708	0.730	0.720	0.720	0.720	0.720
Special School District	0.938	0.918	0.908	0.824	0.840	0.905	0.833	0.849	0.835	0.623
St. Louis Community College	0.214	0.201	0.200	0.223	0.223	0.237	0.231	0.232	0.230	0.240
Metropolitan St. Louis Sewer District (Extension)	0.000	0.000	0.067	0.069	0.069	0.069	0.069	0.069	0.069	0.070
Metropolitan Zoological Park and Museum District	0.249	0.234	0.233	0.261	0.265	0.276	0.226	0.222	0.222	0.234
Sheltered Workshop	0.074	0.069	0.070	0.082	0.082	0.085	0.085	0.085	0.085	0.085
Deer Creek Sewer District	0.000	0.000	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Black Jack Sewer District	0.000	0.000	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
	<u>2.841</u>	<u>2.839</u>	<u>3.017</u>	<u>3.096</u>	<u>3.133</u>	<u>3.104</u>	<u>2.966</u>	<u>2.983</u>	<u>2.955</u>	<u>2.877</u>
School District (1):										
Clayton School District	<u>3.628</u>	<u>3.230</u>	<u>3.254</u>	<u>3.716</u>	<u>3.925</u>	<u>3.769</u>	<u>3.622</u>	<u>2.945</u>	<u>2.938</u>	<u>3.300</u>
Total	<u><u>6.469</u></u>	<u><u>6.069</u></u>	<u><u>6.271</u></u>	<u><u>6.812</u></u>	<u><u>7.058</u></u>	<u><u>6.873</u></u>	<u><u>6.588</u></u>	<u><u>5.928</u></u>	<u><u>5.893</u></u>	<u><u>6.177</u></u>

Note:

(1) All property is located in the school district whose boundaries include part of the City.

Source: St. Louis County Assessor (rates stated per \$100 assessed valuation)

CITY OF CLAYTON, MISSOURI
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2010			2001		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Clayton Corporate Park Mgmt. Co.	\$ 28,712,830	1	3.21 %	\$ 21,841,230	1	3.86 %
KBS Clayton Plaza LLC	21,766,020	2	2.44	-		-
Pierre Laclede Office Investors LLC	21,338,130	3	2.39	20,962,590	2	3.70
Duke Realty LTD Partnership	13,959,200	4	1.56	-		-
MEPT Shaw Park Plaza	12,283,280	5	1.37	-		-
Clayton Central Investors LLC	11,764,570	6	1.32	-		-
HEF 1 - StL No. 1 LLC	11,354,330	7	1.27	10,117,160	5	1.79
Brown Shoe Company	10,964,570	8	1.23	-		-
8182 Maryland Associates	10,463,780	9	1.17	8,758,790	6	1.55
Forsyth Centre Associates LLC	8,149,920	10	0.91	-		-
EOP Clayton LLC	-		-	13,260,960	3	2.34
Real TM Associates Fund V	-		-	11,680,000	4	2.06
The Crawford Group	-		-	8,379,290	7	1.48
TCEP II Properties	-		-	7,869,630	8	1.39
CB Bemiston Tower, Inc.	-		-	7,481,340	9	1.32
County National Realty Corp.	-		-	7,040,000	10	1.24
Total	\$ 150,756,630		16.87 %	\$ 117,390,990		20.73 %

Notes:

- (1) Total assessed value of the City was \$893,428,194 as of January 1, 2009.
- (2) Total assessed value of the City was \$566,051,219 as of January 1, 2000.

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

CITY OF CLAYTON, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied For The Fiscal Year (2)	Collected Within The Fiscal Year Of The Levy		Collections In Subsequent Years	Total Collections To Date (3)(4)	
		Amount	Percent Of Levy		Amount	Percent Of Levy
2010	\$ 6,255,287	\$ 6,162,067	98.5 %	\$ 62,071	\$ 6,224,138	99.5 %
2009	6,664,208	6,592,851	98.9	108,933	6,701,784	100.6
2008	6,566,784	6,458,568	98.4	70,990	6,529,558	99.4
2007	6,206,413	6,123,300	98.7	114,431	6,237,731	100.5
2006	6,251,869	6,119,773	97.9	(148,346)	5,971,427	95.5
2005	4,644,371	4,392,929	94.6	181,332	4,574,261	98.5
2004	4,587,714	4,382,118	95.5	148,628	4,530,746	98.8
2003	4,409,624	4,244,002	96.2	381,852	4,625,854	104.9
2002	4,320,414	3,902,880	90.3	171,868	4,074,748	94.3
2001	4,275,506	4,059,048	94.9	587,857	4,646,905	108.7

Notes:

- (1) Source: St. Louis County Collectors Office
- (2) Originally adjusted for strikeoffs and additions by St. Louis Board of Equalization after 1978.
- (3) St. Louis County Collectors Office charges a collection fee of 1.5%.
- (4) Data for delinquent tax collection, excluding penalties and interest, is not available by levy year.

CITY OF CLAYTON, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE (1)
LAST TEN FISCAL YEARS (IN THOUSANDS)

Fiscal Year	Governmental Activities						Business-type Activities					Total Primary Government	Percentage Of Personal Income (2)	Per Capita (2)
	Capital Improvement Bonds	Reserve For Debt Service	Net Capital Improvement Bond Debt	General Obligation Bonds	Note Payable	Capital Leases	Capital Improvement Bonds	Reserve For Debt Service	Net Capital Improvement Bond Debt	Note Payable				
2010 (7)	\$ 31,790	\$ (2,300)	\$ 29,490	\$ 2,955	\$ 1,431	\$ 961	\$ -	\$ -	\$ -	\$ -	\$ 34,837	3.41 %	\$ 2,186	
2009 (6)	16,680	(2,256)	14,424	3,950	-	-	1,835	(266)	1,569	1,576	21,519	2.10	1,350	
2008 (5)	18,110	(2,194)	15,916	4,885	-	-	2,040	(266)	1,774	1,716	24,291	2.38	1,524	
2007	18,020	(1,331)	16,689	5,760	-	4	2,240	(285)	1,955	1,846	26,254	2.57	1,648	
2006	19,575	(1,304)	18,271	6,600	-	8	2,430	(280)	2,150	1,971	29,000	2.84	1,820	
2005 (4)	21,230	(1,173)	20,057	7,410	-	12	2,655	(426)	2,229	2,091	31,799	3.11	1,996	
2004	21,255	(1,285)	19,970	8,185	-	16	3,245	(423)	2,822	2,152	33,145	3.24	2,080	
2003 (3)	21,960	(1,285)	20,675	8,930	-	-	3,380	(425)	2,955	-	32,560	3.55	2,043	
2002	9,821	(1,343)	8,478	9,640	-	-	2,699	(435)	2,264	-	20,382	2.22	1,279	
2001	10,276	(1,368)	8,908	10,325	-	-	2,803	(441)	2,362	-	21,595	2.35	1,355	

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 2003, the City issued an additional \$9,250,000 in capital improvement bonds for construction of City Hall, Shaw Park Pool, and the Fire Station.
- (4) In fiscal year 2005, capital improvement bonds of \$14,820,000 were issued to refinance the capital improvement bonds issued in fiscal year 1998.
- (5) In fiscal year 2008, capital improvement bonds of \$8,175,000 were issued to refund \$7,375,000 of the Series 2002 capital improvement bonds.
- (6) In fiscal year 2009, general obligation refunding bonds, Series 2009 in the amount of \$3,950,000 were issued to refund \$3,970,000 of the Series 1999 bond issuance.
- (7) In fiscal year 2010, capital improvement bonds of \$15,000,000 were issued to finance the purchase and renovation of the new Police Station. Business-type Activities were combined with Governmental Activities.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (IN THOUSANDS)

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Percentage Of Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2010	\$ 2,955	0.33 %	185
2009	3,950	0.43	249
2008	4,885	0.55	307
2007	5,760	0.75	36
2006	6,600	0.87	414
2005	7,410	1.04	465
2004	8,185	1.16	514
2003	8,930	1.33	560
2002	9,640	1.44	605
2001	10,325	1.82	648

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
COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1) -
GENERAL OBLIGATION BONDED DEBT
SEPTEMBER 30, 2010

<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	\$ 54,635,000	3.78 %	\$ 2,065,203
Clayton School District	54,298,771	84.30	45,773,864
Subtotal	108,933,771		47,839,067
City of Clayton	2,955,000	100.00	2,955,000
Total	<u>\$ 111,888,771</u>		<u>\$ 50,794,067</u>

(1) Sources:

City of Clayton Financial Report
St. Louis County
Clayton School District

CITY OF CLAYTON, MISSOURI
PROPERTY TAX RATES (RESIDENTIAL ONLY) - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (IN THOUSANDS)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Debt Limit (1)	\$ 89,343	91,409	89,313	76,415	75,847	71,221	71,040	67,046	66,957	56,605
Total net debt applicable to Debt Limit	<u>2,383</u>	<u>3,092</u>	<u>4,097</u>	<u>4,993</u>	<u>5,859</u>	<u>6,680</u>	<u>7,431</u>	<u>8,137</u>	<u>8,830</u>	<u>9,054</u>
Legal debt margin	<u>\$ 86,960</u>	<u>88,317</u>	<u>85,216</u>	<u>71,422</u>	<u>69,988</u>	<u>64,541</u>	<u>63,609</u>	<u>58,909</u>	<u>58,127</u>	<u>47,551</u>
Total net debt applicable to the limit as a percentage of debt limit	2.67 %	3.38	4.59	6.53	7.72	9.38	10.46	12.14	13.19	16.00

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.

Note: 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.

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>Median Household Income (2)</u>	<u>Clayton School District Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2010	15,935	\$ 1,022,772	\$ 64,184	2,509	5.2 %
2009	15,935	1,022,772	64,184	2,478	5.4
2008	15,935	1,022,772	64,184	2,490	3.5
2007	15,935	1,022,772	64,184	2,479	2.8
2006	15,935	1,022,772	64,184	2,460	2.6
2005	15,935	1,022,772	64,184	2,558	2.5
2004	15,935	1,022,772	64,184	2,548	2.6
2003	15,935	917,250	57,562	2,478	2.8
2002	15,935	917,250	57,562	2,442	2.6
2001	15,935	917,250	57,562	2,440	2.2

Notes:

- (1) Source: Data for 2001 - 2010 current population estimate revised census 2000 from U.S. Census dated December 7, 2001
- (2) Source: Sources of data from 2001 - 2003 from 1990 U.S. Bureau of Census. Sources of data from 2004 to 2010 from 2000 U.S. Bureau of Census
- (3) Source: Director of Communications for the School District of Clayton
- (4) Source: 2001 and previous, Missouri Division of Employment Security from U.S. Census Bureau Records; 2002 through 2010 - Missouri Department of Economic Development (based on 2000 census)

CITY OF CLAYTON, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

<u>Taxpayer</u>	<u>2010</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment*</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>
St. Louis County	2,195	1	3.85 %	1,800	1	5.44 %
Enterprise Holdings, Inc	1,405	2	2.46	1,022	2	3.09
Brown Group	1,076	3	1.89	454	4	1.37
Centene Corporation	588	4	1.03	-	-	-
Commerce Bank NA	508	5	0.89	436	5	1.32
Clayton School District	459	6	0.81	470	3	1.42
Armstrong Teasdale	400	7	0.70	-	-	-
Ritz Carlton	298	8	0.52	400	6	1.21
Rehab Care Group, Inc.	253	9	0.44	-	-	-
City of Clayton	187	10	0.33	179	10	0.54
The Earthgrains Company	-	-	-	375	7	1.13
Clark Refining & Marketing	-	-	-	374	8	1.13
Bank of America	-	-	-	207	9	0.63
	<u>7,369</u>		<u>12.92 %</u>	<u>5,717</u>		<u>17.28 %</u>

Notes:

*Percentage for 2010 based on 57,000 total daytime employees in the Central Business District. For 2000, daytime employees (33,100) total in the Central Business District was estimated, based on square footage of commercial buildings that existed in the City ten years ago.

Source: Business License Database from Finance Division, St. Louis County HR Division and the Clayton School District

CITY OF CLAYTON, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government:										
Elected officials	7	7	7	7	7	7	7	7	7	7
City Clerk (1)	-	-	-	-	1	1	1	1	1	1
City Manager	5	5	5	5	4	4	3	3	3	4
Economic development (2)	-	-	-	-	-	-	1	1	1	1
Human resources	2	2	2	2	2	2	2	2	2	2
Finance	7	7	7	7	7	7	6	6	6	6
Municipal court	3	3	3	3	3	3	3	3	3	3
Information systems	3	3	3	3	3	3	3	3	3	3
Planning and development	10	10	10	10	10	10	10	10	10	11
Police:										
Officers	52	52	52	52	52	52	52	53	53	53
Civilians (3)	7	7	7	8	8	8	8	14	15	15
Fire:										
Firefighters and officers	35	35	35	35	35	35	35	32	33	32
Civilians	1	1	1	1	1	1	1	1	1	1
Public works:										
Engineering (5)	6	6	5	5	5	5	5	5	6	6
Street maintenance	16	16	16	16	16	16	16	17	16	16
Vehicle maintenance	4	4	4	5	5	5	5	5	5	5
Building maintenance	2	2	2	3	3	3	3	2	3	3
Parking maintenance	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Administration/recreation (4)	17	17	16	15	14	14	14	13	13	7
Parks maintenance	9	9	9	9	9	9	9	9	10	10
Total	<u>187</u>	<u>187</u>	<u>185</u>	<u>187</u>	<u>186</u>	<u>186</u>	<u>185</u>	<u>188</u>	<u>192</u>	<u>187</u>

- Notes:
- (1) Transfer of City Clerk position to City Manager's Office from Legislative in 2007.
 - (2) Economic development employee moved to communications in administrative services, in 2005.
 - (3) Dispatcher positions eliminated when City joined East Central Dispatch Center (ECDC). Dispatchers transferred to ECDC in 2004.
 - (4) Community Resource Coordinator position added in 2008 and an Aquatics Recreation Assistant position added in 2009.
 - (5) Civil Engineer 1 position added in 2009.

Source: City of Clayton Annual Budgets (2001 - 2010)

CITY OF CLAYTON, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST EIGHT FISCAL YEARS*

FUNCTIONS/PROGRAMS	2010	2009	2008	2007	2006	2005	2004	2003
Police:								
Arrests	1,334	1,127	959	1,176	973	848	670	432
Parking violations	2,046	2,448	2,890	3,729	5,362	4,114	4,526	4,579
Traffic violations	6,831	7,248	7,053	6,011	7,626	7,402	5,364	5,423
Parking tickets**	41,366	41,624	44,200	43,427	44,221	50,222	57,738	59,829
Fire:								
Emergency response ambulance	1,474	1,511	1,648	1,497	1,430	1,370	1,418	1,212
Emergency response - fire	1,763	1,863	1,739	1,665	1,420	1,460	1,470	1,639
Inspections	660	691	717	656	520	767	800	907
Parks and recreation:								
Shaw Park Pool - Passes	1,145	913	1,025	871	651	528	542	533
Shaw Park Ice Rink - Passes	38	17	15	-	8	16	13	11
Platinum Passes	402	348	267	152	-	-	-	-
Tennis Court - Passes	40	13	17	9	8	26	30	26
Pool/Tennis - Passes	N/A	44	56	66	57	69	73	81
Tri Passes (pool/rink/tennis)	N/A	-	4	-	13	12	11	2
Shelter Rentals (including picnic pads)	282	245	269	306	266	497	391	468
Planning and development:								
Residential permits issued	273	219	299	282	304	172	202	173
Estimated cost of construction for residential permits	\$ 16,600,417	15,892,142	26,602,257	33,021,571	43,081,206	29,333,420	20,694,236	33,443,381
Commercial permits issued	150	147	183	135	113	274	281	272
Estimated cost of construction for commercial permits	\$ 71,793,104	123,209,999	71,511,966	28,898,204	57,891,052	31,775,928	68,617,644	33,135,438
Finance and administration:								
Business licenses issued	816	807	787	791	889	894	893	890
Liquor licenses issued	62	56	63	62	63	67	64	62

Notes:

*Data for operating indicators by functions/programs before fiscal year 2003 is not readily available.

**Parking tickets not included in parking violations.

No operating indicators by functions/programs are available for the Administration or Public Works Departments.

Sources: City of Clayton Annual Reports (2003 - 2010), various City departments

CITY OF CLAYTON, MISSOURI
CAPITAL ASSET STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	26	26	26	25	25	25	25	25	25	25
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	371	371	371	371	371	371	371	371	371	371
Vehicles:										
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Pumpers	1	1	1	1	1	1	1	1	1	1
Rescue trucks	1	-	-	1	1	1	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Command vehicles	3	3	3	3	3	3	3	3	3	3
Public works:										
Miles of streets - paved (1)	98.7	99.1	38.0	46.7	46.7	46.7	46.7	46.7	46.7	46.7
Miles of alleys (3)	6.5	19.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Miles of sidewalks (5)	54	39	39	39	39	39	39	39	39	39
Number of street lights	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,190	2,190	2,190
Number of traffic signals (4)	24	24	28	28	28	28	28	27	27	27
Parks and recreation:										
Acres of parks	84.4	84.4	84.4	84.4	84.4	84.4	84.3	84.3	84.3	84.3
Number of parks (2)	10	10	10	10	10	10	9	9	9	9
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 2008, survey taken by public works resulted in new figures. Miles include private subdivisions located in and maintained by the City.
 In 2009, based on lane mile unit of measure (unit is more consistent with standards) where 1 mile of pavement 12 ft. wide equals one lane mile.
- (2) In 2005, added Whitburn Park - size 1/8 acre.
- (3) In 2009, based on lane mile unit of measure (unit is more consistent with standards) where 1 mile of pavement 12 ft. wide equals one lane mile.
 In 2010, based on lane mile unit of measure where 1 mile of pavement 15 ft. wide equals one lane mile. (15 ft represents a standard residential alley width).
- (4) In 2009, changed to number of signalized intersections owned and maintained by the City.
- (5) Quantity represents paved linear miles of sidewalk.

Note: No capital asset indicators are available for the administration, finance, or planning functions.

Source: City of Clayton Annual Reports (2001 - 2010), various City departments