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***CITY OF CLAYTON, MISSOURI***  
***COMPREHENSIVE ANNUAL***  
***FINANCIAL REPORT***  
*For The Fiscal Year Ended September 30, 2005*

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*Report prepared and submitted by the*  
*Finance Department*

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# **CITY OF CLAYTON, MISSOURI**

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## **INTRODUCTORY SECTION**



March 27, 2006

## The City of Clayton

10 N. Bemiston Avenue • Clayton, Missouri 63105-3397 • (314) 727-8100 • FAX: (314) 863-0294 • TDD: (314) 290-8435

To the Honorable Mayor and Board of Aldermen:

The Comprehensive Annual Financial Report (CAFR) of the City of Clayton, Missouri, for the fiscal year ended September 30, 2005, is herewith submitted for your review. The information presented in the CAFR is the responsibility of the City's management. The report was prepared by the Finance Department, which 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 AND FORMATS**

The format of this report incorporates three main sections: introductory, financial, and statistical. The introductory section includes an explanation about the City's accounting system and budgetary controls, a description of the City, including services provided, governmental organization of the City and a brief discussion about the City's economic condition and outlook. The financial section presents the independent auditors' report, Management's Discussion and Analysis, government-wide financial statements, fund financial statements, notes to the financial statements, budgetary comparison information and supplemental combining and individual statements and schedules. The statistical section, which is not audited, displays financial and general information on a multi-year comparative basis.

This is the third year that the City has presented its Comprehensive Annual Financial Report (CAFR) under the new reporting model, as required by the provisions of 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.

To the Honorable Mayor and Board  
Of Aldermen  
City of Clayton, Missouri

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The accrual basis of accounting is utilized by the government-wide, proprietary and pension trust fund financial statements. 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 of Clayton was incorporated in 1913. Its borders encompass 2.54 square miles. The City has a population of 15,935 and serves as the governmental seat for St. Louis County, Missouri. The governing body consists of an elected six-member Board of Aldermen and a Mayor who in turn appoints a City Manager to administer daily operations.

The City provides a full range of municipal services including public works activities, parks and recreation, public safety, community development and general administration.

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

## **FIDUCIARY DUTIES**

One of the most important 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. 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 been over 100% funded for many years. Since 1991, the City has chosen to suspend the employee contribution. Beginning in December 2004, the City suspended voluntary employer contributions.

## **RISK MANAGEMENT**

*Internal Service Fund* - All insurance expenses for the City are recorded in the Insurance Fund. These expenses include general liability, property, and employee related insurance such as life, health, workers' compensation, etc. After being insured for general liability through a state-wide insurance pool for a number of years, the City switched to the St. Louis Area Insurance Trust (SLAIT) effective January 1, 2005. In addition, the City in an effort to limit its financial exposure also chose to insure for workers compensation coverage with SLAIT, effective May 20, 2005, after being self-insured since 1991. Additional information is provided in Note 11 of the notes to the basic financial statements. Residual liabilities from the self-insurance workers compensation program will be presented in the statements section. There are no residual liabilities with the previous general liability insurance pool.

## **DEBT ADMINISTRATION**

At year-end, Government-wide debt was \$33,398,312 consisting of special assessment with governmental commitment, general obligation bonds, special obligation bonds, capital leases and an intergovernmental agreement with St. Louis County for the Shaw Park Parking Garage. The City refunded the 1997 and 1998 special obligation bond issue in 2005 and will realize approximately \$692,000 of savings over the remaining life of the 2005 bond issue.

## **CASH MANAGEMENT**

Cash of the governmental, proprietary, and internal service funds, temporarily not used in operations, is invested in collateralized or insured overnight funds, certificates of deposit, United States Treasury obligations, and United States agencies. Unless matched to a specific cash flow, the City will not invest in securities maturing more than three years from the date of purchase, and have not done so unless circumstances warranted other consideration. Yields earned from these investments ranged from 1.76% to 4.50%. The Federal Reserve Bank has increased the overnight Federal funds rate in FY2005 from 1.76% to 3.62%. These rate adjustments have had a positive impact on the interest income the City realized on certificate of deposit investments.

Longer-term investments of corporate bonds, stocks, and U.S. Government Agency and Treasury obligations and securities are utilized for cash and investments in the Non-Uniformed Employees and Uniformed Employees Retirement Funds. The Non-Uniformed Employees Retirement plan funded ratio decreased from 109.49% to 100.38%. This decrease in funding level is due to a combination of unfavorable investment results according to the actuarial valuation report dated July 1, 2004, and no employer or employee contributions. The Uniformed Employees Retirement plan funded ratio increased from 76.9% to 81.2% due primarily to both employer and employee contributions and moderately favorable investment results according to the actuarial valuation report dated January 1, 2005.



## **ECONOMIC EVENTS AND THE FUTURE**

Within two and a half square miles, Clayton blends a bustling business district with an outstanding housing mix. The central business district combines 7,000,000 square feet of prestigious office space with the vitality of 1,000,000 square feet of retail space. Clayton's charming residential neighborhoods include stately single-family homes, condominiums and multi-family apartment dwellings. Much of the residential area is within walking distance of specialty boutiques, shops and cafes, which complement the fine architecture of Clayton's business district. Although the City maintains a thriving business district, it has also devoted more than 70 acres to passive and active park areas.

Clayton is the hub of metropolitan St. Louis and the seat of St. Louis County. With its shuttle connections to Metrolink and convenient access to several interstates and major arteries, it is just twelve minutes from Lambert International Airport and downtown St. Louis. The expected completion of the light rail extension through Clayton by the fall of 2006 will further enhance the City's outstanding quality of life and viability as the region's second downtown.

This high quality of life has provided the attraction for several large corporations to locate their headquarters in our community. Clayton is home to Enterprise Rent-A-Car, Brown Shoe Group, Sara Lee, Commerce Bank, Centene Corporation, Rehab Care Group, Graybar, Smurfit Stone, Barry-Wehmler Companies, and Olin Corporation.

The Clayton office and retail market continues to be one the steadiest submarkets in the St. Louis area. Vacancy rates for the last three years have continued to stay in the 13% to 14% range, slightly lower than the regional average. The City's unique mix of retail, office and residential has provided an attractive environment for developers. On August 13, 2002, the Board of Aldermen approved Maryland Walk, a new 17-story mixed-use building that will provide 24 luxury condominiums and 75 loft units. In addition, the project will add approximately 8,000 square feet of new retail space. Construction is well underway with a completion date of late 2006.

In September 2005, the City approved The Crescent, a new upscale 9-story building that will have 71 condominiums and provide more than 26,000 square feet of retail space. This new development will be located on property that has been vacant for 15 years just north of The Plaza building and the Ritz Carlton. Construction is expected to be completed by 2008.

In addition, the City approved a proposal in December 2005 from Centene Corporation to expand its corporate headquarters at the former Library Limited site, which has been vacant for more than five years. The proposed project is expected to cost more than \$195 million, and will provide for construction of two new office buildings and new retail space within the new complex. Even more important is the 800 new jobs to the existing 300 jobs that will be part of this new headquarters. To encourage Centene to retain and grow their company in this location, the City provided tax abatement and sold an underutilized City garage for \$4.2 million. The project is expected to be built over the next five years.

To the Honorable Mayor and Board  
Of Aldermen  
City of Clayton, Missouri

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The City continues to experience solid growth in its overall assessed valuation. Since 1994, the City's total assessed valuation has increased by 91%. This growth is supported by the significant increases in new residential homes, condominium conversions, home remodeling/additions, and new condominium buildings.

## **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 of Clayton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2004. 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, whose contents conform to program standards. Such CAFR 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 of Clayton has received a Certificate of Achievement for the last eighteen consecutive years (fiscal years ended 1987-2004). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

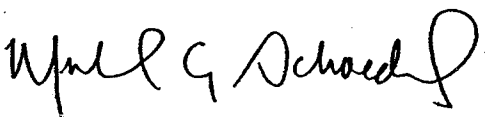
## **INDEPENDENT AUDIT**

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 fiscal year 2005 and the independent auditor's report is included with this CAFR.

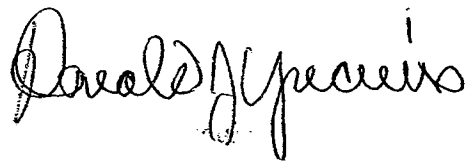
## **ACKNOWLEDGEMENTS**

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 Manager, the City's Department of Finance, and RubinBrown LLP.

Respectfully submitted,



Michael A. Schoedel  
City Manager



Donald J. Yucuis  
Director of Finance

**CITY OF CLAYTON, MISSOURI**

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**PRINCIPAL OFFICIALS**

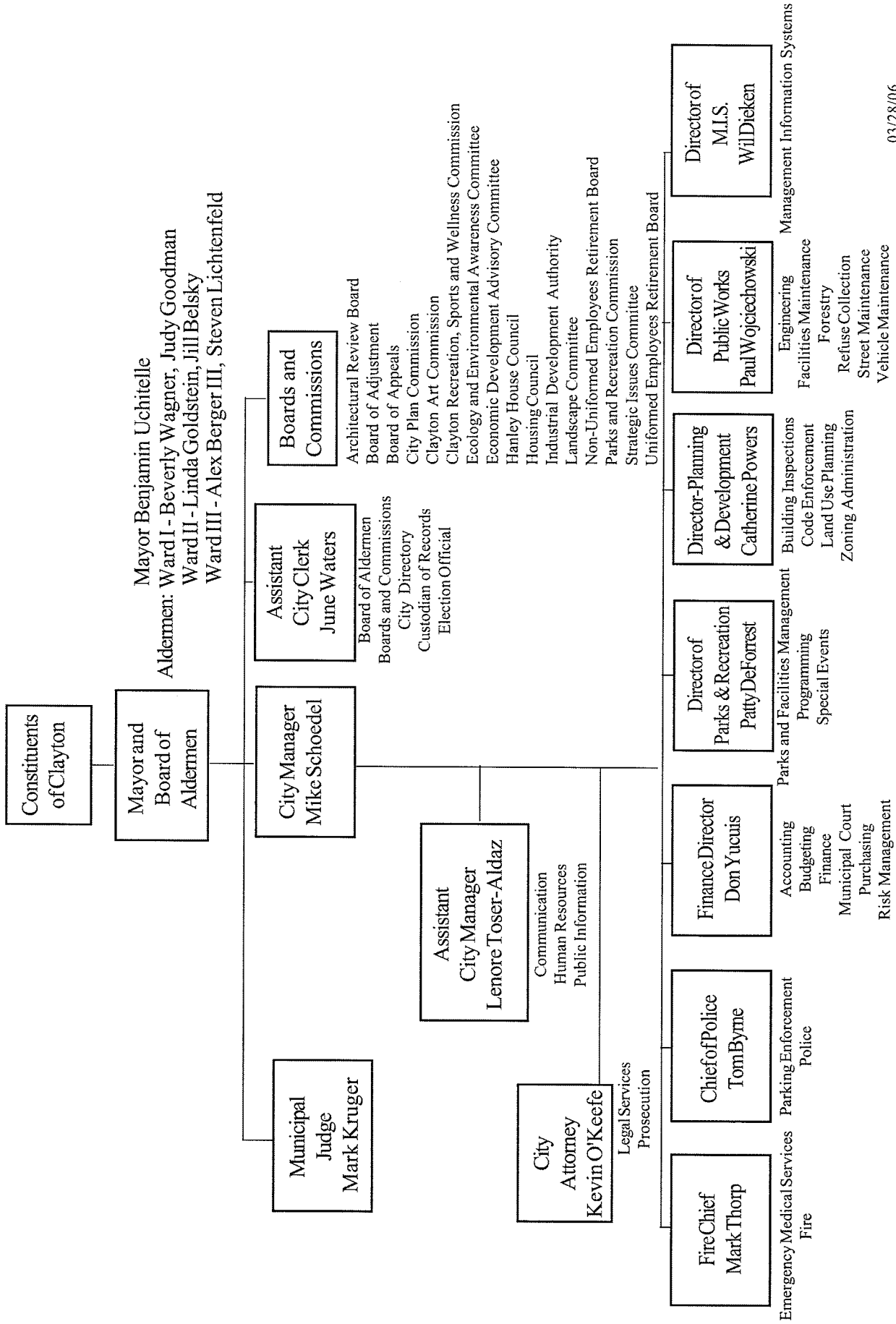
**Mayor** ..... Benjamin Uchitelle

**Aldermen:**

..... Jill S. Belsky  
..... Linda Goldstein  
..... Alex Berger, III  
..... Steven E. Lichtenfeld  
..... Judy R. Goodman  
..... Beverly A. Wagner

**City Manager** ..... Michael A. Schoedel

# ORGANIZATIONAL CHART CITY OF CLAYTON MUNICIPAL GOVERNMENT



# 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, 2004

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.



*Carla E. Perry*

President

*Jeffrey R. Emmer*

Executive Director

# **CITY OF CLAYTON, MISSOURI**

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## **FINANCIAL SECTION**



RubinBrown LLP  
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& Business Consultants

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## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of City of Clayton, Missouri, (the City) as of and for the year ended September 30, 2005, which collectively comprise the City of Clayton, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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. An audit also includes 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.

As described in Note 2 of the financial statements, the City has adopted the provisions of the Governmental Accounting Standards Board Statement No. 40 *Deposits and Investment Risk Disclosures*, as of and for the year ended September 30, 2005.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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The Management's Discussion and Analysis and Budgetary Comparison Information on pages 3 through 12 and 55 through 56, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 introductory section, combining and individual fund financial statements and schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables 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.

*RubinBrown LLP*

January 27, 2006



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Clayton, Missouri presents this narrative overview and analysis to assist our readers in reviewing and understanding the accompanying annual financial statements for the fiscal year ended September 30, 2005. 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-v of this report.

### **Financial Highlights**

- The net assets of the City of Clayton at the close of the most recent fiscal year were \$41,622,249; a decrease of \$88,190 from the prior year. Of this amount, \$20,690,393 (unrestricted net assets) may be used to meet the municipality's on-going obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Clayton's governmental funds on page 14 reported a combined ending fund balance of \$15,994,607, a decrease of \$890,624 in comparison to the prior year. Approximately 86% of the total amount, or \$13,724,278, is 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 of Clayton, Missouri's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

### **Government-wide Financial Statements**

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

The *statement of net 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.

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 separated into two major categories: 1) *governmental activities* that are principally supported by taxes and intergovernmental revenues. The governmental activities include general government, public safety, highways and streets, parks and recreation, and community development, and 2) *business-type activities* that are supported with user fees and charges. The business-type activity includes all City-owned and managed parking facilities.

The government-wide financial statements can be found on pages 12 through 13 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 of Clayton, like other state and local governments, uses fund accounting to demonstrate compliance with the laws, regulations and contractual agreements that establish the authority for the City's programs and services. The funds for the City of Clayton can be divided into three categories: governmental, proprietary 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.

Clayton utilizes the following major governmental funds:

- General
- Revolving Public Improvement
- Equipment Replacement

The larger funds are presented as major funds while the other funds are presented in the combining statements for non-major funds. A description of the major funds can be found on page 24 in the notes to the financial statements. Both major and non-major fund statements include a balance sheet and statement of revenues, expenditures and changes in fund balances.

Clayton adopts an annual budget for all funds except the Police Forfeiture and Police Officer Standards Training Fund, Firefighter Assistance Grant Fund, and 1997-98 Capital Project Bond Fund, and 401(k) Plan 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 55 to 56 in the required supplementary information. All other major and non-major funds budgetary comparisons can be found in the supplementary information section starting on page 57.

### **Proprietary Funds**

Clayton's *proprietary fund* types consist of an enterprise fund, which is the Parking Facilities Revenue Fund and an internal service fund, which is the Insurance Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements may be found on pages 18 through 20.

### **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 21 and 22.

### **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 23 through 54.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 55 through 56 of this report.

### **Supplementary Information**

The combining and individual fund statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 57 through 84 of this report.

## Government-wide Financial Analysis

This is the third year that the City of Clayton 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.

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 of Clayton, assets exceeded liabilities by \$41,622,249 at the close of the most recent fiscal year, a decrease of \$88,190.

A major portion of the City of Clayton'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 which total \$18,135,444 or 44%. 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 \$20,690,393 is another major portion of the City's net assets (50%) 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	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 18,666,584	\$ 20,912,010	\$ 6,590,547	\$ 7,765,998	\$ 25,257,131	\$ 28,678,008
Capital assets	34,781,509	35,211,774	16,045,031	16,377,965	50,826,540	51,589,739
<b>Total Assets</b>	<b>53,448,093</b>	<b>56,123,784</b>	<b>22,635,578</b>	<b>24,143,963</b>	<b>76,083,671</b>	<b>80,267,747</b>
Current liabilities	1,437,534	2,699,167	94,504	808,431	1,532,038	3,507,598
Noncurrent liabilities	28,423,231	29,651,387	4,506,153	5,398,323	32,929,384	35,049,710
<b>Total Liabilities</b>	<b>29,860,765</b>	<b>32,350,554</b>	<b>4,600,657</b>	<b>6,206,754</b>	<b>34,461,422</b>	<b>38,557,308</b>
Net assets						
Invested in capital assets, net of related debt	6,595,418	5,755,970	11,540,026	10,981,231	18,135,444	16,737,201
Restricted	2,512,962	7,167,871	283,450	364,327	2,796,412	7,532,198
Unrestricted	14,478,948	10,849,389	6,211,445	6,591,651	20,690,393	17,441,040
<b>Total Net Assets</b>	<b>\$ 23,587,328</b>	<b>\$ 23,773,230</b>	<b>\$ 18,034,921</b>	<b>\$ 17,937,209</b>	<b>\$ 41,622,249</b>	<b>\$ 41,710,439</b>

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's Statement of Activities

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
<b>Program Revenues:</b>						
Charges for services	\$ 3,652,045	\$ 3,931,200	\$ 1,595,313	\$ 1,711,194	\$ 5,247,358	\$ 5,642,394
Operating Grants	1,680,413	2,078,952	—	—	1,680,413	2,078,952
<b>General revenues:</b>						
Property tax	4,707,073	4,648,009	—	—	4,707,073	4,648,009
Sales tax	5,706,839	5,563,404	—	—	5,706,839	5,563,404
Utility tax	4,553,878	4,361,026	—	—	4,553,878	4,361,026
Licenses (taxes)	—	492,858	—	—	—	492,858
Investment earnings	329,421	349,778	140,936	214,985	470,357	564,763
Other general revenues	384,644	305,536	—	—	384,644	305,536
<b>Total Revenues</b>	<b>21,014,313</b>	<b>21,730,763</b>	<b>1,736,249</b>	<b>1,926,179</b>	<b>22,750,562</b>	<b>23,656,942</b>
<b>Program Expenses:</b>						
General government	4,706,827	2,875,742	—	—	4,706,827	2,875,742
Public safety	8,198,773	8,243,416	—	—	8,198,773	8,243,416
Streets and Highways	4,530,110	4,856,137	—	—	4,530,110	4,856,137
Parks and recreation	2,211,655	2,279,115	—	—	2,211,655	2,279,115
Community development	528,627	100,657	—	—	528,627	100,657
Interest on long-term debt	861,255	1,218,464	—	—	861,255	1,218,464
Parking facility	—	—	1,247,961	1,092,781	1,247,961	1,092,781
<b>Total Program Expenses</b>	<b>21,037,247</b>	<b>19,573,531</b>	<b>1,247,961</b>	<b>1,092,781</b>	<b>22,285,208</b>	<b>20,666,312</b>
Excess (deficiency) before transfers	(22,934)	2,157,232	488,288	833,398	465,354	2,990,630
Transfers	390,576	139,849	(390,576)	(139,849)	—	—
Change in net assets	367,642	2,297,081	97,712	693,549	465,354	2,990,630
Net Assets - Beginning of Year	23,773,230	21,476,149	17,937,209	17,243,660	41,710,439	38,719,809
Prior Period Adjustment	(553,544)	—	—	—	(553,544)	—
Net Assets - Beginning of Year, As Restated	23,219,686	21,476,149	17,937,209	17,243,660	41,156,895	38,719,809
<b>Net Assets - End of Year</b>	<b>\$ 23,587,328</b>	<b>\$ 23,773,230</b>	<b>\$ 18,034,921</b>	<b>\$ 17,937,209</b>	<b>\$ 41,622,249</b>	<b>\$ 41,710,439</b>

The City of Clayton's overall net assets decreased by \$88,190 during the current fiscal year. Revenues exceeded expenses by \$465,354 and the remaining \$553,544 is a decrease due to a restatement of prior year capital assets and compensated absence activity. FY05 revenues totaling \$22,750,562 are \$906,380 less than FY04. General property, sales and utility tax revenue totaling \$14,967,790 are 66% of total revenue and \$395,351 more than FY04. Comparatively, charges for services totaling \$5,247,358 were \$395,036 less than FY04; operating grants totaling \$1,680,413 were \$398,539 less than FY04; and licenses (taxes) appear \$492,858 less than FY04 as they were included in program revenue in FY05.

Program expenses totaling \$22,285,208 were \$1,618,896 more than FY04. This increase is a result of three events. General government increased by \$1,831,085 to \$4,706,827 and is related to the completion of City Hall. Interest on long-term debt decreased by \$357,209 to \$861,255 due to refinancing the 1997 and 1998 bond issues. Parking facility expense increased by \$155,180 to \$1,247,961 due to increased interest payments for the note payable related to the St. Louis County-Shaw Park Parking Facility Agreement.

### **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.

### **Governmental Funds**

The City's total governmental funds, as shown on page 14, at the end of the current fiscal year, reported an ending fund balance of \$15,994,607, a decrease of \$890,624 in comparison with the prior year. Approximately 86% of this total amount (\$13,724,278) 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) to liquidate contracts and purchase orders of the prior period (\$14,094) and 2) to pay debt service (\$2,256,235). The governmental funds may be viewed on pages 14 through 17.

The General Fund is the main operating fund of the City. At the end of the current year, unreserved fund balance was \$7,084,601, while total fund balance reached \$7,088,601. Unreserved fund balance represents 42% of total General Fund expenditures and transfers out. The City's General Fund minimum reserve policy level is 25% of expenditures and transfers. The City's General Fund balance decreased \$320,916, primarily due to the new refuse contract.

The entire Revolving Public Improvement Fund balance is unreserved and totals \$2,469,123. The net decrease in fund balance of \$992,889 was due to the planned major expenses for the new fire station/city hall renovation and the City's portion of the Metro light rail projects. Transfers in of \$652,505 are from the Parking Fund and transfers out of \$1,269,951 are to pay for a portion of the debt service on the 1999 and 2002 bond issues.

The Equipment Replacement Fund has a total fund balance of \$3,000,009. Almost the entire fund balance is unreserved but designated for the replacement of all the vehicles and large dollar equipment in the City. The funding source for this fund is from a charge-back to all departments.

### **Proprietary Funds**

The fund statements for the proprietary funds look much like the business-type activities in the government-wide statements. Proprietary fund financial information is measured with the same principles used by commercial enterprises, so this information does not change from the fund statement to the government-wide statement. Proprietary fund information may be found on pages 18 through 20.

Unrestricted net assets at the end of the fiscal year for the Parking (enterprise) Fund totaled \$6,211,445 and for the Insurance (internal service) Fund \$572,326. The total change in net assets was an increase of \$97,712 for Parking (enterprise) Fund and an increase of \$211,251 for Insurance (internal service) Fund.

### **General Fund Significant Variances - Budget and Actual**

Pages 55 through 56 summarize the General Fund budget to actual. There were differences between the original and final budget for revenues and expenditures in the General Fund. As stated earlier, the City policy on General Fund balance is a minimum of 25% of expenditures and transfers. The current balance is 42%.

Overall, the net change in fund balance on the budget basis was a decrease of \$322,369. Fund balance was available to offset the shortfall.

Actual General Fund revenues were \$33,210 or .2% more than the final budget.

The actual General Fund expenditures were \$500,274 or 2.9% less than the final budget. The majority of the under budget amount is due to a decrease in accrued payroll.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of September 30, 2005 totaled \$50,826,540 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery/equipment, infrastructure, and construction in progress. The total change in the City's investment in capital assets was a decrease of \$763,199. Construction in progress for the City Hall/Fire Station project was completed in FY05 and added \$6,962,095 to Buildings.

## Capital Assets

### City of Clayton Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Land	\$ 1,072,517	\$ 1,072,517	\$ 2,287,574	\$ 2,287,574	\$ 3,360,091	\$ 3,360,091
Buildings	14,386,910	7,760,467	13,637,307	13,962,905	28,024,217	21,723,372
Improvements other than buildings	38,082	42,754	31,976	33,486	70,058	76,240
Machinery/Equipment	1,555,303	1,669,704	88,174	94,000	1,643,477	1,763,704
Infrastructure	17,728,697	18,021,810	—	—	17,728,697	18,021,810
Construction in progress	—	6,644,522	—	—	—	6,644,522
<b>Total</b>	<b>\$ 34,781,509</b>	<b>\$ 35,211,774</b>	<b>\$ 16,045,031</b>	<b>\$ 16,377,965</b>	<b>\$ 50,826,540</b>	<b>\$ 51,589,739</b>

Additional information on the City's capital assets can be found in Note 3 to the Financial Statements, page 36 of this report.

## Long-term Debt

The City had government-wide debt outstanding of \$33,398,312 (excluding the deferred amount on refunding of \$707,216) at the end of the current fiscal year. \$7,410,000 is general obligation debt backed by the full faith and credit of the City, \$23,885,000 is special obligation debt paid for from annual appropriations and special assessment fees. The note payable for \$2,091,341 is also paid from an annual appropriation.

### City of Clayton's Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Series 1997, 1998A, 1998B	\$ —	\$ 11,480,000	\$ —	\$ 3,245,000	\$ —	\$ 14,725,000
Series 1999	7,410,000	8,185,000	—	—	7,410,000	8,185,000
Series 2002	9,065,000	9,775,000	—	—	9,065,000	9,775,000
Series 2005	12,165,000	—	2,655,000	—	14,820,000	—
Capital Lease	11,971	15,804	—	—	11,971	15,804
Note Payable	—	—	2,091,341	2,151,734	2,091,341	2,151,734
<b>Total</b>	<b>\$ 28,651,971</b>	<b>\$ 29,455,804</b>	<b>\$ 4,746,341</b>	<b>\$ 5,396,734</b>	<b>\$ 33,398,312</b>	<b>\$ 34,852,538</b>

The City's total debt decreased by \$1,454,226 to \$33,398,312 during the current fiscal year. The City issued special obligation bonds in 2005 totaling \$14,820,000 to refund the 1997 and 1998 bonds of \$14,725,000. The City expects to save approximately \$692,000 over the remaining life of the 2005 bond issue.



Additional information on the City's long-term debt can be found in Note 7 to the Financial Statements, page 40 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. Property tax and sales tax revenues have had minimal growth and utility tax revenues has had steady growth.

The City has historically maintained a policy of requesting approximately the same amount of property taxes as the previous year. However, in FY06, the City increased property tax rates to their legal maximum and this will generate an additional \$1.2 million annually (\$640,000 in General Fund and \$560,000 in Debt Service Fund). Sales tax is expected to increase at approximately 1.2% 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 of Clayton is optimistic. This optimism is expected to maintain the current high level of service to residents by addressing the funding needs of the community as necessary.

### **Requests for Information**

This financial report is designed to provide a general overview of the City of Clayton, Missouri'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 the Director of Finance, City of Clayton, Missouri, 10 N. Bemiston Avenue, Clayton, MO 63105.

# CITY OF CLAYTON, MISSOURI

## STATEMENT OF NET ASSETS

September 30, 2005

	Governmental Activities	Business-Type Activity	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 4,504,661	\$ —	\$ 4,504,661
Investments	9,660,681	6,486,266	16,146,947
Accounts receivable	494,270	52,068	546,338
Property taxes receivable	70,844	—	70,844
Intergovernmental receivable	1,235,411	—	1,235,411
Special assessments receivable	550,136	—	550,136
Other receivables	11,634	—	11,634
Interest receivable	75,002	57,285	132,287
Internal balances	306,824	(306,824)	—
Prepaid insurance	119,810	—	119,810
Bond issue costs	132,371	15,741	148,112
Net pension asset	188,938	—	188,938
Cash - restricted	101,272	19,112	120,384
Investments - restricted	1,214,730	264,338	1,479,068
Interest receivable - restricted	—	2,561	2,561
Capital assets:			
Land and construction in progress	1,072,517	2,287,574	3,360,091
Other capital assets, net of accumulated depreciation	33,708,992	13,757,457	47,466,449
<b>Total Assets</b>	<b>53,448,093</b>	<b>22,635,578</b>	<b>76,083,671</b>
<b>Liabilities</b>			
Accounts payable	461,634	4,401	466,035
Accrued interest payable	344,531	78,118	422,649
Accrued liabilities	417,173	8,273	425,446
Deposits	214,196	3,712	217,908
Noncurrent liabilities:			
Due within one year	2,705,969	346,148	3,052,117
Due in more than one year	25,717,262	4,160,005	29,877,267
<b>Total Liabilities</b>	<b>29,860,765</b>	<b>4,600,657</b>	<b>34,461,422</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	6,595,418	11,540,026	18,135,444
Restricted for:			
Debt service	2,167,372	283,450	2,450,822
Special taxing district	231,009	—	231,009
Sewer lateral projects	114,581	—	114,581
Unrestricted	14,478,948	6,211,445	20,690,393
<b>Total Net Assets</b>	<b>\$ 23,587,328</b>	<b>\$ 18,034,921</b>	<b>\$ 41,622,249</b>

# CITY OF CLAYTON, MISSOURI

## STATEMENT OF ACTIVITIES For The Year Ended September 30, 2005

Functions	Program Revenues			Net Revenues (Expenses) And Changes In Net Assets			
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business- Type Activity	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ 4,706,827	\$ 595,618	\$ 102,247	\$ —	\$ (4,008,962)	\$ —	\$ (4,008,962)
Public safety	8,198,773	1,381,324	168,743	—	(6,648,706)	—	(6,648,706)
Streets and highways	4,530,110	238,677	1,399,423	—	(2,892,010)	—	(2,892,010)
Parks and recreation	2,211,655	611,660	10,000	—	(1,589,995)	—	(1,589,995)
Community development	528,627	824,766	—	—	296,139	—	296,139
Interest on long-term debt	861,255	—	—	—	(861,255)	—	(861,255)
<b>Total Governmental Activities</b>	<b>21,037,247</b>	<b>3,652,045</b>	<b>1,680,413</b>	<b>—</b>	<b>(15,704,789)</b>	<b>—</b>	<b>(15,704,789)</b>
<b>Business-Type Activity</b>							
Parking facility	1,247,961	1,595,313	—	—	—	347,352	347,352
<b>Total Primary Government</b>	<b>\$ 22,285,208</b>	<b>\$ 5,247,358</b>	<b>\$ 1,680,413</b>	<b>\$ —</b>	<b>(15,704,789)</b>	<b>347,352</b>	<b>(15,357,437)</b>
<b>General Revenue:</b>							
Taxes:							
Property					4,707,073	—	4,707,073
Sales					5,706,839	—	5,706,839
Utility					4,553,878	—	4,553,878
Other					100,613	—	100,613
Investment income					329,421	140,936	470,357
Miscellaneous					284,031	—	284,031
<b>Transfers</b>					390,576	(390,576)	—
<b>Total General Revenues And Transfers</b>					<b>16,072,431</b>	<b>(249,640)</b>	<b>15,822,791</b>
<b>Change In Net Assets</b>					<b>367,642</b>	<b>97,712</b>	<b>465,354</b>
<b>Net Assets - Beginning Of Year</b>					<b>23,773,230</b>	<b>17,937,209</b>	<b>41,710,439</b>
<b>Prior Period Adjustment</b>					<b>(553,544)</b>	<b>—</b>	<b>(553,544)</b>
<b>Net Assets - Beginning Of Year, As Restated</b>					<b>23,219,686</b>	<b>17,937,209</b>	<b>41,156,895</b>
<b>Net Assets - End Of Year</b>					<b>\$ 23,587,328</b>	<b>\$ 18,034,921</b>	<b>\$ 41,622,249</b>

See the accompanying notes to basic financial statements.

# CITY OF CLAYTON, MISSOURI

## BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2005

	General Fund	Revolving Public Improvement Fund	Equipment Replacements Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 646,211	\$ 1,076,279	\$ 342,571	\$ 1,941,681	\$ 4,006,742
Investments	5,735,019	1,093,814	2,635,048	196,800	9,660,681
Accounts receivable	487,472	—	—	—	487,472
Property taxes receivable	63,238	—	—	7,606	70,844
Intergovernmental receivable	807,567	227,644	—	200,200	1,235,411
Special assessments receivable	—	338,922	—	211,214	550,136
Other receivables	—	11,634	—	—	11,634
Interest receivable	27,123	11,535	22,390	13,954	75,002
Due from other funds	306,824	197,000	—	—	503,824
Cash - restricted	—	—	—	101,272	101,272
Investments - restricted	—	—	—	1,214,730	1,214,730
<b>Total Assets</b>	<b>8,073,454</b>	<b>2,956,828</b>	<b>3,000,009</b>	<b>3,887,457</b>	<b>17,917,748</b>
<b>Liabilities And Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	286,749	148,783	—	26,102	461,634
Accrued liabilities	366,512	—	—	8,661	375,173
Due to other funds	—	—	—	197,000	197,000
Deferred revenue	117,396	338,922	—	218,820	675,138
Deposits	214,196	—	—	—	214,196
<b>Total Liabilities</b>	<b>984,853</b>	<b>487,705</b>	<b>—</b>	<b>450,583</b>	<b>1,923,141</b>
<b>Fund Balances</b>					
Reserved for:					
Encumbrances	4,000	—	5,940	4,154	14,094
Debt service	—	—	—	2,256,235	2,256,235
Unreserved:					
General fund	7,084,601	—	—	—	7,084,601
Special revenue funds	—	—	—	400,612	400,612
Capital projects funds	—	2,469,123	2,994,069	775,873	6,239,065
<b>Total Fund Balances</b>	<b>7,088,601</b>	<b>2,469,123</b>	<b>3,000,009</b>	<b>3,436,874</b>	<b>15,994,607</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 8,073,454</b>	<b>\$ 2,956,828</b>	<b>\$ 3,000,009</b>	<b>\$ 3,887,457</b>	<b>\$ 17,917,748</b>

# CITY OF CLAYTON, MISSOURI

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## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS September 30, 2005

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

<b>Total fund balance - governmental funds</b>	<b>\$ 15,994,607</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$46,497,230 and the accumulated depreciation is \$11,715,721.	34,781,509
Net pension assets are not financial resources and, therefore, are not reported in the funds.	188,938
Property taxes assessed by the City, but not collected as of fiscal year-end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements. Likewise, assessments on certain properties are deferred within the fund financial statements until collected, but are recognized as revenue in the year of assessment in the government-wide statements.	675,138
The Internal Service Fund is used by the City to charge for services provided for insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the statement of net assets.	572,326
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end consist of:	
Accrued interest payable	(334,330)
Compensated absences	(237,140)
Bonds payable and capital lease outstanding	(28,186,091)
Unamortized issuance costs	132,371
<b>Total net assets - governmental activities</b>	<b><u>\$ 23,587,328</u></b>

# CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2005

	General	Revolving Public Improvement Fund	Equipment Replacements Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
General property taxes	\$ 4,105,410	\$ —	\$ —	\$ 611,307	\$ 4,716,717
Assessment income	—	200,665	—	214,106	414,771
Licenses and permits	1,207,727	—	—	—	1,207,727
Public utility licenses	3,993,872	560,006	—	—	4,553,878
Intergovernmental	4,891,439	1,176,743	—	1,451,414	7,519,596
Community programs	1,000,188	—	—	—	1,000,188
Fines and forfeitures	723,218	—	—	33,689	756,907
Investment income	166,326	45,580	32,408	85,107	329,421
Miscellaneous	528,622	52,909	—	2,000	583,531
<b>Total Revenues</b>	<b>16,616,802</b>	<b>2,035,903</b>	<b>32,408</b>	<b>2,397,623</b>	<b>21,082,736</b>
<b>Expenditures</b>					
Current:					
General government	3,986,435	—	—	—	3,986,435
Public safety	7,895,291	—	—	34,934	7,930,225
Streets and highways	3,256,194	—	—	—	3,256,194
Parks and recreation	1,600,093	—	—	—	1,600,093
Community development	—	—	—	191,357	191,357
Capital outlay	—	2,411,346	299,712	394,982	3,106,040
Debt service:					
Principal	—	—	—	2,040,000	2,040,000
Interest and fiscal charges	—	—	—	892,930	892,930
Bond issuance costs	—	—	—	139,036	139,036
<b>Total Expenditures</b>	<b>16,738,013</b>	<b>2,411,346</b>	<b>299,712</b>	<b>3,693,239</b>	<b>23,142,310</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(121,211)</b>	<b>(375,443)</b>	<b>(267,304)</b>	<b>(1,295,616)</b>	<b>(2,059,574)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	—	652,505	211,415	2,988,608	3,852,528
Transfers out	(199,705)	(1,269,951)	(22,550)	(1,969,746)	(3,461,952)
Sale of capital assets	—	—	24,510	—	24,510
Issuance of refunding debt	—	—	—	12,165,000	12,165,000
Payments to refunding escrow agent	—	—	—	(11,411,136)	(11,411,136)
<b>Total Other Financing Sources (Uses)</b>	<b>(199,705)</b>	<b>(617,446)</b>	<b>213,375</b>	<b>1,772,726</b>	<b>1,168,950</b>
<b>Net Changes In Fund Balances</b>	<b>(320,916)</b>	<b>(992,889)</b>	<b>(53,929)</b>	<b>477,110</b>	<b>(890,624)</b>
<b>Fund Balances - Beginning Of Year</b>	<b>7,409,517</b>	<b>3,462,012</b>	<b>3,053,938</b>	<b>2,959,764</b>	<b>16,885,231</b>
<b>Fund Balances - End Of Year</b>	<b>\$ 7,088,601</b>	<b>\$ 2,469,123</b>	<b>\$ 3,000,009</b>	<b>\$ 3,436,874</b>	<b>\$ 15,994,607</b>

# CITY OF CLAYTON, MISSOURI

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES For The Year Ended September 30, 2005

**Net change in fund balances - total governmental funds** \$ (890,624)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold exceeded depreciation in the current period. 109,482

In the statement of activities, the loss on the disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on the disposal of capital assets, only the proceeds from any sales of capital assets are reported. (124,425)

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however recorded as revenues in the statement of activities. Deferred property tax revenues decreased this fiscal year by \$9,644. Assessment income is deferred in the fund financial statements until the assessments are collected. However, assessment income is recorded in the year of the assessment in the statement of activities. Deferred assessments decreased this fiscal year by \$270,030. (279,674)

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.

Principal payments on capital leases	3,833
Repayment of bond principal	2,040,000
Proceeds from bond refunding	(12,165,000)
Payments to refunding escrow agent	11,411,136
Bond issue costs	139,036
Amortization of issuance costs and deferred amount on refunding	(34,113)

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

Accrued interest on bonds	65,788
Compensated absences	96,665
Net pension assets	(215,713)

The Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the Internal Service Fund is reported with governmental activities in the statement of activities. 211,251

**Change in net assets of governmental activities** \$ 367,642

# CITY OF CLAYTON, MISSOURI

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

September 30, 2005

	<b>Business-Type Activity - Parking Facilities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ —	\$ 497,919
Investments	6,486,266	—
Accounts receivable	52,068	6,798
Interest receivable	57,285	—
Prepaid insurance	—	119,810
<b>Total Current Assets</b>	<b>6,595,619</b>	<b>624,527</b>
<b>Noncurrent Assets</b>		
Capital Assets:		
Land	2,287,574	—
Other capital assets, net of accumulated depreciation	13,757,457	—
<b>Total Capital Assets</b>	<b>16,045,031</b>	<b>—</b>
Restricted Assets:		
Cash	19,112	—
Investments	264,338	—
Interest receivable	2,561	—
<b>Total Restricted Assets</b>	<b>286,011</b>	<b>—</b>
Bond issuance costs	15,741	—
<b>Total Noncurrent Assets</b>	<b>16,346,783</b>	<b>—</b>
<b>Total Assets</b>	<b>22,942,402</b>	<b>624,527</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	4,401	10,201
Accrued interest payable	78,118	—
Accrued liabilities	8,273	42,000
Due to other funds	306,824	—
Deposits	3,712	—
Accrued compensated absences	1,148	—
Bonds payable - current	225,000	—
Notes payable - current	120,000	—
<b>Total Current Liabilities</b>	<b>747,476</b>	<b>52,201</b>
<b>Noncurrent Liabilities</b>		
Bonds payable	2,188,664	—
Notes payable	1,971,341	—
<b>Total Noncurrent Liabilities</b>	<b>4,160,005</b>	<b>—</b>
<b>Total Liabilities</b>	<b>4,907,481</b>	<b>52,201</b>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	11,540,026	—
Restricted for debt service	283,450	—
Unrestricted	6,211,445	572,326
<b>Total Net Assets</b>	<b>\$ 18,034,921</b>	<b>\$ 572,326</b>



# CITY OF CLAYTON, MISSOURI

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS

For The Year Ended September 30, 2005

	Business-Type Activity - Parking Facilities Enterprise Fund	Governmental Activities - Internal Service Fund
<b>Operating Revenues</b>		
St. Louis parking systems	\$ 495,040	\$ —
Parking lot revenue	143,616	—
Parking meter revenue	956,657	—
Participant contributions	—	184,625
Employer contributions	—	1,689,006
Reimbursements	—	84,718
<b>Total Operating Revenues</b>	<b>1,595,313</b>	<b>1,958,349</b>
<b>Operating Expenses</b>		
Personnel services	274,462	—
Contractual services	249,454	1,832,077
Commodities	57,742	—
Depreciation	350,207	—
Insurance and fringe benefits	35,249	—
<b>Total Operating Expenses</b>	<b>967,114</b>	<b>1,832,077</b>
<b>Operating Income</b>	<b>628,199</b>	<b>126,272</b>
<b>Nonoperating Revenue (Expense)</b>		
Investment income	140,936	8,296
Interest expense	(275,569)	—
Miscellaneous income (expense)	(5,278)	76,683
<b>Total Nonoperating Revenue (Expense)</b>	<b>(139,911)</b>	<b>84,979</b>
<b>Income (Loss) Before Transfers</b>	<b>488,288</b>	<b>211,251</b>
<b>Transfers</b>		
Transfers in	651,828	—
Transfers out	(1,042,404)	—
<b>Total Transfers</b>	<b>(390,576)</b>	<b>—</b>
<b>Change In Net Assets</b>	<b>97,712</b>	<b>211,251</b>
<b>Net Assets - Beginning Of Year</b>	<b>17,937,209</b>	<b>361,075</b>
<b>Net Assets - End Of Year</b>	<b>\$ 18,034,921</b>	<b>\$ 572,326</b>

# CITY OF CLAYTON, MISSOURI

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For The Year Ended September 30, 2005

	<b>Business-Type Activity - Parking Facilities Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Increase (Decrease) In Cash And Cash Equivalents</b>		
<b>Cash Flows From Operating Activities</b>		
Receipts from customers and users	\$ 1,588,776	\$ —
Receipts from interfund services provided	—	2,030,097
Payments to suppliers	(339,684)	—
Payments to employees	(286,311)	—
Payments for interfund services used	—	(1,827,034)
<b>Net Cash Provided By Operating Activities</b>	<b>962,781</b>	<b>203,063</b>
<b>Cash Flows From Noncapital And Related Financing Activities</b>		
Transfers to other funds	(1,042,404)	—
Due to other funds	306,824	—
<b>Net Cash Used In Noncapital And Related Financing Activities</b>	<b>(735,580)</b>	<b>—</b>
<b>Cash Flows From Capital And Related Financing Activities</b>		
Principal payments on note payable	(60,393)	—
Principal payments on special obligation capital improvement bonds	(145,000)	—
Proceeds from special obligation refunding bonds issued	3,306,828	—
Payment to escrow agent on defeasance of old debt	(3,354,038)	—
Payment for bond issue costs	(17,490)	—
Interest payments on special obligation capital improvement bonds and note payable	(986,127)	—
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(1,256,220)</b>	<b>—</b>
<b>Cash Flows From Investing Activities</b>		
Interest received on investments	140,915	8,296
Purchase of investments	(765,489)	—
Sales of investments	1,449,257	—
<b>Net Cash Provided By Investing Activities</b>	<b>824,683</b>	<b>8,296</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>(204,336)</b>	<b>211,359</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>204,336</b>	<b>286,560</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ —</b>	<b>\$ 497,919</b>
<b>Reconciliation Of Operating Income To Net Cash Provided By Operating Activities</b>		
Operating income	\$ 628,199	\$ 126,272
Adjustments to reconcile operating income to net cash provided by operating activities:		
Miscellaneous nonoperating revenue	—	76,683
Depreciation	350,207	—
(Increase) decrease in:		
Accounts receivable	(6,537)	(4,935)
Prepaid insurance	—	12,475
Increase (decrease) in:		
Accounts payable	1,804	9,901
Accrued liabilities	(11,849)	(17,333)
Deposits	957	—
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 962,781</b>	<b>\$ 203,063</b>
Noncash activities:		
Transfers in related to bond refunding	\$ 651,828	\$ —
Net depreciation in fair value of investments	118,366	—

# CITY OF CLAYTON, MISSOURI

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## STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS September 30, 2005

	<u>Pension Trust Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 523,419
Investments:	
U.S. government and agency securities	4,743,873
Foreign bonds	48,776
Corporate bonds	2,694,771
Taxable municipal obligations	278,260
Mutual funds	23,761,073
Interest receivable	87,344
<b>Total Assets</b>	<u>32,137,516</u>
<b>Net Assets</b>	
Held in trust for pension benefits	<u>\$ 32,137,516</u>

# CITY OF CLAYTON, MISSOURI

## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

For The Year Ended September 30, 2005

	<b>Pension Trust Funds</b>
<b>Additions</b>	
Contributions:	
Participant contributions	\$ 283,021
Employer contributions	819,885
Total Contributions	<u>1,102,906</u>
Investment Income:	
Net appreciation in fair value of investments and interest and dividends	3,651,633
Less: Investment expenses	<u>(128,467)</u>
Total Investment Income	<u>3,523,166</u>
Total Additions	4,626,072
<b>Deductions</b>	
Benefits	<u>1,019,132</u>
<b>Change In Net Assets</b>	3,606,940
<b>Net Assets Held In Trust For Pension Benefits - Beginning Of Year</b>	<u>28,530,576</u>
<b>Net Assets Held In Trust For Pension Benefits - End Of Year</b>	<u>\$ 32,137,516</u>

# CITY OF CLAYTON, MISSOURI

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## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2005

### 1. Summary Of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### Reporting Entity

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

#### Basis Of Presentation

##### Government-Wide Financial Statements

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

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

## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Fund Financial Statements**

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

#### **Governmental Fund Type**

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

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

**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, 12.5% of an 8% gross receipts tax on utilities and special assessments.

**Equipment Replacements Fund** - The Equipment Replacements Fund is a Capital Projects Fund used to account for capital asset replacement funds.

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

#### **Proprietary Fund Type**

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. The City has the following proprietary fund types:

## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

**Enterprise Fund** - The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis is to be financed or recovered primarily through user charges. The City's enterprise fund is the Parking Facilities Fund, which is used to account for the operations of the city-owned parking facilities. The City ordinances provide for the transfer of funds from the parking facilities revenue fund to other funds.

**Internal Service Fund** – Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City. The City's internal service fund is used to account for health, dental, life, liability, property, long-term disability and workers' compensation insurance services provided to other departments of the City. Charges for services are allocated to various City departments on a cost recovery basis.

The City applies all applicable pronouncements of the Financial Accounting Standards Board (FASB), issued on or before November 30, 1989, in accounting and reporting for its proprietary operations, unless these pronouncements conflict with or contradict applicable Governmental Accounting Standards Board (GASB) guidance as prescribed by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The City has elected not to follow subsequent private-sector guidance.

**Fiduciary Fund Type - Pension Trust Funds** - Pension Trust Funds are used to account for assets held by the City in a trustee capacity or as an agent for individual; private organizations, other governmental units, and/or other funds. The Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

### **Measurement Focus And Basis Of Accounting**

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

## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*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 government 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 and claims and judgments, are recorded only when payment is due (i.e. matured).

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation.

The principal operating revenues of the Enterprise Fund and of the City's Internal Service Fund are charges to customers for sales and services. Operating expenses for the Enterprise Fund and Internal Service Fund include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

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.

#### **Cash, Cash Equivalents, And Investments**

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



## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

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. Certain restricted investments of the bond reserve funds are carried at cost as allowed by GASB 31. 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.

#### **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.

#### **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 are 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.

#### **Capital Assets**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of 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 market value at the date of donation.

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

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

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

## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Compensated Absences**

Under terms of the City's personnel policy, employees are granted vacation time based on length of service. Vacation is loaded at the beginning of the calendar year. A maximum of eighty 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 governmental funds only if the amounts due at year end have matured.

#### **Long-Term Liabilities**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond premiums and discount, 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.

#### **Deferred Amount On Refunding**

In the government-wide and proprietary fund financial statements, the deferred amount on refunding is recorded as a reduction of the debt obligation. The deferred amount on refunding is computed as the difference between the reacquisition price and the net carrying amount of the old debt, which would include any unamortized bond issuance costs. This deferred amount on refunding is amortized as a component of interest expense over the remaining life of the bonds using the straight-line method, since results of the straight-line method are not materially different from the effective interest method.

The deferred amount on refunding is not recorded in the governmental fund financial statements.

#### **Net Assets**

In the government-wide and proprietary fund financial statements, net assets is displayed in three components as follows:

## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

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

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

**Unrestricted** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

#### **Reserved Fund Balance**

Reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriations or is legally segregated for a specific future use.

#### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

#### **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 and transfers in (out) in the proprietary fund types.

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

#### **Property Taxes**

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

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

## CITY OF CLAYTON, MISSOURI

### Notes To Basic Financial Statements (Continued)

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.

#### Use Of Estimates

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

## 2. Deposits And Investments

During 2005, the City adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement No. 3* (GASB 40). The adoption of GASB 40 modifies certain financial statement disclosure requirements. The new standard enhances the deposit and investment risk disclosures by updating the custodial credit risk disclosure requirements of GASB 3 and addressing other common risks, including concentrations of credit risk, interest rate risk, and foreign currency risk. The implementation of GASB 40 had no effect on financial statement amounts.

The City takes a conservative, "prudent person" approach to its investment purchases and management. The focus of the City's policy is to invest public funds in safe and secure investments with sufficient liquidity to enable the City to meet the cash flow demands of operations, while obtaining the best rate of return, given the investment risk and cash flow restraints of the policy. The City has two pension trust funds, the City of Clayton Uniformed Employees' Retirement Fund (UERF) and the Non-Uniformed Employees' Retirement Fund (NUERF). Each fund has a separate, but similar, investment policy with similar objectives.

A summary of deposits and investments as of September 30, 2005 is as follows:

	Cost	Fair Value	Carrying Value
<b><u>Governmental Activities</u></b>			
Cash and Temporary Investment	\$ 2,552,817	\$ 2,552,817	\$ 2,552,817
Money Market Fund	2,035,038	2,035,038	2,035,038
Certificates of Deposit	3,645,381	3,645,381	3,645,381
U.S. Agencies	7,375,124	7,219,755	7,248,108
	<u>\$ 15,608,360</u>	<u>\$ 15,452,991</u>	<u>\$ 15,481,344</u>
<b><u>Business Type Activity - Enterprise Fund</u></b>			
Cash and Temporary Investment	\$ 19,112	\$ 19,112	\$ 19,112
U.S. Agencies	6,868,970	6,745,841	6,750,604
	<u>\$ 6,888,082</u>	<u>\$ 6,764,953</u>	<u>\$ 6,769,716</u>

## CITY OF CLAYTON, MISSOURI

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### Notes To Basic Financial Statements (Continued)

	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
<b><u>Pension Trust Funds</u></b>			
Cash and Temporary Investment	\$ 523,419	\$ 523,419	\$ 523,419
Mutual Funds	23,761,073	23,761,073	23,761,073
U.S. Treasuries	1,304,870	1,351,185	1,351,185
U.S. Agencies	3,392,080	3,392,688	3,392,688
Corporate Bonds	2,689,151	2,694,771	2,694,771
Taxable Municipal Obligations	282,441	278,260	278,260
Foreign Bonds	51,691	48,776	48,776
	<u>\$ 32,004,725</u>	<u>\$ 32,050,172</u>	<u>\$ 32,050,172</u>

### **Investment Policy**

#### **Governmental And Business Type Activities**

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

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

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

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

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

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

#### **Pension Trust Funds**

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

- 1) Ensure that the assets of the plans are responsibly and prudently managed in accordance with the actuarial needs of the plans while adhering to sound and accepted financial investment procedures.

## CITY OF CLAYTON, MISSOURI

### Notes To Basic Financial Statements (Continued)

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

Performance objectives, asset allocation guidelines and permissible investments are outlined in each policy. The Plans' total return is 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.

#### Investment Types and Maturities

##### Governmental and Business Type Activities

As of September 30, 2005 the governmental activities and business type activity portfolios had the following investments and maturities:

<u>Governmental Activities</u>		<u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Money Market Fund	\$ 2,035,038	\$ 2,035,038	\$ —	\$ —	\$ —
Certificates of Deposit	3,645,381	3,645,381	—	—	—
U.S. Agencies	7,219,755	1,012,531	5,494,653	712,571	—
	<u>\$ 12,900,174</u>	<u>\$ 6,692,950</u>	<u>\$ 5,494,653</u>	<u>\$ 712,571</u>	<u>\$ —</u>

<u>Business Type Activity - Enterprise Fund</u>		<u>Investment Maturities (In Years)</u>			
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. Agencies	\$ 6,745,841	\$ 396,509	\$ 5,209,752	\$ 1,139,580	\$ —
	<u>\$ 6,745,841</u>	<u>\$ 396,509</u>	<u>\$ 5,209,752</u>	<u>\$ 1,139,580</u>	<u>\$ —</u>

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

## CITY OF CLAYTON, MISSOURI

### Notes To Basic Financial Statements (Continued)

The City also invests in mortgage-backed securities, such as collateralized mortgage obligations. These securities are reported at fair value and are based on the cash flows from interest payments by the underlying mortgages. As a result, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby prepaying the mortgages underlying these securities, the cash flow from interest payments is reduced and the value of these securities declines. Likewise, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

#### Pension Trusts Funds

As of September 30, 2005, the UERF and NUERF investment portfolios had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasuries	\$ 1,351,185	\$ 657,939	\$ —	\$ —	\$ 693,246
U.S. Agencies	3,392,688	98,797	281,705	662,214	2,349,972
Corporate Bonds	2,694,771	130,098	483,891	792,193	1,288,589
Taxable Municipal Obligations	278,260	—	114,225	164,035	—
Fixed Income - Mutual Funds	2,566,123	—	2,566,123	—	—
Foreign Bonds	48,776	—	31,744	17,032	—
	<u>\$ 10,331,803</u>	<u>\$ 886,834</u>	<u>\$ 3,477,688</u>	<u>\$ 1,635,474</u>	<u>\$ 4,331,807</u>

#### Credit Risk

##### Governmental And Business Type Activities

The City's investment policy does not address credit quality standards. The following table provides information on the credit ratings associated with the City's investments as of September 30, 2005, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government. The City has an unrated money market account that is covered by excess deposit insurance for amounts above the Federal Deposit Insurance Corporation (FDIC).

##### Governmental Activities

	S&P	Fair Value
Money Market Fund	unrated	\$ 2,035,038
U.S. Agencies	AAA	<u>7,219,755</u>
		<u>\$ 9,254,793</u>

## CITY OF CLAYTON, MISSOURI

### Notes To Basic Financial Statements (Continued)

#### Business Type Activity – Enterprise Fund

	<u>S&amp;P</u>	<u>Fair Value</u>
U.S. Agencies	AAA	\$ 6,745,841
		<u>\$ 6,745,841</u>

#### Pension Trust Funds

The investment policy does not address credit quality standards. The following table reflects the credit ratings for the two retirement plans associated with the securities invested in the pension trust funds as of September 30, 2005, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government.

	<u>S&amp;P</u>	<u>Fair Value</u>
U.S. Agencies	AAA	\$ 3,392,688
Corporate Bonds	AAA	888,735
Corporate Bonds	AA-	286,724
Corporate Bonds	A	919,186
Corporate Bonds	BBB	600,126
Mutual Funds	AAA	513,225
Mutual Funds	AA	102,645
Mutual Funds	A	282,273
Mutual Funds	BBB	256,612
Taxable Municipal Obligations	AAA	243,478
Taxable Municipal Obligations	AA	34,782
Foreign Bonds	A-	48,776
		<u>\$ 7,569,250</u>

#### Concentration Of Risk

#### Governmental And Business Type Activities

The City will diversify its investments by institution. With the exception of bonds, bills or notes of the United States government or any agency thereof, including authorized pools, it shall be the goal of the City that no more than 80% of the City's investment portfolio will be invested in a single institution. As of September 30, 2005, the City had the following investment concentrations with one issuer:

#### Governmental Activities

Federal Home Loan Bank	37%
Federal Farm Credit Bank	45%
Federal National Mortgage Association	18%
	<u>100%</u>



## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Business Type Activity - Enterprise Fund**

Federal Home Loan Bank	64%
Federal Farm Credit Bank	27%
Federal National Mortgage Association	9%
	<hr/>
	100%

#### **Pension Trust Funds**

As of September 30, 2005, the pension plans had the following investment concentrations with one issuer:

Federal Home Loan Mortgage Corporation	7%
Federal National Mortgage Association	19%
	<hr/>
	48%

The pension investment policies specify that investments held by these plans shall be 55-65% equity securities and 35-45% fixed income securities. The equity securities have further target allocations for the whole portfolio as follows: 40% large cap, 10% small cap and 10% international equities. The trustees of the plans follow these guidelines for all investments while adhering to the list of permissible investments outlined in the policies. The funds in the plans are invested over the long term in keeping with the objective of providing retirement benefits for its members.

#### **Custodial Credit Risk**

##### **Governmental And Business Type Activities**

For investments, custodial credit risk 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.

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

##### **Pension Trusts**

For investments in the pension trust funds, custodial credit risk 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, 2005, the City of Clayton Uniformed Employees' Retirement Fund has \$7,765,680 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 Employees' Retirement Fund.

**CITY OF CLAYTON, MISSOURI**Notes To Basic Financial Statements (*Continued*)**3. Capital Assets**

Capital asset activity was as follows:

	Balance - October 1, 2004	Additions	Retirements	Balance - September 30, 2005
<b>Government Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,072,517	\$ —	\$ —	\$ 1,072,517
Construction in process	6,644,522	1,102,816	7,747,338	—
Total capital assets not being depreciated	7,717,039	1,102,816	7,747,338	1,072,517
Capital assets, being depreciated:				
Buildings	9,199,967	6,962,095	—	16,162,062
Improvements other than buildings	259,710	—	—	259,710
Machinery and equipment	4,826,810	377,476	295,118	4,909,168
Infrastructure	23,936,244	268,105	110,576	24,093,773
Total capital assets being depreciated	38,222,731	7,607,676	405,694	45,424,713
Less accumulated depreciation for:				
Buildings	1,439,500	335,652	—	1,775,152
Improvements other than buildings	216,956	4,672	—	221,628
Machinery and equipment	3,157,106	449,992	253,233	3,353,865
Infrastructure	5,914,434	478,678	28,036	6,365,076
Total accumulated depreciation	10,727,996	1,268,994	281,269	11,715,721
Total capital assets being depreciated, net	27,494,735	6,338,682	124,425	33,708,992
Governmental activities capital assets, net	\$ 35,211,774	\$ 7,441,498	\$ 7,871,763	\$ 34,781,509

**CITY OF CLAYTON, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

	Balance - October 1, 2004 (As Restated)	Additions	Retirements	Balance - September 30, 2005
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,287,574	\$ —	\$ —	\$ 2,287,574
Capital assets, being depreciated:				
Buildings	16,035,987	—	—	16,035,987
Improvements other than buildings	78,602	—	—	78,602
Machinery and equipment	240,889	22,550	60,159	203,280
Total capital assets being depreciated	16,355,478	22,550	60,159	16,317,869
Less accumulated depreciation for:				
Buildings	2,073,082	325,598	—	2,398,680
Improvements other than buildings	45,116	1,510	—	46,626
Machinery and equipment	146,889	23,099	54,882	115,106
Total accumulated depreciation	2,265,087	350,207	54,882	2,560,412
Total capital assets being depreciated, net	14,090,391	(327,657)	5,277	13,757,457
Business-type activities capital assets, net	\$ 16,377,965	\$ (327,657)	\$ 5,277	\$ 16,045,031

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

	For The Year Ended September 30, 2005
Governmental activities:	
General government	\$ 195,321
Public safety	124,600
Streets and highways	680,425
Parks and recreation	268,648
	<u>\$ 1,268,994</u>
Business-type activity:	
Parking operations	<u>\$ 350,207</u>

**CITY OF CLAYTON, MISSOURI**

Notes To Basic Financial Statements *(Continued)*

**4. Restricted Assets**

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

	<b>September 30, 2005</b>	
	<b>Actual</b>	<b>Required</b>
Series 2005A Bond Reserve Account	\$ 1,316,002	\$ 1,216,500
Series 2005B Bond Reserve Account	283,450	265,500
	<b>\$ 1,599,452</b>	<b>\$ 1,482,000</b>

**5. Interfund Assets/Liabilities**

Individual interfund assets and liabilities are as follows:

**Due From/To Other Funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>September 30, 2005</b>
General Fund	Enterprise Fund	\$ 306,824
Revolving Public Improvement Fund	Nonmajor Fund – 1993-94, 99 Bond Issue Fund	197,000

The amounts due to or from individual funds represent interfund borrowings that arise in the normal course of business and are due to either timing differences or to the elimination of negative cash balances within various funds.

# CITY OF CLAYTON, MISSOURI

## Notes To Basic Financial Statements (Continued)

### 6. Interfund Transactions

Individual interfund transactions are as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>September 30, 2005</u>
Nonmajor Fund - Firefighter		
Assistance Grant Fund	General Fund	\$ 5,486
Equipment Replacement Fund	General Fund	194,219
Equipment Replacement Fund	Nonmajor Fund - Special Taxing District	1,539
Equipment Replacement Fund	Enterprise Fund	15,657
2005 Bond Debt Service Fund	2005 Bond Reserve Fund	37,000
2005 Bond Debt Service Fund	1997-98 Bond Debt Service Fund	198,346
2005 Bond Debt Service Fund	2005 Bond Reserve Fund	3,607
Revolving Public Improvement Fund	Enterprise Fund	652,505
Nonmajor Fund - Capital		
Improvement Project Fund	Enterprise Fund	385,500
Nonmajor Fund – 2002 Capital	Nonmajor Fund – Capital Improvement	
Project Bond Fund	Project Fund	263,172
Nonmajor Fund – 2002 Capital		
Project Bond Fund	Revolving Public Improvement Fund	699,951
1997-98 Bond Debt Service	Nonmajor Fund – Capital Improvement	
Fund	Project Fund	770,263
1997-98 Bond Debt Service		
Fund	2005 Bond Reserve Fund	43,991
1997-98 Bond Debt Service		
Fund	Enterprise Fund	4,801
2005 Bond Reserve Fund	Enterprise Fund	6,491
1993-94, 99 Bond Debt Service		
Fund	Revolving Public Improvement Fund	570,000
Enterprise Fund	Equipment Replacement Fund	22,550
Enterprise Fund	2005 Bond Debt Service Fund	651,828
		<u>\$ 4,526,906</u>

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

**CITY OF CLAYTON, MISSOURI**

Notes To Basic Financial Statements (Continued)

**7. Long-Term Liabilities**

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

	Balance - October 1, 2004	Additions	Reductions	Balance- September 30, 2005	Amounts Due Within One Year
<b>Governmental Activities</b>					
Special obligation capital improvement bonds	\$ 21,255,000	\$ 12,165,000	\$ 12,190,000	\$ 21,230,000	\$ 1,655,000
General obligation bonds	8,185,000	—	775,000	7,410,000	810,000
Capital lease	15,804	—	3,833	11,971	3,829
	29,455,804	12,165,000	12,968,833	28,651,971	2,468,829
*Compensated absences	333,805	444,529	541,194	237,140	237,140
	<u>\$ 29,789,609</u>	<u>\$ 12,609,529</u>	<u>\$ 13,510,027</u>	<u>28,889,111</u>	<u>\$ 2,705,969</u>
<b>Less: Deferred Amount on Refunding</b>				<u>465,880</u>	
<b>Governmental Activities Long-Term Liabilities</b>				<u>\$ 28,423,231</u>	
<b>Business-Type Activity</b>					
Special obligation capital improvement bonds	\$ 3,245,000	\$ 2,655,000	\$ 3,245,000	\$ 2,655,000	\$ 225,000
Note payable	2,151,734	—	60,393	2,091,341	120,000
	5,396,734	2,655,000	3,305,393	4,746,341	345,000
**Compensated absences	1,589	15,464	15,905	1,148	1,148
	<u>\$ 5,398,323</u>	<u>\$ 2,670,464</u>	<u>\$ 3,321,298</u>	<u>4,747,489</u>	<u>\$ 346,148</u>
<b>Less: Deferred Amount on Refunding</b>				<u>241,336</u>	
<b>Business-Type Activity Long-Term Liabilities</b>				<u>\$ 4,506,153</u>	

\* The liability for compensated absences has historically been liquidated in each respective governmental fund.

\*\* The liability for compensated absences has historically been liquidated by the Parking Facilities Enterprise Fund.

## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

During the fiscal year ended September 30, 2005, the City issued Special Obligation Refunding Bonds, Series 2005A and Series 2005B in the amount \$12,165,000 (Series 2005A) and \$2,655,000 (Series 2005B) with interest rates ranging from 3.0% to 4.1% and 4.85% for the Series 2005A and Series 2005B, respectively. The bond proceeds are being used to advance refund maturities of the following bond issuances: Maturities for 2006 through 2017 of Series 1997 with interest rates ranging from 4.5% to 5.125%, with a call option in 2007; maturities for 2006 through 2017 of Series 1998A with interest rates of 4.5% to 5.0%, with a call option in 2007; maturities for 2006 through 2016 of Series 1998B with interest rates ranging from 6.5% to 7.0%, with a call option in 2007. The net proceeds of \$14,765,174, after payment of \$156,526 of issuance costs, were deposited in an irrevocable trust with an escrow agent to provide for the payment of principal and interest through maturity of the aforementioned coupons on the Series 1997, 1998A, and 1998B bonds. This advance refunding met the requirements of an in-substance defeasance and the obligations related to the aforementioned maturities of the Series 1997, 1998A, and 1998B bonds were removed from the City's government-wide financial statements.

As a result of the advance refunding, the City reduced its total debt service requirements by \$561,129 and \$131,123 in the governmental fund and enterprise fund financial statements, respectively, which resulted in an economic gain of \$449,604 and \$117,693, respectively. For the government-wide and enterprise financial statements, deferred amounts on refunding of \$486,136 and \$254,038, respectively, were calculated related to the refunding as the difference between the book value and the reacquisition price of the Series 1997, 1998A, and 1998B bonds, which were capitalized and will be amortized over 12 and 10 years, respectively.

The special obligation capital improvements bonds totaling \$9,175,000, \$5,160,000 and \$9,950,000 were issued on December 1, 1997, February 1, 1998, and December 30, 2002, respectively. The \$9,175,000 Special Obligation Capital Improvement Bonds Series 1997 mature from 1999 to 2018 with interest rates of 4.500% to 5.125% (average interest rate of 4.680%). The \$5,160,000 Special Obligation Capital Improvement Bonds Series 1998A mature 1999 to 2018 with interest rates of 4.375% to 5.000% (average interest rate of 4.640%). The \$9,950,000 Special Obligation Capital Improvement Bonds Series 2002 mature 2004 to 2007 with an interest rate of 2.650%.

The general obligation bonds totaling \$9,500,000, \$4,500,000 and \$8,410,000 were issued on December 15, 1993, February 1, 1994, and June 1, 1999, respectively. The \$9,500,000 General Obligation Bonds Series 1993 mature from 1996 to 2013 with interest rates of 3.900% to 6.900% (average interest rate of 4.790%). The \$4,500,000 General Obligation Bonds Series 1994 mature from 1996 to 2014 with interest rates of 3.800% to 5.500% (average interest rate of 4.740%). The \$8,410,000 General Obligation Bonds Series 1999 mature from 1999 to 2012 with interest rates of 4.100% to 4.500% (average interest rate of 4.200%). The Series 1993 and Series 1994 bonds were partially refunded by the Series 1999 bonds.

**CITY OF CLAYTON, MISSOURI**

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Notes To Basic Financial Statements *(Continued)*

The special obligation capital improvement bonds totaling \$625,000 and \$3,315,000 were issued on February 1, 1998. The \$625,000 Special Obligation Capital Improvement Bonds Series 1998A mature 1999 to 2018 with interest rates of 4.375% to 5.000% (average interest rate of 4.640%). The \$3,315,000 Taxable Special Obligation Capital Improvement Bonds Series 1998B mature from 1999 to 2017 with interest rates of 6.250% to 6.625% (average interest rate of 6.400%).

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt has matured and, therefore, the defeased debt was removed as a liability from the City's financial statements. As of September 30, 2005, the amount of prior years' defeased debt outstanding, but removed from the financial statements amounted to \$14,025,000.

The City has an agreement with St. Louis County, Missouri (the County) to pay for a portion of the Shaw Park Parking Garage. The garage was completed in fiscal year 2005 and the City's portion of the garage to be repaid to the County is \$2,764,176. The note bears interest at rates similar to those found in the bonds the County issued, which ranges from 4.000% to 4.750%. The City is obligated to begin payments to the County in fiscal year 2005 of \$19,234 per month through May 2018.

**Capital Lease**

The City has entered into a lease agreement as lessee for financing the acquisition of a voice logging system. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded in the government-wide financial statements at the present value of its future lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	<u>September 30, 2005</u>
Asset:	
Machinery and equipment	\$ 19,804
Less: Accumulated depreciation	<u>5,941</u>
Total	<u><u>\$ 13,863</u></u>



**CITY OF CLAYTON, MISSOURI**Notes To Basic Financial Statements *(Continued)***Maturities**

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

<b>For The Year Ending September 30,</b>	<b>Special Obligation Capital Improvement Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2006	\$ 1,655,000	\$ 662,343	\$ 2,317,343
2007	1,555,000	616,841	2,171,841
2008	8,085,000	485,400	8,570,400
2009	725,000	364,528	1,089,528
2010	745,000	340,615	1,085,615
2011 – 2015	4,165,000	1,276,406	5,441,406
2016 – 2018	4,300,000	310,488	4,610,488
	<b>\$ 21,230,000</b>	<b>\$ 4,056,621</b>	<b>\$ 25,286,621</b>

<b>For The Year Ending September 30,</b>	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2006	\$ 810,000	\$ 299,655	\$ 1,109,655
2007	840,000	265,418	1,105,418
2008	875,000	229,831	1,104,831
2009	915,000	192,460	1,107,460
2010	950,000	153,058	1,103,058
2011 – 2013	3,020,000	200,845	3,220,845
	<b>\$ 7,410,000</b>	<b>\$ 1,341,267</b>	<b>\$ 8,751,267</b>

Aggregate maturities required on long-term debt for business-type activity are as follows:

<b>For The Year Ending September 30,</b>	<b>Special Obligation Capital Improvement Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2006	\$ 225,000	\$ 123,311	\$ 348,311
2007	190,000	113,248	303,248
2008	200,000	103,790	303,790
2009	205,000	93,969	298,969
2010	220,000	83,663	303,663
2011 – 2015	1,300,000	240,802	1,540,802
2016	315,000	7,639	322,639
	<b>\$ 2,655,000</b>	<b>\$ 766,422</b>	<b>\$ 3,421,422</b>

**CITY OF CLAYTON, MISSOURI**

## Notes To Basic Financial Statements (Continued)

For The Year Ending September 30,	St Louis County Parking Garage Repayment		
	Principal	Interest	Total
2006	\$ 120,000	\$ 93,855	\$ 213,855
2007	125,000	89,055	214,055
2008	130,000	84,055	214,055
2009	140,000	78,725	218,725
2010	145,000	72,845	217,845
2011 – 2015	825,000	262,451	1,087,451
2016 – 2018	606,341	58,854	665,195
	<u>\$ 2,091,341</u>	<u>\$ 739,840</u>	<u>\$ 2,831,181</u>

The future minimum lease obligations and the net present value of these minimum lease payments for the governmental activities are as follows:

Year	Amount
2006	\$ 4,326
2007	4,326
2008	4,326
Total minimum lease payments	12,978
Less: Imputed interest	1,007
<u>Present value of minimum lease payments</u>	<u>\$ 11,971</u>

**8. 401(k) Plan**

The City maintains a 401(k) Plan which qualifies under Section 401 of the Internal Revenue Code (IRC). All uniformed full-time employees with one year or more of service are included in the Plan. All assets of the Plan have been contributed by the member employees. The City does not make contributions to this Plan. The employee contributions to the Plan for the year ended September 30, 2005 amounted to \$63,983. The assets of the Plan, amounting to \$1,115,022, are accounted for in the City's pension trust funds.

The Board of Aldermen voted on September 27, 2005 to terminate the 401(k) Clayton Uniformed Employees Plan based on recommendations from the participants. Subsequent to September 30, 2005, the participants transferred the majority of their assets to other IRC eligible deferred compensation programs.

## CITY OF CLAYTON, MISSOURI

### Notes To Basic Financial Statements (Continued)

#### 9. 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, 2005 was \$9,724,637. The actuarial accrued liability and actuarial value of assets for both plans is as follows:

	<b>Non-Uniformed Employees July 1, 2004</b>	<b>Uniformed Employees January 1, 2005</b>
Actuarial value of assets	\$ 8,309,122	\$ 21,317,000
Actuarial accrued liability	8,277,529	26,264,000
Excess of assets over (unfunded) actuarial accrued liability	\$ 31,593	\$ (4,947,000)

#### Non-Uniformed Employees' Retirement Fund

##### *Plan Description And Provisions*

The City sponsors and administers a single-employer defined benefit pension plan, the Non-Uniformed Employees' Retirement Fund (NUERF), which covers substantially all full-time employees not covered under the City of Clayton Uniformed Employees' Retirement Fund. The NUERF does not issue a stand-alone financial report. The covered compensation for employees in the NUERF at July 1, 2004 was \$3,806,509. Current membership in the NUERF is as follows:

<b>Group</b>	<b>July 1, 2004</b>
Retirees and beneficiaries currently receiving benefits	31
Vested terminated employees	23
Active employees:	
Fully vested	50
Non-vested	38

Employees become eligible to participate in the NUERF after completion of six months of full-time employment. 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.

**CITY OF CLAYTON, MISSOURI**

Notes To Basic Financial Statements (Continued)

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

- With less than 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.

**Funding Policy**

Employees are required to contribute 3% of annual salary to the NUERF. However, contribution requirements have been temporarily suspended since 1991. Investment income currently covers the costs of the NUERF. The City is required by plan ordinance to contribute at an actuarially determined rate. The actuarially recommended City contribution is 6.34% of covered compensation. For the plan year ending June 30, 2004, the latest actuarial valuation date, there was an actuarial required contribution of \$209,866. The City has not determined the amount that will be contributed as of September 30, 2005.

**Annual Pension Cost And Net Pension Obligation**

The City's annual pension cost and net pension obligation (asset) for the NUERF for the plan year ended June 30, 2004 and 2003 is as follows:

Pension Plan							
Valuation Dated July 1,	Net Pension Obligation (Asset)		Interest On Net Pension Obligation (Asset)	Adjustment To Annual Required Contribution	Annual Required Contribution	Actual Contributions	Net Pension Obligation (Asset) End Of Year
	Beginning Of Year	Calculated Contribution					
	2004	\$ (127,707)					
2003	(127,707)	54,152	—	—	54,152	54,152	(127,707)

The net pension liability is included in the long-term asset within governmental activities in the government-wide financial statements.

Historical trend information about the City's participation in the Plan is presented below.

Pension Plan			
Actuarial Valuation Dated July 1,	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)
2004	\$ —	—	\$ (127,707)
2003	54,152	100%	(127,707)
2002	54,152	100%	(127,707)

**CITY OF CLAYTON, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

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

Valuation date	July 1, 2004
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%

**Required Supplementary Information (Unaudited)**

**Schedule Of Funding Progress**

<b>Actuarial Valuation Dated July 1,</b>	<b>Actuarial Value Of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Excess Of Assets Over AAL</b>
2004	\$ 8,309,122	\$ 8,277,529	\$ 31,593
2003	8,054,378	7,356,093	698,285
2002	7,660,471	7,476,674	183,797
2001	8,148,374	6,481,796	1,666,578
2000	8,291,350	5,782,917	2,508,433
1999	7,840,977	4,736,592	3,104,385

**Schedule Of Funding Progress (Continued)**

<b>Actuarial Valuation Dated July 1,</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Excess Of Assets As A Percentage Of Covered Payroll</b>
2004	100.38%	\$ 3,806,509	0.83%
2003	109.49%	3,676,619	18.99%
2002	102.46%	4,112,317	4.47%
2001	125.71%	3,532,356	47.18%
2000	143.38%	3,336,208	75.19%
1999	165.54%	2,909,709	106.69%

## CITY OF CLAYTON, MISSOURI

### Notes To Basic Financial Statements (Continued)

<b>Schedule Of Employer's Contributions</b>			
<b>For The Years Ended June 30,</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2004	\$ —	\$ —	—
2003	54,152	54,152	100%
2002	—	—	—
2001	—	—	—
2000	—	—	—
1999	—	—	—

### **City Of Clayton Uniformed Employees' Retirement 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' Retirement Fund (the UERF) that provides retirement, disability and death benefits. The UERF does not issue a stand-alone financial report. The covered compensation for employees in the UERF at January 1, 2005 was \$4,905,479. Current membership in the UERF is as follows:

<b>Group</b>	<b>January 1, 2005</b>
Retirees and beneficiaries currently receiving benefits	42
Vested terminated employees	4
Active employees:	
Fully vested	44
Non-vested	44

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% times 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 OF CLAYTON, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

***Funding Policy***

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.

***Annual Pension Cost And Net Pension Obligation***

The City's annual pension cost and net pension obligation (asset) for the Plan years 2000 through 2005 is as follows:

<b>Pension Plan</b>							
<b>Actuarial Valuation Dated January 1,</b>	<b>Net Pension Obligation (Asset) Beginning Of Year</b>		<b>Interest On Net Pension Obligation (Asset)</b>	<b>Adjustment To Annual Required Contribution</b>	<b>Annual Required Contri- bution</b>	<b>Actual Contri- bution</b>	<b>Net Pension Obligation (Asset) End Of Year</b>
	<b>Calculated Contribution</b>	<b>Contribution</b>					
2005	\$ (271,097)	\$ 819,885	\$ —	\$ —	\$ 819,885	\$ 819,885	\$ (271,097)
2004	(271,097)	846,500	—	—	846,500	846,500	(271,097)
2003	(271,097)	717,162	(18,643)	(8,897)	707,416	707,416	(271,097)
2002	(271,097)	515,702	(18,983)	(14,167)	510,886	510,886	(271,097)
2001	(75,279)	78,878	(5,272)	(3,823)	77,429	273,247	(271,097)
2000	(33,465)	125,107	(2,343)	(1,681)	124,445	166,259	(75,279)

The net pension asset is reflected as a long-term asset within the governmental activities in the government-wide financial statements.

Historical trend information about the City's participation in the UERF is presented below:

<b>Pension Plan</b>			
<b>Actuarial Valuation Dated January 1,</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation (Asset)</b>
2005	\$ 819,885	100%	\$ (271,097)
2004	846,500	100%	(271,097)
2003	707,416	100%	(271,097)
2002	510,886	100%	(271,097)
2001	77,429	352.9%	(271,097)
2000	124,445	133.6%	(75,279)

**CITY OF CLAYTON, MISSOURI**

Notes To Basic Financial Statements (Continued)

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

Valuation date	January 1, 2005
Actuarial cost method	Entry age (normal)
Amortization method	Closed
Amortization period	29 years
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	3.5%
Inflation rate	—
Post-retirement benefit increases	Lower of annual consumer price index or 2%

**Required Supplementary Information (Unaudited)**

**Schedule Of Funding Progress**

Actuarial Valuation Dated January 1,	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Excess Of Assets Over (Unfunded) AAL
2005	\$ 21,317,000	\$ 26,264,000	\$ (4,947,000)
2004	19,197,000	24,962,000	(5,765,000)
2003	17,284,000	23,705,000	(6,421,000)
2002	17,287,000	22,239,000	(4,952,000)
2001	17,397,000	19,930,000	(2,533,000)
2000	17,932,000	14,649,000	3,283,000

**Schedule Of Funding Progress (Continued)**

Actuarial Valuation Dated January 1,	Funded Ratio	Covered Payroll	Excess Assets Over (Unfunded) AAL As A Percentage Of Covered Payroll
2005	81.2%	\$ 4,905,000	(100.8)%
2004	76.9%	4,314,000	(133.7)%
2003	72.9%	3,933,000	(163.2)%
2002	77.7%	4,299,000	(115.2)%
2001	87.3%	3,693,000	(68.6)%
2000	122.4%	3,424,000	95.9%



## CITY OF CLAYTON, MISSOURI

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### Notes To Basic Financial Statements (Continued)

#### Schedule Of Employer's Contributions

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<b>For The Years Ended December 31,</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2005	\$ 819,885	\$ 819,885	100%
2004	846,500	846,500	100%
2003	707,416	707,416	100%
2002	510,886	510,886	100%
2001	77,429	273,247	352.9%
2000	124,445	166,259	133.6%

### 10. 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.

### 11. 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 uses its Insurance Fund (an Internal Service Fund) to account for its risks of loss. During 2005, the City made changes to its risk management program to lower premiums or to limit its financial exposure for claims.

Beginning in January, 2005 the City joined the St. Louis Area Insurance Trust (SLAIT), a public entity risk pool, for general liability, law enforcement liability, public officials E&O, and automobile liability. The City's insurance coverage with each category of risk is in the amount of \$2 million per occurrence. The City pays an annual contribution to SLAIT for its insurance coverage. Should the contributions received not produce sufficient funds to meet obligations, SLAIT is empowered to make special assessments. Members of SLAIT are jointly and severally liable for all claims against SLAIT. Prior to joining SLAIT the City was insured with a State-wide public entity risk pool, Missouri Public Entity Risk Management Fund (MOPERM), which operated in the same manner. The City of Clayton has no unsettled claims with MOPERM for which there is financial responsibility.

## CITY OF CLAYTON, MISSOURI

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### Notes To Basic Financial Statements (Continued)

Until May 20, 2005, the City was self-insured for Workers' Compensation claims. As of September 30, 2005, five claims remain open for claims incurred before May 20, 2005 (liability listed below). Starting May 20, 2005, the City is insured for Workers' Compensation coverage with SLAIT, in addition to the coverage already provided. SLAIT does not charge a deductible and therefore the City will not accrue a claims liability for workers' compensation claims (provided annual contributions are sufficient to pay the claims of the pool).

The Insurance Fund charges other funds for insurance coverage based on estimates of the amounts needed to pay prior year and current year claims and to establish a reserve for catastrophe losses. The City purchases commercial insurance for all other risks of loss. The claims liability reported at September 30, 2005 was \$42,000. Settlement claims have not exceeded commercial insurance coverage in any of the past three years.

Changes in the claims payable liability were as follows:

	<b>Workers' Compensation</b>
Unpaid claims, September 30, 2003	\$ 314,573
Incurred claims	145,340
Claim payments	(400,580)
Unpaid claims, September 30, 2004	59,333
Incurred claims	23,843
Claim payments	(41,176)
Unpaid claims, September 30, 2005	<u>\$ 42,000</u>

## 12. Joint Venture

Pursuant to an agreement authorized by City ordinance, the City joined with the Clayton School District to construct and operate a recreational facility. The construction was funded by the City and the Clayton School District. Administration, accounting, repair, and maintenance of the facility will be shared in accordance with the agreement. The City has contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the Clayton City Hall. The City is liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$82,763 for its share of the operational cash shortages incurred by the joint venture for the year ended September 30, 2005.

## **CITY OF CLAYTON, MISSOURI**

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### Notes To Basic Financial Statements *(Continued)*

Condensed summary of financial information for the joint venture as of and for its fiscal year ended September 30, 2004 is as follows:

Assets	<u>\$ 17,766,449</u>
Liabilities	\$ 896,084
Invested in capital assets, net of related debt	16,857,189
Restricted - development fund	104,639
Unrestricted deficit	<u>(91,463)</u>
Net Assets	<u>\$ 16,870,365</u>
Operating revenue	\$ 2,290,294
Operating expenses	2,955,685
Nonoperating revenue	14,385
Capital contributions	<u>14,385</u>
Net loss	<u>\$ (535,500)</u>

The joint venture's financial statements for September 30, 2005 were not available when the City's financial statements were completed.

### **13. Litigation**

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. It is management's opinion that any liability resulting from claims in excess of insurance coverage will not have a material effect on the financial statements of the City at September 30, 2005.

### **14. Prior Period Adjustment**

The financial statements for the year ended September 30, 2004 have been restated to correct an error regarding the capitalization of construction-in-progress and to correct an error regarding the accrual of compensated absences. An adjustment was necessary to accurately reflect the beginning balance of certain construction projects that were over-capitalized and the beginning balance of accrued compensated absences that was understated. The effect of these adjustments on capital assets and long-term liabilities results in a decrease to Net Assets as of October 1, 2004 of \$553,544.

In addition, the financial statements for the year ended September 30, 2004 contained an error regarding the proper capitalization of construction period interest. Since the payment for the construction period interest was not made until fiscal year 2005, the restatement in the prior period was reflected in both the assets and liabilities of the financial statements, and therefore had no effect on net assets as of October 1, 2004. Unrecorded construction period interest and accrued interest payable amounted to \$724,610.

**15. Subsequent Events**

During December 2005, the Council approved the sale of the parking garage at 7733 Carondelet Avenue for the total purchase price of \$4,275,000. The closing of this sale was scheduled for February 6, 2006.

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## **Required Supplementary Information**

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# CITY OF CLAYTON, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND

For The Year Ended September 30, 2005

	Original Budget	Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>				
General property taxes	\$ 4,153,798	\$ 4,153,798	\$ 4,105,410	\$ (48,388)
Licenses and permits	1,280,515	1,280,515	1,207,727	(72,788)
Public utility licenses	4,194,400	3,994,400	3,993,872	(528)
Intergovernmental	4,695,024	4,818,558	4,891,439	72,881
Community programs	936,476	936,476	1,000,188	63,712
Fines and forfeitures	770,600	770,600	723,218	(47,382)
Investment income	122,500	122,500	166,326	43,826
Miscellaneous	506,745	506,745	528,622	21,877
<b>Total Revenues</b>	<b>16,660,058</b>	<b>16,583,592</b>	<b>16,616,802</b>	<b>33,210</b>
<b>Expenditures</b>				
Current:				
General government	4,088,687	4,088,687	3,985,823	(102,864)
Public safety	8,020,809	8,144,343	7,895,013	(249,330)
Streets and highways	3,352,174	3,352,174	3,258,537	(93,637)
Parks and recreation	1,654,536	1,654,536	1,600,093	(54,443)
<b>Total Expenditures</b>	<b>17,116,206</b>	<b>17,239,740</b>	<b>16,739,466</b>	<b>(500,274)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(456,148)</b>	<b>(656,148)</b>	<b>(122,664)</b>	<b>533,484</b>
<b>Other Financing Uses</b>				
Transfers out	(199,705)	(199,705)	(199,705)	—
<b>Net Change In Fund Balances</b>	<b>\$ (655,853)</b>	<b>\$ (855,853)</b>	<b>(322,369)</b>	<b>\$ 533,484</b>
<b>Adjustments To Reconcile To GAAP Basis</b>				
Encumbrances reserved at September 30, 2005			3,976	
Encumbrances reserved at September 30, 2004			(2,523)	
			<u>1,453</u>	
<b>Net Change In Fund Balances - GAAP Basis</b>			<b>(320,916)</b>	
<b>Fund Balance - Beginning Of Year</b>			<u>7,409,517</u>	
<b>Fund Balance - End Of Year</b>			<u><u>\$ 7,088,601</u></u>	

# **CITY OF CLAYTON, MISSOURI**

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## **REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION September 30, 2005**

### **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, Firefighter Assistance Grant Fund, 1997-98 Capital Project Bond Fund, 401(k) Plan Fund, and proceeds from capital outlay for the fiscal year. The City also created the Redevelopment Forsyth/Hanley Road Fund and the 2005 Bond Debt Service Fund during 2005, but did not amend the budget to include expenditures for these funds. The operating budget includes proposed expenditures and the means of financing them.
- 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 accounting principles generally accepted in the United States of America except that budgetary basis expenditures include encumbrances and loan payments in connection with short-term financing. Budgetary comparisons in the required supplementary information and other supplemental information are presented on this budgetary basis. Unencumbered appropriations lapse at fiscal year-end.
- e. Current year budget includes amendments. Budget amendments between funds or departments must be approved by the Board of Aldermen.

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**Supplementary Information  
Combining and Individual Fund  
Financial Statements and Schedules**

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# CITY OF CLAYTON, MISSOURI

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## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than 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 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.

**Firefighter Assistance Grant Fund** - This fund is used to account for the grant received, which funds are to be utilized for firefighter assistance.

**Redevelopment Forsyth/Hanley Road** - This fund is used to account for redevelopment fees assessed on all residential property, which funds are to be utilized for the redevelopment and construction related to Forsyth and Hanley roads.

### CAPITAL PROJECT FUNDS

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

**1997-98 Capital Project Bond Fund** - The 1997-98 Capital Project Bond Fund is a Capital Projects Fund used to account for specific improvements to park and recreational facilities and infrastructure improvements, which are funded by special obligation capital improvement bonds proceeds.

**2002 Capital Project Bond Fund** - This fund is used to account for specific improvements to city hall/fire station renovation and renovation of the pool, diving tank and pool house at Shaw Park, which are funded by special obligation bond proceeds.

## CITY OF CLAYTON, MISSOURI

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**Capital Improvement Project Fund** – This fund is used to account for improvements to park and recreational facilities and stormwater systems which is funded by a 1/2% sales tax.

### **DEBT SERVICE FUNDS**

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

**2005 Bond Reserve Fund** - This fund is used to account for the amounts reserved according to the bond issue.

**1993-94, 99 Bond Issue Fund** - This fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest.

**1997-98 Bond Debt Service Fund** - This fund is used to account for the accumulation of resources for, and the payment of, special obligation capital improvement bond principal and interest. This fund was closed during 2005.

**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

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS September 30, 2005

	Special Revenue	Capital Projects	Debt Service	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 334,663	\$ 481,909	\$ 1,125,109	\$ 1,941,681
Investments	98,400	98,400	—	196,800
Property taxes receivable	—	—	7,606	7,606
Intergovernmental receivable	—	200,200	—	200,200
Special assessments receivables	—	—	211,214	211,214
Interest receivable	915	915	12,124	13,954
Cash - restricted	—	—	101,272	101,272
Investments - restricted	—	—	1,214,730	1,214,730
<b>Total Assets</b>	<b>433,978</b>	<b>781,424</b>	<b>2,672,055</b>	<b>3,887,457</b>
<b>Liabilities And Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	20,603	5,499	—	26,102
Accrued liabilities	8,661	—	—	8,661
Due to other funds	—	—	197,000	197,000
Deferred revenue	—	—	218,820	218,820
<b>Total Liabilities</b>	<b>29,264</b>	<b>5,499</b>	<b>415,820</b>	<b>450,583</b>
<b>Fund Balances</b>				
Reserved for:				
Encumbrances	4,102	52	—	4,154
Debt service	—	—	2,256,235	2,256,235
Unreserved:				
Special Revenue Funds	400,612	—	—	400,612
Capital Projects Funds	—	775,873	—	775,873
<b>Total Fund Balances</b>	<b>404,714</b>	<b>775,925</b>	<b>2,256,235</b>	<b>3,436,874</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 433,978</b>	<b>\$ 781,424</b>	<b>\$ 2,672,055</b>	<b>\$ 3,887,457</b>

**CITY OF CLAYTON, MISSOURI**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
September 30, 2005**

	Special Taxing District	Sewer Lateral	Police Forfeiture And P.O.S.T.	Firefighter Assistance Grant	Redevelopment Forsyth/Hanley Road	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 131,822	\$ 114,581	\$ 41,133	\$ 3,211	\$ 43,916	\$ 334,663
Investments	98,400	—	—	—	—	98,400
Interest receivable	915	—	—	—	—	915
<b>Total Assets</b>	<b>231,137</b>	<b>114,581</b>	<b>41,133</b>	<b>3,211</b>	<b>43,916</b>	<b>433,978</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	128	—	16,961	—	3,514	20,603
Accrued liabilities	—	—	8,661	—	—	8,661
<b>Total Liabilities</b>	<b>128</b>	<b>—</b>	<b>25,622</b>	<b>—</b>	<b>3,514</b>	<b>29,264</b>
<b>Fund Balances</b>						
Reserved for:						
Encumbrances	—	—	2,244	1,858	—	4,102
Unreserved:						
Special Revenue Funds	231,009	114,581	13,267	1,353	40,402	400,612
<b>Total Fund Balances</b>	<b>231,009</b>	<b>114,581</b>	<b>15,511</b>	<b>3,211</b>	<b>40,402</b>	<b>404,714</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 231,137</b>	<b>\$ 114,581</b>	<b>\$ 41,133</b>	<b>\$ 3,211</b>	<b>\$ 43,916</b>	<b>\$ 433,978</b>

# CITY OF CLAYTON, MISSOURI

## COMBINING BALANCE SHEET NONMAJOR CAPITAL PROJECTS FUNDS September 30, 2005

	1997-98 Capital Project Bond Fund	Capital Improvement Project Fund	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 90,284	\$ 391,625	\$ 481,909
Investments	—	98,400	98,400
Intergovernmental receivable	—	200,200	200,200
Interest receivable	—	915	915
<b>Total Assets</b>	<b>90,284</b>	<b>691,140</b>	<b>781,424</b>
<b>Liabilities And Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	—	5,499	5,499
<b>Fund Balances</b>			
Reserved for:			
Encumbrances	—	52	52
Unreserved:			
Capital Projects Funds	90,284	685,589	775,873
<b>Total Fund Balances</b>	<b>90,284</b>	<b>685,641</b>	<b>775,925</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 90,284</b>	<b>\$ 691,140</b>	<b>\$ 781,424</b>

# CITY OF CLAYTON, MISSOURI

## COMBINING BALANCE SHEET NONMAJOR DEBT SERVICE FUNDS September 30, 2005

	2005 Bond Reserve	1993-94, 99 Bond Issue	2005 Bond Debt Service	Total
<b>Assets</b>				
Cash and cash equivalents	\$ —	\$ 926,763	\$ 198,346	\$ 1,125,109
Property taxes receivable	—	7,606	—	7,606
Special assessment receivable	—	—	211,214	211,214
Interest receivable	12,124	—	—	12,124
Cash - restricted	101,272	—	—	101,272
Investments - restricted	1,214,730	—	—	1,214,730
<b>Total Assets</b>	<b>1,328,126</b>	<b>934,369</b>	<b>409,560</b>	<b>2,672,055</b>
<b>Liabilities And Fund Balances</b>				
<b>Liabilities</b>				
Due to other funds	—	197,000	—	197,000
Deferred revenue	—	7,606	211,214	218,820
<b>Total Liabilities</b>	<b>—</b>	<b>204,606</b>	<b>211,214</b>	<b>415,820</b>
<b>Fund Balances</b>				
Reserved for: Debt service	1,328,126	729,763	198,346	2,256,235
<b>Total Liabilities And Fund Balances</b>	<b>\$ 1,328,126</b>	<b>\$ 934,369</b>	<b>\$ 409,560</b>	<b>\$ 2,672,055</b>

# CITY OF CLAYTON, MISSOURI

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended September 30, 2005

	Special Revenue	Capital Projects	Debt Service Fund	Total
<b>Revenues</b>				
General property taxes	\$ 121,778	\$ —	\$ 489,529	\$ 611,307
Assessment income	174,711	—	39,395	214,106
Intergovernmental	49,380	1,402,034	—	1,451,414
Fines and forfeitures	33,689	—	—	33,689
Investment income	10,964	4,815	69,328	85,107
Miscellaneous	—	2,000	—	2,000
<b>Total Revenues</b>	<b>390,522</b>	<b>1,408,849</b>	<b>598,252</b>	<b>2,397,623</b>
<b>Expenditures</b>				
Current:				
Public safety	34,934	—	—	34,934
Community development	191,357	—	—	191,357
Capital outlay	109,906	285,076	—	394,982
Debt service:				
Principal	—	710,000	1,330,000	2,040,000
Interest and fiscal charges	—	253,123	639,807	892,930
Bond issuance costs	—	—	139,036	139,036
<b>Total Expenditures</b>	<b>336,197</b>	<b>1,248,199</b>	<b>2,108,843</b>	<b>3,693,239</b>
<b>Revenues Over (Under) Expenditures</b>	<b>54,325</b>	<b>160,650</b>	<b>(1,510,591)</b>	<b>(1,295,616)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	5,486	1,348,623	1,634,499	2,988,608
Transfers out	(1,539)	(1,033,435)	(934,772)	(1,969,746)
Proceeds from bond refunding	—	—	12,165,000	12,165,000
Payments to refunding escrow agent	—	—	(11,411,136)	(11,411,136)
<b>Total Other Financing Uses</b>	<b>3,947</b>	<b>315,188</b>	<b>1,453,591</b>	<b>1,772,726</b>
<b>Net Changes In Fund Balances</b>	<b>58,272</b>	<b>475,838</b>	<b>(57,000)</b>	<b>477,110</b>
<b>Fund Balances</b>				
Beginning of year	346,442	300,087	2,313,235	2,959,764
End of year	\$ 404,714	\$ 775,925	\$ 2,256,235	\$ 3,436,874

**CITY OF CLAYTON, MISSOURI**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
For The Year Ended September 30, 2005**

	Special Taxing District	Sewer Lateral	Police Forfeiture And P.O.S.T.	Firefighter Assistance Grant	Redevelopment Forsyth/Hanley Road	Total
<b>Revenues</b>						
General property taxes	\$ 121,778	\$ —	\$ —	\$ —	\$ —	\$ 121,778
Assessment income	—	99,711	—	—	75,000	174,711
Intergovernmental	—	—	—	49,380	—	49,380
Fines and forfeitures	—	—	33,689	—	—	33,689
Investment income	6,488	3,102	1,083	—	291	10,964
<b>Total Revenues</b>	<b>128,266</b>	<b>102,813</b>	<b>34,772</b>	<b>49,380</b>	<b>75,291</b>	<b>390,522</b>
<b>Expenditures</b>						
Current:						
Public safety	—	—	34,839	95	—	34,934
Community development	156,468	—	—	—	34,889	191,357
Capital outlay	—	57,420	—	52,486	—	109,906
<b>Total Expenditures</b>	<b>156,468</b>	<b>57,420</b>	<b>34,839</b>	<b>52,581</b>	<b>34,889</b>	<b>336,197</b>
<b>Revenues Over</b>						
<b>(Under) Expenditures</b>	<b>(28,202)</b>	<b>45,393</b>	<b>(67)</b>	<b>(3,201)</b>	<b>40,402</b>	<b>54,325</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	—	—	—	5,486	—	5,486
Transfers out	(1,539)	—	—	—	—	(1,539)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,539)</b>	<b>—</b>	<b>—</b>	<b>5,486</b>	<b>—</b>	<b>3,947</b>
<b>Net Changes In Fund Balances</b>	<b>(29,741)</b>	<b>45,393</b>	<b>(67)</b>	<b>2,285</b>	<b>40,402</b>	<b>58,272</b>
<b>Fund Balances</b>						
Beginning of year	260,750	69,188	15,578	926	—	346,442
End of year	\$ 231,009	\$ 114,581	\$ 15,511	\$ 3,211	\$ 40,402	\$ 404,714



## CITY OF CLAYTON, MISSOURI

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended September 30, 2005

		1997-98 Capital Project Bond Fund	Capital Improvement Project Fund	2002 Capital Project Bond Fund	Total
<b>Revenues</b>					
Intergovernmental	\$	—	\$ 1,402,034	\$ —	\$ 1,402,034
Investment income		—	4,815	—	4,815
Miscellaneous		—	2,000	—	2,000
<b>Total Revenues</b>		—	1,408,849	—	1,408,849
<b>Expenditures</b>					
Current:					
Capital outlay		—	285,076	—	285,076
Debt service:					
Principal		—	—	710,000	710,000
Interest and fiscal charges		—	—	253,123	253,123
<b>Total Expenditures</b>		—	285,076	963,123	1,248,199
<b>Revenues Over (Under) Expenditures</b>		—	1,123,773	(963,123)	160,650
<b>Other Financing Sources (Uses)</b>					
Transfers in		—	385,500	963,123	1,348,623
Transfers out		—	(1,033,435)	—	(1,033,435)
<b>Total Other Financing Sources (Uses)</b>		—	(647,935)	963,123	315,188
<b>Net Changes In Fund Balances</b>		—	475,838	—	475,838
<b>Fund Balances</b>					
Beginning of year		90,284	209,803	—	300,087
End of year	\$	90,284	\$ 685,641	\$ —	\$ 775,925

## CITY OF CLAYTON, MISSOURI

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS For The Year Ended September 30, 2005

	2005 Bond Reserve	1993-94, 99 Bond Issue	1997-98 Bond Debt Service	2005 Bond Debt Service	Total
<b>Revenues</b>					
General property taxes	\$ —	\$ 489,529	\$ —	\$ —	\$ 489,529
Assessment income	—	—	—	39,395	39,395
Investment income	45,147	24,181	—	—	69,328
<b>Total Revenues</b>	45,147	513,710	—	39,395	598,252
<b>Expenditures</b>					
Debt service:					
Principal	—	775,000	555,000	—	1,330,000
Interest and fiscal charges	—	332,750	264,055	43,002	639,807
Bond issuance costs	—	—	—	139,036	139,036
<b>Total Expenditures</b>	—	1,107,750	819,055	182,038	2,108,843
<b>Revenues Over (Under) Expenditures</b>	45,147	(594,040)	(819,055)	(142,643)	(1,510,591)
<b>Other Financing Sources (Uses)</b>					
Transfers in	6,491	570,000	819,055	238,953	1,634,499
Transfers out	(84,598)	—	(198,346)	(651,828)	(934,772)
Issuance of refunding debt	—	—	—	12,165,000	12,165,000
Payments to refunding escrow agent	—	—	—	(11,411,136)	(11,411,136)
<b>Total Other Financing Sources (Uses)</b>	(78,107)	570,000	620,709	340,989	1,453,591
<b>Net Changes In Fund Balances</b>	(32,960)	(24,040)	(198,346)	198,346	(57,000)
<b>Fund Balances</b>					
Beginning of year	1,361,086	753,803	198,346	—	2,313,235
End of year	\$ 1,328,126	\$ 729,763	\$ —	\$ 198,346	\$ 2,256,235

# CITY OF CLAYTON, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL TAXING DISTRICT SPECIAL REVENUE FUND - BUDGET BASIS September 30, 2005

	Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
General property taxes:			
Current real estate	\$ 122,388	\$ 121,778	\$ (610)
Intangible property tax	550	—	(550)
Total General Property Taxes	122,938	121,778	(1,160)
Investment income	7,100	6,488	(612)
<b>Total Revenues</b>	130,038	128,266	(1,772)
<b>Expenditures</b>			
Community development	201,765	156,468	(45,297)
<b>Revenues Over (Under) Expenditures</b>	(71,727)	(28,202)	43,525
<b>Other Financing Uses</b>			
Transfers out	(1,539)	(1,539)	—
<b>Net Change In Fund Balances</b>	\$ (73,266)	(29,741)	\$ 43,525
<b>Fund Balances</b>			
Beginning of year		260,750	
End of year		\$ 231,009	

**CITY OF CLAYTON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL -  
SEWER LATERAL SPECIAL REVENUE FUND - BUDGET BASIS  
For The Year Ended September 30, 2005**

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>Revenues</b>			
Assessment income	\$ 96,000	\$ 99,711	\$ 3,711
Investment income	1,300	3,102	1,802
<b>Total Revenues</b>	<u>97,300</u>	<u>102,813</u>	<u>5,513</u>
<b>Expenditures</b>			
Capital outlay	85,000	57,420	(27,580)
<b>Revenues Over Expenditures</b>	<u>\$ 12,300</u>	<u>45,393</u>	<u>\$ 33,093</u>
<b>Fund Balances</b>			
Beginning of year		<u>69,188</u>	
End of year		<u>\$ 114,581</u>	

**CITY OF CLAYTON, MISSOURI**

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

**For The Year Ended September 30, 2005**

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,419,279	\$ 1,402,034	\$ (17,245)
Investment income	—	4,815	4,815
Miscellaneous	2,000	2,000	—
<b>Total Revenues</b>	<b>1,421,279</b>	<b>1,408,849</b>	<b>(12,430)</b>
<b>Expenditures</b>			
Capital outlay	528,200	266,920	(261,280)
<b>Revenues Over Expenditures</b>	<b>893,079</b>	<b>1,141,929</b>	<b>248,850</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	385,500	385,500	—
Transfers out	(1,183,380)	(1,033,435)	149,945
<b>Total Other Financing Sources (Uses)</b>	<b>(797,880)</b>	<b>(647,935)</b>	<b>149,945</b>
<b>Net Change In Fund Balances</b>	<b>\$ 95,199</b>	<b>493,994</b>	<b>\$ 398,795</b>
<b>Adjustments To Reconcile To GAAP Basis</b>			
Encumbrances reserved at September 30, 2005		52	
Encumbrances reserved at September 30, 2004		(18,208)	
		<u>(18,156)</u>	
<b>Net Change In Fund Balance - GAAP Basis</b>		<b>475,838</b>	
<b>Fund Balances</b>			
Beginning of year		<u>209,803</u>	
End of year		<u>\$ 685,641</u>	

**CITY OF CLAYTON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL -  
2002 CAPITAL PROJECT BOND CAPITAL PROJECTS FUND -  
BUDGET BASIS**

**For The Year Ended September 30, 2005**

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>Revenues</b>			
Investment income	\$ —	\$ —	\$ —
<b>Expenditures</b>			
Debt service:			
Principal	710,000	710,000	—
Interest and fiscal charges	253,124	253,123	(1)
<b>Total Expenditures</b>	<b>963,124</b>	<b>963,123</b>	<b>(1)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(963,124)</b>	<b>(963,123)</b>	<b>1</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	963,124	963,123	(1)
<b>Net Change In Fund Balances</b>	<b>\$ —</b>	<b>—</b>	<b>\$ —</b>
<b>Fund Balances</b>			
Beginning of year		—	
End of year		\$ —	

**CITY OF CLAYTON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL -  
2005 BOND RESERVE DEBT SERVICE FUND - BUDGET BASIS  
For The Year Ended September 30, 2005**

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>Revenues</b>			
Investment income	\$ 47,548	\$ 45,147	\$ (2,401)
<b>Other Financing Uses</b>			
Transfers in	—	6,491	6,491
Transfers out	(47,548)	(84,598)	(37,050)
<b>Total Other Financing Sources (Uses)</b>	<b>(47,548)</b>	<b>(78,107)</b>	<b>(30,559)</b>
<b>Revenues Under Expenditures</b>	<b>\$ —</b>	<b>(32,960)</b>	<b>\$ (32,960)</b>
<b>Fund Balances</b>			
Beginning of year		<u>1,361,086</u>	
End of year		<u>\$ 1,328,126</u>	

**CITY OF CLAYTON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET AND ACTUAL –  
1993-94, 99 BOND DEBT SERVICE FUND – BUDGET BASIS  
For The Year Ended September 30, 2005**

	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Revenues</b>			
General property taxes	\$ 491,316	\$ 489,529	\$ (1,787)
Investment income	16,148	24,181	8,033
<b>Total Revenues</b>	<b>507,464</b>	<b>513,710</b>	<b>6,246</b>
<b>Expenditures</b>			
Debt service:			
Principal	775,000	775,000	—
Interest and fiscal charges	334,250	332,750	(1,500)
<b>Total Expenditures</b>	<b>1,109,250</b>	<b>1,107,750</b>	<b>(1,500)</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(601,786)</b>	<b>(594,040)</b>	<b>7,746</b>
<b>Other Financing Sources</b>			
Transfers in	570,000	570,000	—
<b>Net Change In Fund Balances</b>	<b>\$ (31,786)</b>	<b>(24,040)</b>	<b>\$ 7,746</b>
<b>Fund Balances</b>			
Beginning of year		<u>753,803</u>	
End of year		<u><u>\$ 729,763</u></u>	



## CITY OF CLAYTON, MISSOURI

### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - 1997-98 BOND DEBT SERVICE FUND - BUDGET BASIS For The Year Ended September 30, 2005

	Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Assessment income	\$ 31,919	\$ —	\$ (31,919)
<b>Expenditures</b>			
Debt service:			
Principal	555,000	555,000	—
Interest and fiscal charges	576,436	264,055	(312,381)
<b>Total Expenditures</b>	1,131,436	819,055	(312,381)
<b>Revenues Over (Under) Expenditures</b>	(1,099,517)	(819,055)	280,462
<b>Other Financing Sources (Uses)</b>			
Transfers in	1,091,701	819,055	(272,646)
Transfers out	—	(198,346)	(198,346)
<b>Total Other Financing Sources (Uses)</b>	1,091,701	620,709	(470,992)
<b>Net Change In Fund Balances</b>	\$ (7,816)	(198,346)	\$ (190,530)
<b>Fund Balances</b>			
Beginning of year		198,346	
End of year		\$ —	

# CITY OF CLAYTON, MISSOURI

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## MAJOR GOVERNMENTAL FUNDS – BUDGETARY INFORMATION

### CAPITAL PROJECTS FUNDS

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

**Revolving Public Improvement Fund** – This fund is used to monitor the funding of special infrastructure improvements throughout the City. Revenues derived by this fund are special assessments that are levied and 1% gross receipts tax on utilities.

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

# CITY OF CLAYTON, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REVOLVING PUBLIC IMPROVEMENT CAPITAL PROJECTS FUND - BUDGET BASIS

For The Year Ended September 30, 2005

	Final Budget	Actual	Over (Under) Budget
<b>Revenues</b>			
Assessment income	\$ 133,410	\$ 200,665	\$ 67,255
Public utility licenses	561,700	560,006	(1,694)
Intergovernmental	1,366,930	1,176,743	(190,187)
Investment income	98,000	45,580	(52,420)
Miscellaneous	19,050	52,909	33,859
<b>Total Revenues</b>	<b>2,179,090</b>	<b>2,035,903</b>	<b>(143,187)</b>
<b>Expenditures</b>			
Capital outlay	5,338,425	1,786,421	(3,552,004)
<b>Revenues Over (Under) Expenditures</b>	<b>(3,159,335)</b>	<b>249,482</b>	<b>3,408,817</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	652,505	652,505	—
Transfers out	(1,269,951)	(1,269,951)	—
<b>Total Other Financing Sources (Uses)</b>	<b>(617,446)</b>	<b>(617,446)</b>	<b>—</b>
<b>Net Change In Fund Balances</b>	<b>\$ (3,776,781)</b>	<b>(367,964)</b>	<b>\$ 3,408,817</b>
<b>Adjustments To Reconcile To GAAP Basis</b>			
Encumbrances reserved at September 30, 2005		669,335	
Encumbrances reserved at September 30, 2004		(1,294,260)	
		<u>(624,925)</u>	
<b>Net Changes In Fund Balance - GAAP Basis</b>		(992,889)	
<b>Fund Balances</b>			
Beginning of year		<u>3,462,012</u>	
End of year		<u>\$ 2,469,123</u>	

**CITY OF CLAYTON, MISSOURI**

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

**For The Year Ended September 30, 2005**

	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Revenues</b>			
Investment income	\$ 40,500	\$ 32,408	\$ (8,092)
<b>Expenditures</b>			
Capital outlay	671,006	302,748	(368,258)
<b>Revenues Over (Under) Expenditures</b>	<b>(630,506)</b>	<b>(270,340)</b>	<b>360,166</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	211,415	211,415	—
Transfers out	—	(22,550)	(22,550)
Sale of capital assets	46,319	24,510	(21,809)
<b>Total Other Financing Sources (Uses)</b>	<b>257,734</b>	<b>213,375</b>	<b>(44,359)</b>
<b>Net Change In Fund Balances</b>	<b>\$ (372,772)</b>	<b>(56,965)</b>	<b>\$ 315,807</b>
<b>Adjustments To Reconcile To GAAP Basis</b>			
Encumbrances reserved at September 30, 2005		5,940	
Encumbrances reserved at September 30, 2004		(2,904)	
		<u>3,036</u>	
<b>Net Change In Fund Balances - GAAP Basis</b>		<b>(53,929)</b>	
<b>Fund Balances</b>			
Beginning of year		<u>3,053,938</u>	
End of year		<u>\$ 3,000,009</u>	

# CITY OF CLAYTON, MISSOURI

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## **PROPRIETARY FUNDS**

Proprietary Funds are used to account for those operations that are financed and operated in a manner similar to private business, or where the governing body has decided that determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

## **ENTERPRISE FUND**

**Parking Facilities Fund** – This fund is used to account for the City’s parking operations.

## **INTERNAL SERVICE FUND**

**Insurance Fund** – This fund is used to account for all the City’s insurance operations.

# CITY OF CLAYTON, MISSOURI

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL - PUBLIC FACILITIES ENTERPRISE FUND For The Year Ended September 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>Operating Revenues</b>			
St. Louis parking systems	\$ 597,000	\$ 495,040	\$ (101,960)
Parking lot revenue	160,100	143,616	(16,484)
Parking meter revenue	890,035	956,657	66,622
<b>Total Operating Revenues</b>	<b>1,647,135</b>	<b>1,595,313</b>	<b>(51,822)</b>
<b>Operating Expenses</b>			
Personnel services	285,702	274,462	(11,240)
Contractual services	1,360,809	249,835	(1,110,974)
Commodities	47,449	57,742	10,293
Depreciation	—	350,207	350,207
Insurance and fringe benefits	35,249	35,249	—
<b>Total Operating Expenses</b>	<b>1,729,209</b>	<b>967,495</b>	<b>(761,714)</b>
<b>Operating Income (Loss)</b>	<b>(82,074)</b>	<b>627,818</b>	<b>709,892</b>
<b>Nonoperating Revenue (Expense)</b>			
Investment income	262,712	140,936	(121,776)
Interest expense	(171,650)	(275,569)	(103,919)
Miscellaneous expense	—	(5,278)	(5,278)
<b>Total Nonoperating Revenue (Expense)</b>	<b>91,062</b>	<b>(139,911)</b>	<b>(230,973)</b>
<b>Income (Loss) Before Transfers</b>	<b>8,988</b>	<b>487,907</b>	<b>478,919</b>
<b>Transfers</b>			
Transfers in	316,650	651,828	335,178
Transfers out	(1,494,257)	(1,042,404)	451,853
<b>Total Transfers</b>	<b>(1,177,607)</b>	<b>(390,576)</b>	<b>787,031</b>
<b>Change In Net Assets</b>	<b>\$ (1,168,619)</b>	<b>97,331</b>	<b>\$ 1,265,950</b>
<b>Adjustment To Reconcile To GAAP Basis</b>			
Encumbrances reserved at September 30, 2005		<u>381</u>	
<b>Change In Net Assets - GAAP Basis</b>		<b>97,712</b>	
<b>Net Assets</b>			
Beginning of year		<u>17,937,209</u>	
End of year		<u>\$ 18,034,921</u>	

**CITY OF CLAYTON, MISSOURI**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -  
BUDGET AND ACTUAL -  
INTERNAL SERVICE FUND  
For The Year Ended September 30, 2005**

	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Operating Revenues</b>			
Participant contributions	\$ 187,150	\$ 184,625	\$ (2,525)
Employer contributions	1,724,077	1,689,006	(35,071)
Reimbursements	48,430	84,718	36,288
<b>Total Operating Revenues</b>	<b>1,959,657</b>	<b>1,958,349</b>	<b>(1,308)</b>
<b>Operating Expenses</b>			
Contractual services	1,968,150	1,836,991	(131,159)
<b>Operating Income</b>	<b>(8,493)</b>	<b>121,358</b>	<b>129,851</b>
<b>Nonoperating Revenue</b>			
Investment income	3,000	8,296	5,296
Miscellaneous income	8,500	76,683	68,183
<b>Total Nonoperating Revenue</b>	<b>11,500</b>	<b>84,979</b>	<b>73,479</b>
<b>Change In Net Assets</b>	<b>\$ 3,007</b>	<b>206,337</b>	<b>\$ 203,330</b>
<b>Adjustment To Reconcile To GAAP Basis</b>			
Encumbrances reserved at September 30, 2005		<u>4,914</u>	
<b>Change In Net Assets - GAAP Basis</b>		<b>211,251</b>	
<b>Net Assets</b>			
Beginning of year		<u>361,075</u>	
End of year		<u><u>\$ 572,326</u></u>	

# CITY OF CLAYTON, MISSOURI

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## FIDUCIARY FUNDS

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

## PENSION TRUST FUNDS

**Non-Uniformed Employees' Retirement Fund** - This fund is used to account for assets held in a trustee capacity for the City's non-uniformed employees.

**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

## COMBINING STATEMENT OF FIDUCIARY NET ASSETS – PENSION TRUST FUNDS September 30, 2005

		Non- Uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	401(k) Plan Fund	Total
<b>Assets</b>					
Cash and cash equivalents	\$	1,909	\$ 521,510	\$ —	\$ 523,419
Investments:					
U.S. government and agency securities		—	4,743,873	—	4,743,873
Foreign bonds		—	48,776	—	48,776
Corporate bonds		—	2,694,771	—	2,694,771
Taxable municipal obligations		—	278,260	—	278,260
Mutual funds		8,953,440	13,692,611	1,115,022	23,761,073
Interest receivable		8,624	78,720	—	87,344
<b>Total Assets</b>		<b>8,963,973</b>	<b>22,058,521</b>	<b>1,115,022</b>	<b>32,137,516</b>
<b>Net Assets</b>					
Held in trust for pension benefits	\$	8,963,973	\$ 22,058,521	\$ 1,115,022	\$ 32,137,516

**CITY OF CLAYTON, MISSOURI**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
PENSION TRUST FUNDS  
September 30, 2005**

	<b>Non- Uniformed Employees' Retirement Fund</b>	<b>City Of Clayton Uniformed Employees' Pension Fund</b>	<b>401(k) Plan Fund</b>	<b>Total</b>
<b>Additions</b>				
Contributions:				
Participant contributions	\$ —	\$ 219,038	\$ 63,983	\$ 283,021
Employer contributions	—	819,885	—	819,885
<b>Total Contributions</b>	<b>—</b>	<b>1,038,923</b>	<b>63,983</b>	<b>1,102,906</b>
Investment income:				
Net appreciation in fair value of investments and interest and dividends	1,156,277	2,349,339	146,017	3,651,633
Less: Investment expense	(38,576)	(89,771)	(120)	(128,467)
<b>Total Investment Income</b>	<b>1,117,701</b>	<b>2,259,568</b>	<b>145,897</b>	<b>3,523,166</b>
<b>Total Additions</b>	<b>1,117,701</b>	<b>3,298,491</b>	<b>209,880</b>	<b>4,626,072</b>
<b>Deductions</b>				
Benefits	235,423	778,205	5,504	1,019,132
<b>Change In Net Assets</b>	<b>882,278</b>	<b>2,520,286</b>	<b>204,376</b>	<b>3,606,940</b>
<b>Net Assets Held In Trust For Pension</b>				
<b>Benefits, Beginning Of Year</b>	<b>8,081,695</b>	<b>19,538,235</b>	<b>910,646</b>	<b>28,530,576</b>
<b>Net Assets Held In Trust For Pension</b>				
<b>Benefits, End Of Year</b>	<b>\$ 8,963,973</b>	<b>\$ 22,058,521</b>	<b>\$ 1,115,022</b>	<b>\$ 32,137,516</b>

# CITY OF CLAYTON, MISSOURI

## SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS - BUDGET AND ACTUAL - NON-UNIFORMED EMPLOYEES' RETIREMENT PENSION TRUST FUND

For The Year Ended September 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>Additions</b>			
Investment income:			
Net appreciation in fair value of investments and interest and dividends	\$ 551,320	\$ 1,156,277	\$ 604,957
Less: Investment expense	46,060	(38,576)	(84,636)
<b>Total Investment Income</b>	<b>597,380</b>	<b>1,117,701</b>	<b>520,321</b>
<b>Total Additions</b>	<b>597,380</b>	<b>1,117,701</b>	<b>520,321</b>
<b>Deductions</b>			
Benefits	285,500	235,423	(50,077)
<b>Change In Net Assets</b>	<b>\$ 311,880</b>	<b>882,278</b>	<b>\$ 570,398</b>
<b>Net Assets Held In Trust For Pension</b>			
Benefits - Beginning Of Year		<u>8,081,695</u>	
<b>Net Assets Held In Trust For Pension</b>			
Benefits - End Of Year		<u>\$ 8,963,973</u>	

**CITY OF CLAYTON, MISSOURI**

**SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS - BUDGET AND  
ACTUAL - CITY OF CLAYTON UNIFORMED EMPLOYEES'  
PENSION TRUST FUND**

**For The Year Ended September 30, 2005**

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>Additions</b>			
Contributions:			
Participant contributions	\$ 220,800	\$ 219,038	\$ (1,762)
Employer contributions	819,885	819,885	—
<b>Total Contributions</b>	<b>1,040,685</b>	<b>1,038,923</b>	<b>(1,762)</b>
Investment income:			
Net appreciation in fair value of investments and interest and dividends	1,407,840	2,349,339	941,499
Less: Investment expense	(70,000)	(89,771)	(19,771)
<b>Total Investment Income</b>	<b>1,337,840</b>	<b>2,259,568</b>	<b>921,728</b>
<b>Total Additions</b>	<b>2,378,525</b>	<b>3,298,491</b>	<b>919,966</b>
<b>Deductions</b>			
Benefits	812,068	778,205	(33,863)
<b>Change In Net Assets</b>	<b>\$ 1,566,457</b>	<b>2,520,286</b>	<b>\$ 953,829</b>
<b>Net Assets Held In Trust For Pension</b>			
Benefits - Beginning Of Year		<u>19,538,235</u>	
<b>Net Assets Held In Trust For Pension</b>			
Benefits - End Of Year		<u>\$ 22,058,521</u>	

# **CITY OF CLAYTON, MISSOURI**

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## **STATISTICAL SECTION**

# CITY OF CLAYTON, MISSOURI

## GOVERNMENT-WIDE EXPENSES BY FUNCTION Last Three Fiscal Years

	2005	2004	2003
<b>Function</b>			
General government	\$ 4,706,827	\$ 2,875,742	\$ 3,185,066
Public safety	8,198,773	8,243,416	7,655,085
Streets and highways	4,530,110	4,856,137	4,158,084
Parks and recreation	2,211,655	2,279,115	2,014,876
Community development	528,627	100,657	130,408
Interest on long-term debt	861,255	1,218,464	1,211,293
	<b>\$ 21,037,247</b>	<b>\$ 19,573,531</b>	<b>\$ 18,354,812</b>

Note: Government-wide financial statement information only available since fiscal year 2003.

# CITY OF CLAYTON, MISSOURI

## GOVERNMENT-WIDE REVENUES BY SOURCE Last Three Fiscal Years

	2005	2004	2003
<b>Source:</b>			
Program revenues:			
Charges for services	\$ 3,652,045	\$ 3,931,200	\$ 2,955,500
Operating grants and contributions	1,680,413	2,078,952	1,340,611
Capital grants and contributions	—	—	120,433
General revenues:			
Taxes:			
Property	4,707,073	4,648,009	4,496,193
Sales	5,706,839	5,563,404	5,640,949
Utility	4,553,878	4,361,026	3,803,453
Other	100,613	100,534	104,854
Licenses (taxes)	—	492,858	493,240
Investment income	329,421	349,778	442,863
Special item	—	—	800,000
Loss on disposal of capital assets	—	—	(98,720)
Miscellaneous	284,031	205,002	297,353
<b>Total Revenues</b>	<b>\$ 21,014,313</b>	<b>\$ 21,730,763</b>	<b>\$ 20,396,729</b>

Note: Government-wide financial statement information only available since fiscal year 2003.

# CITY OF CLAYTON, MISSOURI

## GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1) LAST TEN FISCAL YEARS

Fiscal Year Ended	General Government	Public Safety	Streets And Highways		Parks And Recreation		Community Development	Capital Outlay	Debt Service	Total
1996	\$ 3,005,050	\$ 4,729,160	\$ 2,535,042	\$ 1,071,084	\$ 78,494	\$ 5,388,740	\$ 1,410,713	\$ 18,218,283		
1997	3,100,926	4,848,088	2,559,086	1,235,007	97,104	4,333,442	1,335,190	17,508,843		
1998	3,334,175	4,859,602	2,546,527	1,244,723	92,325	16,117,038	2,124,507	30,318,897		
1999	2,562,487	5,984,539	2,843,634	1,531,297	116,620	8,708,324	2,625,160	24,372,061		
2000	2,683,772	5,556,177	2,703,705	1,584,111	92,615	4,963,035	2,761,889	20,345,304		
2001	2,852,061	6,112,958	2,892,201	1,565,510	116,051	3,696,863	2,630,909	19,866,553		
2002	3,132,924	6,567,680	2,777,220	1,747,818	114,989	4,422,773	2,516,824	21,280,228		
2003	3,009,861	7,137,008	2,907,164	1,698,757	111,793	10,224,954	2,364,317	27,453,854		
2004	3,110,409	7,838,638	2,999,624	1,799,563	108,161	5,745,639	2,681,434	24,283,468		
2005	3,986,435	7,930,225	3,256,194	1,600,093	191,357	3,106,040	3,071,966	23,142,310		

**NOTES:** (1) Includes all governmental fund types.



# CITY OF CLAYTON, MISSOURI

## GENERAL GOVERNMENT REVENUES BY SOURCE (1) LAST TEN FISCAL YEARS

Fiscal Year Ended	General Property Taxes	Assessment Income	Licenses And Permits	Public Utility Licenses	Intergovernmental	Community Programs	Fines And Forfeitures	Investment Income	Sale Of Property	Miscellaneous	Total
1996	\$ 4,662,010	\$ 90,342	\$ 886,616	\$ 3,213,898	\$ 4,465,882	\$ 587,208	\$ 611,569	\$ 703,595	\$ —	\$ 175,150	\$ 15,396,270
1997	4,155,216	64,500	889,506	3,290,822	5,225,319	566,155	613,519	632,641	—	187,157	15,624,835
1998	4,231,565	573,845	913,406	3,426,840	6,711,540	578,424	607,781	1,181,796	—	156,714	18,381,911
1999	4,360,956	423,967	1,146,378	3,574,850	10,503,630	800,807	599,826	738,284	977,176	206,728	23,332,602
2000	4,248,531	172,974	1,049,780	3,505,407	8,274,150	733,784	593,332	1,048,455	122,378	335,129	20,083,870
2001	4,356,350	143,869	1,077,198	3,990,969	7,398,908	614,922	746,242	1,202,652	74,475	384,296	19,989,881
2002	4,340,480	226,779	1,208,652	3,726,674	7,764,380	823,376	725,681	525,537	71,847	321,339	19,734,745
2003	4,531,961	150,325	1,339,456	3,803,453	7,283,761	972,018	684,168	429,380	—	659,422	19,853,944
2004	4,664,838	652,862	1,135,051	4,361,026	7,909,370	960,036	764,265	348,425	—	457,995	21,253,868
2005	4,716,717	414,771	1,207,727	4,553,878	7,519,596	1,000,188	756,907	329,421	—	583,531	21,082,736

(1) Includes all governmental fund types.

# CITY OF CLAYTON, MISSOURI

## TAX REVENUE BY SOURCE (1) LAST TEN FISCAL YEARS

<b>Fiscal Year Ended</b>	<b>General Property Taxes</b>	<b>General Sales Taxes</b>	<b>Utility Gross Receipts Taxes</b>	<b>Other Taxes (2)</b>	<b>Total</b>
1996	\$ 4,662,010	\$ 3,433,361	\$ 3,213,898	\$ 1,020,251	\$ 12,329,520
1997	4,155,215	4,132,712	3,290,821	1,092,608	12,671,356
1998	4,231,565	5,557,902	3,426,840	1,153,638	14,369,945
1999	4,360,956	9,340,085	3,574,850	1,163,545	18,439,436
2000	4,248,531	5,514,735	3,505,407	1,246,073	14,514,746
2001	4,356,350	5,753,371	3,990,969	1,259,543	15,360,233
2002	4,340,480	5,781,171	3,726,674	1,370,200	15,218,525
2003	4,531,961	5,640,949	3,803,453	1,441,188	15,417,551
2004	4,664,838	5,563,404	4,361,026	1,486,210	16,075,478
2005	4,716,717	5,581,144	4,553,878	1,499,680	16,351,419

(1) Includes all governmental fund types.

(2) Other taxes include cigarette, gasoline, automobile sales tax, and road and bridge tax.

# CITY OF CLAYTON, MISSOURI

## PROPERTY TAX LEVIES AND COLLECTIONS (1) LAST TEN FISCAL YEARS

Fiscal Year	Original Tax Levy	Adjusted Tax Levy (2)	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections		Outstanding Delinquent Taxes As Percent Of Levy		Outstanding Delinquent Taxes As Percent Of Levy	
							As Percent Of Levy	As Percent Of Levy	Outstanding Delinquent Taxex (3)	Outstanding Delinquent Taxex (3)		
1996	\$ 4,725,362	\$ 4,628,942	\$ 4,004,266	86.5 %	\$ 527,437	\$ 4,531,703	97.9 %	\$ 697,896	15.1 %			
1997	3,988,379	3,991,443	3,579,667	89.7	577,716	4,157,383	104.2	198,612	5.0			
1998	4,133,675	4,137,310	3,719,218	89.9	565,002	4,284,220	103.6	458,324	11.1			
1999	4,289,466	4,141,897	3,845,863	92.9	418,808	4,264,671	103.0	509,929	12.3			
2000	4,216,927	4,214,517	3,618,341	85.9	382,842	4,001,183	94.9	652,838	15.5			
2001	4,273,580	4,275,506	4,059,048	94.9	587,857	4,646,905	108.7	316,250	7.4			
2002	4,311,956	4,320,414	3,902,880	90.3	171,868	4,074,748	94.3	495,688	11.5			
2003	4,404,598	4,409,624	4,244,002	96.2	381,852	4,625,854	104.9	279,632	6.3			
2004	4,591,206	4,587,714	4,382,118	95.5	148,628	4,530,746	98.8	259,785	5.7			
2005	4,645,097	4,644,371	4,392,929	94.6	181,332	4,574,261	98.5	325,313	7.0			

(1) Source - St. Louis County Collectors Office

(2) Originally adjusted for strikeoffs and additions by St. Louis Board of Equalization after 1978.

(3) Total cumulative delinquent taxes outstanding as of December 31 of prior year.

# CITY OF CLAYTON, MISSOURI

## ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1) LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Railroads And Utilities	Total	
				Assessed Value	Estimated Actual Value
1996	\$ 358,168,710	\$ 68,892,969	\$ 2,515,012	\$ 429,576,691	\$ 1,710,949,409
1997	357,946,930	73,102,923	2,469,296	433,519,149	1,725,951,917
1998	389,348,580	77,922,820	2,457,999	469,729,399	1,881,498,907
1999	399,963,210	85,077,508	2,395,896	487,436,614	1,940,096,626
2000	468,061,080	87,862,443	2,606,137	558,529,660	2,215,675,731
2001	472,515,680	90,469,949	3,065,590	566,051,219	2,244,900,001
2002	576,839,240	89,103,105	3,623,688	669,566,033	2,690,158,780
2003	583,799,700	84,025,740	2,634,083	670,459,523	2,697,949,002
2004	624,467,590	83,640,010	2,289,582	710,397,182	2,905,406,887
2005	626,011,480	83,904,060	2,289,582	712,205,122	2,912,084,733

(1) Source - St. Louis County Assessor

# CITY OF CLAYTON, MISSOURI

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## PROPERTY TAX RATES – DIRECT AND ALL OVERLAPPING GOVERNMENTS (1) LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>City</b>	<b>School District</b>	<b>County</b>	<b>State</b>	<b>Other</b>	<b>Total</b>
1996	\$ 1.100	\$ 3.420	\$ 0.720	\$ 0.030	\$ 1.583	\$ 6.853
1997	0.920	3.430	0.720	0.030	1.597	6.697
1998	0.880	3.610	0.720	0.030	1.587	6.827
1999	0.880	3.650	0.720	0.030	1.607	6.887
2000	0.755	3.410	0.720	0.030	1.574	6.489
2001	0.755	3.300	0.720	0.030	1.578	6.383
2002	0.644	2.938	0.720	0.030	1.760	6.092
2003	0.656	2.945	0.720	0.030	1.756	6.107
2004	0.652	3.622	0.720	0.030	2.164	7.188
2005	0.652	3.769	0.730	0.030	2.292	7.473

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

# CITY OF CLAYTON, MISSOURI

## SPECIAL ASSESSMENTS RECEIVABLE AND COLLECTIONS LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Total Assesments Uncollected Beginning Of Period</b>	<b>Additional Asessments</b>	<b>Collections</b>	<b>Total Assesments Uncollected End Of Period</b>
1996	\$ 184,654	\$ —	\$ 80,845	\$ 103,809
1997	103,809	—	57,883	45,926
1998	45,926	825,528	570,034	301,420
1999	301,420	861,964	422,242	741,142
2000	741,142	—	144,025	597,117
2001	597,117	—	120,803	476,314
2002	476,314	—	109,937	366,377
2003	366,377	—	37,960	328,417
2004	328,417	521,745	29,375	820,787
2005	820,787	—	270,651	550,136

# CITY OF CLAYTON, MISSOURI

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## SPECIAL ASSESSMENTS COLLECTIONS LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Current Assessments Due</b>	<b>Assessments Collected</b>	<b>Ratio Of Collections To Amount Due</b>	<b>Total Outstanding Assessments</b>
1996	\$ 63,954	\$ 80,845	126.41 %	\$ 103,809
1997	61,491	57,883	94.13	45,926
1998	74,525	570,034	764.89	301,420
1999	97,921	422,242	431.21	741,142
2000	88,029	144,026	163.61	597,117
2001	80,152	120,803	150.72	476,314
2002	25,364	109,937	433.44	366,377
2003	22,989	37,960	165.12	328,417
2004	15,512	29,375	189.37	820,787
2005	32,486	270,651	833.13	550,136

# CITY OF CLAYTON, MISSOURI

## COMPUTATION OF LEGAL DEBT MARGIN September 30, 2005

<b>Net Assessed Value As Of January 1, 2004</b>		<u>\$ 712,205,122</u>
<b>Debt Limit – 10% Of Assessed Value (*)</b>		\$ 71,220,512
<b>Amount Of Debt Applicable To Debt Limit:</b>		
<b>Total Bonded Debt</b>	\$ 7,410,000	
<b>Less - Amount Available In Debt Service Fund For Bonded Debt</b>	<u>729,763</u>	
<b>Net Amount Of Debt Applicable To Debt Limit</b>		<u>6,680,237</u>
<b>Legal Debt Margin</b>		<u>\$ 64,540,275</u>

- (\*) Under Article VI, Sections 26(b) and 26(c) of the Missouri constitution, the City by vote of 2/3 of the qualified electors thereof, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation of taxable intangible property within the City as asserted by the last completed assessment for state or county purposes. Under Section 26(d) of said Article VI the City may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation for the purposes of acquiring rights-of-way, constructing and improving sanitary or storm sewer systems; and under Section 26(e) of said Article VI, additional general obligation indebtedness may be incurred for purchasing or constructing waterworks, electric, or other light plants to be owned exclusively by the City, provided that the general obligation indebtedness of the City shall not exceed 20% of the assessed valuation.



## CITY OF CLAYTON, MISSOURI

### RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Assessed Value (2)	Gross Bonded Debt	Debt Service Fund (Bond Issue)	Net Bonded Debt	Ratio Of	
						Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1996	13,530	\$ 429,576,691	\$ 13,095,000	\$ 122,672	\$ 12,972,328	3.02 %	\$ 959
1997	13,417	433,519,149	12,580,000	249,645	12,330,355	2.84	919
1998	13,417	469,729,399	12,045,000	740,981	11,304,019	2.41	843
1999	13,417	487,436,614	11,605,000	799,459	10,805,541	2.22	805
2000	13,417	558,529,660	10,980,000	1,001,438	9,978,562	1.79	743
2001	15,935	566,051,219	10,325,000	1,271,408	9,053,592	1.60	568
2002	15,935	669,566,033	9,640,000	809,800	8,830,200	1.32	542
2003	15,935	670,459,523	8,930,000	793,240	8,136,760	1.21	511
2004	15,935	710,397,182	8,185,000	753,803	7,431,197	1.05	466
2005	15,935	712,205,122	7,410,000	729,763	6,680,237	0.94	419

(1) Source - 1990 U.S. Bureau of Census and the U.S. Census Bureau Administrative Records for population estimates 1993 and 1997 to 2000; source of data for 1994 to 1996 from Claritas, Missouri State Census Data Center; source of data for 2001 - 2005, current population estimate revised census 2000 from U.S. Census Bureau dated 12/07/01.

(2) Source - St. Louis County Assessor

## CITY OF CLAYTON, MISSOURI

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### RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENT EXPENDITURES LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Debt Service Fund Expenditures (1)</b>	<b>Total General Government Expenditures</b>	<b>Ratio</b>
1996	\$ 1,129,978	\$ 18,218,283	6.20 %
1997	1,122,898	17,508,843	6.41
1998	1,108,686	30,318,897	3.66
1999	958,908	24,372,061	3.93
2000	1,103,246	20,345,304	5.42
2001	1,108,870	19,866,553	5.58
2002	1,111,402	21,280,228	5.22
2003	1,106,851	27,453,854	4.03
2004	1,109,878	24,283,468	4.57
2005	1,107,750	23,142,310	4.79

(1) Debt Service Fund expenditures represent payment of principal and interest on general bonded debt.

# CITY OF CLAYTON, MISSOURI

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1) - GENERAL OBLIGATION BONDED DEBT September 30, 2005

<b>Name Of Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable To City Of Clayton</b>	<b>Amount Applicable To City Of Clayton</b>
St. Louis County	\$ 98,505,000	3.78 %	\$ 3,723,489
Clayton School District	28,631,448	85.08	24,359,636
Subtotal	127,136,448		28,083,125
City of Clayton	7,410,000	100.00	7,410,000
<b>Total</b>	<b>\$ 134,546,448</b>		<b>\$ 35,493,125</b>

(1) Sources:

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

# CITY OF CLAYTON, MISSOURI

## PARKING FACILITIES REVENUE FUND - SCHEDULE OF REVENUE BOND COVERAGE (1)(2) LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available For Debt Service	Principal	Interest	Total	Coverage
1996	\$ 1,350,260	\$ 411,979	\$ 938,281	\$ 325,000	\$ 30,025	\$ 355,025	2.64 %
1997	1,345,828	610,915	734,913	325,000	15,137	340,137	2.16
1998	1,601,259	435,865	1,165,394	—	—	—	—
1999	1,760,831	689,197	1,071,634	—	—	—	—
2000	1,868,869	599,423	1,269,446	—	—	—	—
2001	2,028,928	863,203	1,165,725	—	—	—	—
2002	1,866,391	879,418	986,973	—	—	—	—
2003	1,963,896	854,050	1,109,846	—	—	—	—
2004	1,711,194	638,087	1,073,107	—	—	—	—
2005	1,595,313	616,907	978,406	—	—	—	—

(1) Parking Facilities Revenue /Bonds

(2) In 1992 the Parking Facilities Revenue Bonds were refinanced.

# CITY OF CLAYTON, MISSOURI

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## SCHEDULE OF INSURANCE FUND EXPENSES LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Expenses</b>
1996	\$ 1,036,073
1997	998,432
1998	1,042,853
1999	1,138,304
2000	1,255,453
2001	1,623,023
2002	1,688,775
2003	1,968,869
2004	1,792,729
2005	1,832,077

# CITY OF CLAYTON, MISSOURI

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## DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Median Household Income (2)</b>	<b>Unemployment Rate (3)</b>
1996	13,530	\$ 56,215	2.2 %
1997	13,417	57,562	1.7
1998	13,417	57,562	2.1
1999	13,417	57,562	1.7
2000	13,417	57,562	1.5
2001	15,935	57,562	2.2
2002	15,935	57,562	2.6
2003	15,935	57,562	2.8
2004	15,935	64,184	2.6
2005	15,935	64,184	2.5

(1) Source - 1990 U.S. Bureau of Census and the U.S. Census Bureau Administrative Records for population estimates 1993 and 1997 to 2000; source of data for 1994 to 1996 from Claritas, Missouri State Census Data Center; source of data for 2001, current population estimate revised census 2000 from U.S. Census Bureau dated 12/07/01.

(2) Source - 1996 from Claritas, Missouri State Census Data Center, sources of data from 1997 to 2003 from 1990 U.S. Bureau of Census. Sources of data from 2004 and 2005 from 2000 U.S. Bureau of Census.

(3) Source - 2001 and previous, Missouri Division of Employment Security from U.S. Census Bureau Records; 2002 to 2004 Missouri Department of Economic Development (based on 1990 census). Records for 2005 Missouri Department of Economic Development (based on 2000 census).

# CITY OF CLAYTON, MISSOURI

## PROPERTY VALUE AND CONSTRUCTION LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Number Of Permits</b>	<b>Estimated Cost Of Construction</b>	<b>Number Of Permits</b>	<b>Estimated Cost Of Construction</b>	<b>Estimated Actual Value (2)</b>
1996	164	\$ 34,272,475	206	\$ 14,976,408	\$ 1,710,949,409
1997	177	37,193,938	215	15,664,274	1,725,951,917
1998	238	67,903,704	248	17,815,673	1,881,498,907
1999	170	92,121,612	215	45,145,367	1,940,096,626
2000	148	19,985,255	237	29,170,374	2,215,675,731
2001	137	105,456,352	249	25,778,652	2,244,900,001
2002	150	39,862,787	308	38,712,081	2,690,158,780
2003	173	33,443,381	272	33,135,438	2,697,949,002
2004	202	20,694,236	281	68,617,644	2,905,406,887
2005	172	29,333,420	274	31,775,928	2,912,084,733

(1) Source - City of Clayton Planning and Development Department

(2) Source - St. Louis County Assessor

# CITY OF CLAYTON, MISSOURI

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## BANK DEPOSITS LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Bank Deposits (2) (in thousands)</b>
1996	\$ 1,682,546
1997	1,873,352
1998	2,121,670
1999	2,114,421
2000	2,040,229
2001	2,222,133
2002	2,287,230
2003	2,937,824
2004	3,392,396
2005	3,607,375

(1) Source - FDIC Data Book

(2) Total deposits of banks located in Clayton as reported on June 30.



# CITY OF CLAYTON, MISSOURI

## PRINCIPAL TAXPAYERS (1)

September 30, 2005

<b>Taxpayer</b>	<b>Type Of Busienss</b>	<b>2004 Assessed Valuation</b>	<b>Percent Of Total (2)</b>
Clayton Corporate Park Mgmt. Co.	Auto Leasing Company	\$ 24,337,020	3.42 %
Pierre Laclede LLC	Real Estate Holding Company	21,175,490	2.97
THF Plaza Office LLC	Real Estate Holding Company	15,685,820	2.20
Duke Realty LTD Partnership	Real Estate Holding Company	15,344,030	2.15
The Realty Associates Funds IV and V	Real Estate Holding Company	13,156,450	1.85
HEF 1 - StL No. 1 LLC	Real Estate Holding Company	12,533,850	1.76
8182 Maryland Associates	Real Estate Holding Company	11,012,550	1.55
Riggs & Company Trustee	Real Estate Holding Company	9,706,940	1.36
TIC Clayton Investment Co. LLC	Real Estate Holding Company	8,383,390	1.18
8000 Maryland LLC	Real Estate Holding Company	8,166,400	1.15
		<u>\$ 139,501,940</u>	<u>17.39 %</u>

(1) Source - St. Louis County Assesor, ten highest property tax valuations

(2) Total assessed value of the City was \$712,205,122 as of January 1, 2004.

# CITY OF CLAYTON, MISSOURI

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## MISCELLANEOUS STATISTICAL DATA

September 30, 2005

Date of Incorporation	April 14, 1913
Date Present Charter Adopted	February 14, 1957
Form of Government	Home Rule Charter
Area – Square Miles:	
September 30, 1990	2.54
September 30, 1980	2.54
September 30, 1970	2.54
September 30, 1960	2.54
September 30, 1950	2.54
Miles of Streets – Paved	46.7
Miles of Alleys	5.3
Miles of Sidewalks	39
Number of Street Lights	1,500
Number of Sanitation Customers Serviced by City – Residential	5,800
Fire Protection:	
Number of Employees	36
Number of Stations	1
Fire Hydrants	371
Vehicles:	
Ladder Trucks	1
Pumpers	1
Rescue Trucks	1
Ambulances	2
Police Protection:	
Number of Employees:	
Commissioned Officers	52
Other Full-Time Employees	8
Number of Stations	1
Vehicles	27
Parks and Recreation:	
Acres of Parks	75
Number of Parks	5
Number of Full-Time Employees	179