
**CITY OF CLAYTON, MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For The Fiscal Year Ended September 30, 2007

*Report prepared and submitted by the
Finance Department*

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INTRODUCTORY SECTION



March 25, 2008

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, 2007, 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

This is the fifth year that the City has presented its Comprehensive Annual Financial Report under the new reporting model, as required by the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. The format and a description of these reports are addressed in the Management's Discussion and Analysis (MD&A) and in the notes to the financial statements.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

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

Internal controls are designed and developed to provide reasonable assurance that assets are safeguarded and that transactions are properly executed and recorded in line with management's policy and generally accepted accounting principles.

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

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 Mayor who collectively appoint a City Manager to administer daily operations.

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

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

FIDUCIARY DUTIES

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

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

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

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. After being self-insured since 1991, and in an effort to limit its financial exposure, the City also chose SLAIT to insure for workers compensation coverage effective May 20, 2005. Additional information is provided in the notes to the basic financial statements. There are no residual liabilities from the previous self-insured workers compensation program or the previous general liability insurance pool.

DEBT ADMINISTRATION

At year-end, Government-wide debt was \$27,870,495 (excluding the deferred amount on refunding of \$575,385 and compensated absences of \$251,172) consisting of a 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 Facility.

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 backed by United States agencies or Treasury obligations. 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 2.65% to 5.30%. The Federal Reserve Bank has decreased the overnight Federal funds rate in FY2007 from 5.25% to 4.75% and any further decrease will decrease interest earnings for all operating funds.

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 pension benefit obligation funding ratio for the Non-Uniformed Employees Retirement plan increased slightly from 108.4% to 109.4% according to the actuarial valuation report dated July 1, 2007. This small increase in funding level is due to a slight increase of the actuarial present value of assets in relation to accrued benefits. The Uniformed Employees Retirement plan funded ratio increased from 82.8% to 87.4% due primarily to both employer and employee contributions and moderately favorable investment results according to the actuarial valuation report dated January 1, 2007.

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 (CBD) combines approximately 7,000,000 square feet of prestigious office space with the vitality of more than 1,000,000 square feet in retail space. Clayton's charming residential neighborhoods provide a mix of housing, to include single-family homes, condominiums and multi-family apartment dwellings. Much of the residential area is within walking distance of the CBD or neighborhood retail districts that include specialty boutiques, flower shops, restaurants, dry cleaners, fitness facilities and cafes. In addition to the thriving business district and strong residential neighborhoods, the City has also devoted more than 70 acres of green space to passive and active park areas. Included in these resources is The Center of Clayton, a multi-use recreational facility operated in conjunction with the Clayton School District.

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

Clayton's thriving retail community includes 79 award-winning restaurants and 234 vibrant retail boutiques and personal service businesses. Clayton's downtown is the region's premier business district and home to numerous Forbes and Fortune 500 headquarters and branch offices. To name just a few, Clayton's quality of life has attracted Enterprise Rent-A-Car, Brown Shoe Group, Commerce Bank, National City Bank, Rehab Care Group, Graybar, Barry-Wehmler Companies, Olin Corporation, and a majority of the largest law firms in the St. Louis area. Clayton maintains one of the highest commercial occupancy rates in the region. The Clayton office and retail market continues to be one of the steadiest submarkets in the St. Louis area. Vacancy rates for the last several years have continued to stay in the 10% to 12% range, slightly lower than the regional average. During the past year, the vacancy rate has decreased to 6.5% -- one of the lowest in the metropolitan area.

Clayton continues to process and approve plans for major developments. For example, in November 2006, Conrad Properties officially opened Maryland Walk, a new \$32 million, 17-story mixed-use building that provides 101 high-end condominiums and approximately 8,000 square feet of new commercial space. The development appeals to a cross-section of residents from various walks of life creating demographic diversity, which will in turn add to the vitality of downtown Clayton.

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

Mark S. Mehlman Realty officially opened The Crescent, a nine story, \$40,000,000 mixed-use development on the north side of Carondelet Plaza across from the Plaza in Clayton. The Crescent features 72 luxury condominium units, 25,797 square feet of ground level retail and 259 parking spaces located on the first two levels of the building. The building is designed to follow the curvature of the street and is compatible with both the Plaza in Clayton and The Ritz-Carlton, St. Louis. The project has adopted the City's streetscape and will include public art.

Orchard Development Group received approval to build the Trianon at the Forsyth MetroLink (light rail) Station, just east of the Ritz-Carlton. The Trianon is a \$150 million mixed-use development that is expected to include 175 apartment units and 175 condominiums with a variety of floor plans and price points. Approximately 33,500 square feet of street-level retail space is also proposed. The project is unique because of its proximity to the MetroLink passenger station at Forsyth Boulevard and Forest Park Parkway.

R.J. York Development recently proposed a \$110 million mixed-use construction project to be located near Central Avenue and Maryland Avenue. The project is estimated to be a 22 story high rise tower that will include a 200-240 room hotel, 19,400 square feet of retail, and approximately 34-50 luxury residential condominiums, as well as nearby parking infrastructure. The project, if approved, is expected to generate significant additional economic activity for the City at the very core of the Central Business District. Further, existing retail adjacent to the project is expected to increase with the opening of the new development.

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

The City continues to experience solid growth in its overall assessed valuation. Since 1998, the City's total assessed valuation has increased by 63%. This growth is further shown by the significant increases in new residential homes, condominium conversions, home remodeling/additions, and new condominium buildings. In fact, since 2003, more than \$300 million has been spent on such residential improvements. In the past 12 months alone, the City has experienced more than \$40 million in construction of new homes and remodeling of existing residential structures. Even with the challenges of a slower housing market, the City expects continued reinvestment in its neighborhoods, continued conversions of multi-family apartments into condominiums, new homes in place of smaller ranch-style structures, and additional residential projects within the Central Business District.

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

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, 2006. 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 twenty consecutive years (fiscal years ended 1987-2006). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

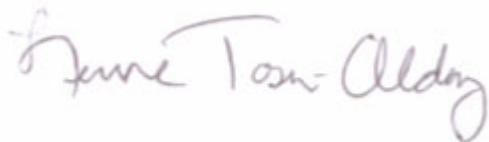
INDEPENDENT AUDIT

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 2007 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 staff, and RubinBrown LLP.

Respectfully submitted,



Lenore Toser-Aldaz
Acting City Manager



Donald J. Yucuis
Director of Finance

CITY OF CLAYTON, MISSOURI

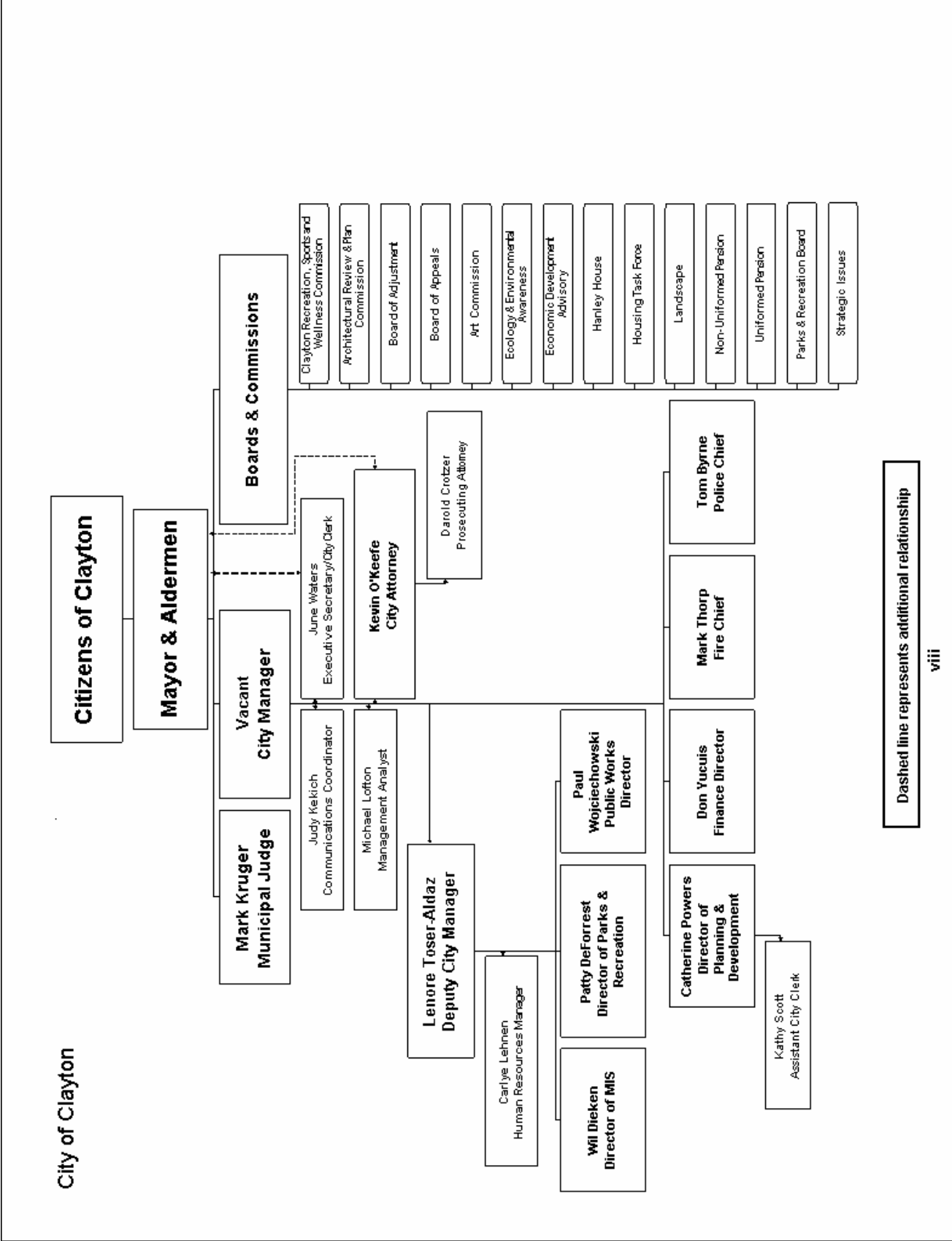
PRINCIPAL OFFICIALS

MayorLinda Goldstein

Aldermen:

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

Acting City ManagerLenore Toser-Aldaz



Dashed line represents additional relationship

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, 2006

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City as of September 30, 2007, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and Budgetary Comparison Information as listed in the table of contents 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

March 25, 2008

CITY OF CLAYTON, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Clayton, Missouri presents this narrative overview and analysis to assist our readers in reviewing and understanding the accompanying annual financial statements for the fiscal year ended September 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal which can be found on pages i-vi of this report.

Financial Highlights

- The net assets of the City of Clayton at the close of the most recent fiscal year were \$49,622,719; an increase of \$4,233,407 from the prior year. Governmental Activities increased \$4,179,092 and business activities increased \$54,315. Of this amount, \$25,897,802 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City of Clayton's governmental funds on page 14 as of the close of the current fiscal year reported a combined ending fund balance of \$17,705,057, an increase of \$1,995,675 in comparison to the prior year. Approximately 84% of the total amount, or \$15,262,822, 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.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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 and 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.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Clayton adopts an annual budget for all funds except the Police Forfeiture and Police Officer Standards Training (P.O.S.T.) Fund, Firefighter Assistance Grant Fund, 1997-98 Capital Project Bond Fund, the Redevelopment Forsyth/Hanley Road Fund, and the 2005 Bond Reserve 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 56 and 57 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 58.

Proprietary Funds

Clayton's *proprietary fund* types consist of an enterprise fund, the Parking Facilities Revenue Fund, and an internal service fund, 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 55.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, certain required supplementary information can be found on pages 56 and 57 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 58 through 84 of this report.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Government-Wide Financial Analysis

This is the fifth 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 \$49,622,719 at the close of the most recent fiscal year, an increase of \$4,233,407.

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 \$20,710,530 or 42% of net assets. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the liabilities.

Unrestricted net assets of \$25,897,802 are another major portion of the City's net assets (52%) 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	
	2007	2006	2007	2006	2007	2006
Assets						
Current and other assets	\$ 21,189,290	\$ 18,779,398	\$ 10,689,710	\$ 10,513,658	\$ 31,879,000	\$ 29,293,056
Capital assets	34,589,663	34,607,971	13,299,077	13,729,986	47,888,740	48,337,957
Total Assets	\$ 55,778,953	\$ 53,387,369	\$ 23,988,787	\$ 24,243,644	\$ 79,767,740	\$ 77,631,013
Liabilities						
Current liabilities	\$ 2,515,421	\$ 1,956,561	\$ 83,318	\$ 103,950	\$ 2,598,739	\$ 2,060,511
Noncurrent liabilities	23,647,915	25,994,283	3,898,367	4,186,907	27,546,282	30,181,190
Total Liabilities	26,163,336	27,950,844	3,981,685	4,290,857	30,145,021	32,241,701
Net Assets						
Invested in capital assets, net of related debt	11,295,023	8,732,202	9,415,507	9,545,577	20,710,530	18,277,779
Restricted	2,729,192	2,613,411	285,195	280,174	3,014,387	2,893,585
Unrestricted	15,591,402	14,090,912	10,306,400	10,127,036	25,897,802	24,217,948
Total Net Assets	\$ 29,615,617	\$ 25,436,525	\$ 20,007,102	\$ 19,952,787	\$ 49,622,719	\$ 45,389,312

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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

City of Clayton's Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for services	\$ 4,225,480	\$ 3,825,043	\$ 1,416,686	\$ 1,486,560	\$ 5,642,166	\$ 5,311,603
Operating grants	1,232,687	924,132	—	—	1,232,687	924,132
Capital grants and contributions	287,100	—	—	—	287,100	—
General Revenues:						
Property tax	6,332,125	6,135,030	—	—	6,332,125	6,135,030
Sales tax	6,226,794	5,934,900	—	—	6,226,794	5,934,900
Utility tax	4,758,606	4,890,845	—	—	4,758,606	4,890,845
Other taxes	565,780	554,595	—	—	565,780	554,595
Investment earnings	884,333	665,054	586,580	367,140	1,470,913	1,032,194
Gain on sale of capital assets	—	70,222	330,776	2,243,132	330,776	2,313,354
Other general revenues	400,027	220,455	—	—	400,027	220,455
Total Revenues	24,912,932	23,220,276	2,334,042	4,096,832	27,246,974	27,317,108
Program Expenses						
General government	4,585,667	4,253,478	—	—	4,585,667	4,253,478
Public safety	8,246,154	8,660,970	—	—	8,246,154	8,660,970
Streets and highways	5,919,304	4,530,039	—	—	5,919,304	4,530,039
Parks and recreation	1,975,986	2,865,602	—	—	1,975,986	2,865,602
Community development	220,788	975,774	—	—	220,788	975,774
Interest on long-term debt	910,350	989,693	—	—	910,350	989,693
Parking facility	—	—	1,155,318	1,274,489	1,155,318	1,274,489
Total Program Expenses	21,858,249	22,275,556	1,155,318	1,274,489	23,013,567	23,550,045
Excess (Deficiency) Before Transfers						
	3,054,683	944,720	1,178,724	2,822,343	4,233,407	3,767,063
Transfers	1,124,409	904,477	(1,124,409)	(904,477)	—	—
Change In Net Assets	4,179,092	1,849,197	54,315	1,917,866	4,233,407	3,767,063
Net Assets - Beginning Of Year	25,436,525	23,587,328	19,952,787	18,034,921	45,389,312	41,710,439
Net Assets - End Of Year	\$ 29,615,617	\$ 25,436,525	\$ 20,007,102	\$ 19,952,787	\$ 49,622,719	\$ 45,477,502

The City of Clayton's overall net assets of \$49,622,719 increased \$4,233,407 during the current fiscal year.

Governmental Activities net assets increased by \$4,179,092 to \$29,615,617 during the current fiscal year. Revenues exceeded expenses by \$3,054,683 and transfers in from Parking Fund totaled \$1,124,409.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Overall, FY 07 governmental activities revenue totaled \$24,912,932 or \$1,692,666 more than the prior fiscal year. Specifically, program revenues totaled \$5,745,267 or \$996,092 more than the prior fiscal year. \$400,437 of the \$996,092 increase is from charges for services from increased revenue from pilot fees, parking and court fines and business licenses. Operating and capital grants totaling \$1,519,787 increased \$595,655 and is from one-time specific capital projects grants. General revenue totaled \$19,167,665 or \$696,564 more than the prior fiscal year. Property, sales and utility tax revenue total \$17,317,525 or 69.5% of total revenues and a net increase of \$356,750. Property tax and sales tax revenue were more by \$488,989 and utility tax was less by \$132,239. Investment earnings totaled \$884,333 or \$219,279 more than the prior year due to higher interest rates and more funds available to invest than the prior year.

Governmental activities program expenses for FY 07 totaled \$21,858,249 or \$417,307 less than the prior fiscal year. General government and streets and highway expenses totaled \$10,504,971 or an increase of \$1,721,454 and is mainly due to expenses related major capital projects in these areas being more than the prior year. Public safety, parks and recreation, community development and interest on long-term debt totaled \$11,353,278 or a decrease of \$2,138,761 and is mainly due to expenses related major capital projects in these areas being less than the prior year.

Business-Type Activities net assets increased by \$54,315 to \$20,007,102 during the fiscal year. Total current fiscal year business-type revenues of \$2,334,042 were \$1,762,790 lower than the prior fiscal year. Gain on sale of capital assets were lower by \$1,912,356 and due to the sale of the Carondelet Parking facility in the prior fiscal year and the sale of a small under utilized parking lot in the current fiscal year. Program revenues totaled \$1,416,686 and were \$69,874 lower than the prior fiscal year due to the sale of the parking facility. Investment earnings totaled \$586,580 or \$219,440 more due to higher investment balances and interest rates than the prior fiscal year.

Business-type program expenses totaled \$1,115,318 or \$119,171 less than the prior fiscal year due to the sale of the parking facility. Transfers to governmental activities totaled \$1,124,409 or \$219,932 more due to increased funding for capital projects.

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.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

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 \$17,705,057, an increase of \$1,995,675 in comparison with the prior year. Approximately 86% of this total amount (\$15,262,822) 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, \$124,744 and 2) to pay debt service, \$2,317,491. 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 \$9,552,077 while total fund balance reached \$9,676,416. Unreserved fund balance represents 54% 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 increased \$1,347,733, primarily due to a total increase of \$904,615 in all of the revenue categories.

The entire Revolving Public Improvement Fund Balance totaling \$2,249,824 is unreserved. The net increase in fund balance of \$448,057 was due to planned expenses being less than the prior year. Transfers in of \$540,409 are from the Parking Fund and transfers out of \$996,154 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 \$2,662,994. 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 is from a charge-back to the Revolving Public Improvement Fund.

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 for the Parking (enterprise) Fund on page 18 increased \$179,364 to \$10,306,400. Total net assets of the Parking Fund increased \$54,315 to \$20,007,102.

The entire net assets of the Insurance (internal service) Fund on page 18 are unrestricted and total \$624,683, an increase of \$101,383.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

General Fund Significant Variances - Budget and Actual

Pages 56 and 57 summarize the General Fund budget to actual. The General Fund had no differences between the original and final budget for revenues and expenditures. As stated earlier, the City policy on General Fund balance is a minimum of 25% of expenditures and transfers. The current balance is 54%.

Overall, the net change in fund balance on a budget basis was an increase of \$1,227,489. Actual General Fund revenue was \$1,455,703 or 8.3% more than the final budget and is due to a conservative budgeting philosophy.

The actual General Fund expenditures were \$228,397 or 1.3% more than the final budget. Public Safety was under budget by \$149,401 due to savings in personnel costs while street and highways and general government were over budget by \$305,799 and \$77,502, respectively, due to increased professional services related to the Interstate 64 construction project and unbudgeted grant activity.

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, 2007 totaled \$47,888,740 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvement other than buildings, machinery/equipment, infrastructure, and construction in progress. The total change in the City's investment in capital assets was a decrease of \$450,217. The majority of the decrease in investment in capital assets is due to current year depreciation expense in excess of additions and the sale of a City-owned parking lot.

Capital Assets

City of Clayton Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Land	\$ 1,320,981	\$ 1,072,517	\$ 1,642,361	\$ 1,726,669	\$ 2,963,342	\$ 2,799,186
Buildings	13,730,917	13,966,862	11,544,222	11,855,434	25,275,139	25,822,296
Improvements other than buildings	187,115	34,242	28,955	30,465	216,070	64,707
Machinery/equipment	2,239,180	2,056,239	83,539	118,418	2,322,719	2,174,657
Infrastructure	16,998,841	17,246,836	—	—	16,998,841	17,246,836
Construction in progress	112,629	231,275	—	—	112,629	231,275
Total	\$ 34,589,663	\$ 34,607,971	\$ 13,299,077	\$ 13,730,986	\$ 47,888,740	\$ 48,338,957

Additional information on the City's capital assets can be found in Note 3 to the Financial Statements, starting on page 37 of this report.

CITY OF CLAYTON, MISSOURI

Management's Discussion And Analysis (*Continued*)

Long-Term Debt

The City had government-wide debt outstanding of \$27,870,495 (excluding the deferred amount on refunding of \$575,385) at the end of the current fiscal year. \$5,760,000 is general obligation debt backed by the full faith and credit of the City, \$20,260,000 is special obligation debt paid for from annual appropriations and special assessment fees and the \$1,846,341 note payable is paid from annual appropriations.

City of Clayton's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Series 1999	\$ 5,760,000	\$ 6,600,000	\$ —	\$ —	\$ 5,760,000	\$ 6,600,000
Series 2002	7,375,000	8,250,000	—	—	7,375,000	8,250,000
Series 2005	10,645,000	11,325,000	2,240,000	2,430,000	12,885,000	13,755,000
Capital lease	4,154	8,142	—	—	4,154	8,142
Note payable	—	—	1,846,341	1,971,341	1,846,341	1,971,341
Total	\$ 23,784,154	\$ 26,183,142	\$ 4,086,341	\$ 4,401,341	\$ 27,870,495	\$ 30,584,483

The City's total debt decreased by \$2,713,988 during the current fiscal year. Additional information on the City's long-term debt can be found in Note 7 to the financial statements, pages 40 through 44 of this report.

The Outlook For Next Year

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

The expected increases in the three major revenues sources are modest, with property tax projected at 1.5%, sales tax at 1.2% and utility tax at 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 includes maintaining the current high level of service to residents by addressing the funding needs of the community as needed.

Requests For Information

This financial report is designed to provide a general overview of the City 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, 2007

	Governmental Activities	Business-Type Activity	Total
Assets			
Cash and cash equivalents	\$ 5,773,175	\$ 2,813,732	\$ 8,586,907
Investments	10,901,286	7,734,512	18,635,798
Accounts receivable	481,232	49,490	530,722
Property taxes receivable	163,710	—	163,710
Intergovernmental receivable	1,218,328	—	1,218,328
Special assessments receivable	448,014	—	448,014
Other receivables	15,750	—	15,750
Interest receivable	68,341	101,362	169,703
Internal balances	306,824	(306,824)	—
Prepaid insurance	105,951	—	105,951
Bond issue costs	104,657	12,243	116,900
Net pension asset	270,808	—	270,808
Cash - restricted	208,765	20,972	229,737
Investments - restricted	1,122,449	264,223	1,386,672
Capital assets:			
Land and construction in progress	1,433,610	1,642,361	3,075,971
Other capital assets, net of accumulated depreciation	33,156,053	11,656,716	44,812,769
Total Assets	55,778,953	23,988,787	79,767,740
Liabilities			
Accounts payable	1,085,480	2,160	1,087,640
Accrued interest payable	281,128	67,734	348,862
Accrued liabilities	457,148	8,499	465,647
Deposits	298,417	4,925	303,342
Net pension obligation	393,248	—	393,248
Noncurrent liabilities:			
Due within one year	9,212,772	332,554	9,545,326
Due in more than one year	14,435,143	3,565,813	18,000,956
Total Liabilities	26,163,336	3,981,685	30,145,021
Net Assets			
Invested in capital assets, net of related debt	11,295,023	9,415,507	20,710,530
Restricted for:			
Debt service	2,317,491	285,195	2,602,686
Special taxing district	194,161	—	194,161
Sewer lateral projects	217,540	—	217,540
Unrestricted	15,591,402	10,306,400	25,897,802
Total Net Assets	\$ 29,615,617	\$ 20,007,102	\$ 49,622,719

CITY OF CLAYTON, MISSOURI

STATEMENT OF ACTIVITIES For The Year Ended September 30, 2007

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
Primary Government							
Governmental Activities							
General government	\$ 4,585,667	\$ 735,781	\$ —	\$ —	\$ (3,849,886)	\$ —	\$ (3,849,886)
Public safety	8,246,154	1,141,418	284,437	—	(6,820,299)	—	(6,820,299)
Streets and highways	5,919,304	277,604	824,247	287,100	(4,530,353)	—	(4,530,353)
Parks and recreation	1,975,986	739,568	124,003	—	(1,112,415)	—	(1,112,415)
Community development	220,788	1,331,109	—	—	1,110,321	—	1,110,321
Interest on long-term debt	910,350	—	—	—	(910,350)	—	(910,350)
Total Governmental Activities	21,858,249	4,225,480	1,232,687	287,100	(16,112,982)	—	(16,112,982)
Business-Type Activity							
Parking facility	1,155,318	1,416,686	—	—	—	261,368	261,368
Total Primary Government	\$ 23,013,567	\$ 5,642,166	\$ 1,232,687	\$ 287,100	(16,112,982)	261,368	(15,851,614)
General Revenues							
Taxes:							
Property					6,332,125	—	6,332,125
Sales					6,226,794	—	6,226,794
Utility					4,758,606	—	4,758,606
Other					565,780	—	565,780
Investment income					884,333	586,580	1,470,913
Gain on sale of capital assets					—	330,776	330,776
Miscellaneous					400,027	—	400,027
Transfers					1,124,409	(1,124,409)	—
Total General Revenues And Transfers					20,292,074	(207,053)	20,085,021
Change In Net Assets					4,179,092	54,315	4,233,407
Net Assets - Beginning Of Year					25,436,525	19,952,787	45,389,312
Net Assets - End Of Year					\$ 29,615,617	\$ 20,007,102	\$ 49,622,719

See the accompanying notes to basic financial statements.

CITY OF CLAYTON, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2007

	General Fund	Revolving Public Improvement Fund	Equipment Replacements Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,789,337	\$ 1,430,878	\$ 412,016	\$ 1,614,760	\$ 5,246,991
Investments	7,419,971	1,013,083	2,268,806	199,426	10,901,286
Accounts receivable	481,137	—	—	—	481,137
Property taxes receivable	156,104	—	—	7,606	163,710
Intergovernmental receivable	823,256	188,714	—	206,358	1,218,328
Special assessments receivable	—	268,263	—	179,751	448,014
Other receivables	—	750	15,000	—	15,750
Interest receivable	21,905	9,675	18,602	18,159	68,341
Due from other funds	358,591	—	—	—	358,591
Cash - restricted	—	—	—	208,765	208,765
Investments - restricted	—	—	—	1,122,449	1,122,449
Total Assets	\$ 11,050,301	\$ 2,911,363	\$ 2,714,424	\$ 3,557,274	\$ 20,233,362
Liabilities And Fund Balances					
Liabilities					
Accounts payable	\$ 454,708	\$ 373,276	\$ 51,430	\$ 198,519	\$ 1,077,933
Accrued liabilities	453,340	—	—	3,808	457,148
Due to other funds	—	—	—	51,767	51,767
Deferred revenue	187,420	268,263	—	187,357	643,040
Deposits	278,417	20,000	—	—	298,417
Total Liabilities	1,373,885	661,539	51,430	441,451	2,528,305
Fund Balances					
Fund Balances:					
Reserved for:					
Encumbrances	124,339	—	250	155	124,744
Debt service	—	—	—	2,317,491	2,317,491
Unreserved:					
General fund	9,552,077	—	—	—	9,552,077
Special revenue funds	—	—	—	357,866	357,866
Capital projects funds	—	2,249,824	2,662,744	440,311	5,352,879
Total Fund Balances	9,676,416	2,249,824	2,662,994	3,115,823	17,705,057
Total Liabilities And Fund Balances	\$ 11,050,301	\$ 2,911,363	\$ 2,714,424	\$ 3,557,274	\$ 20,233,362

CITY OF CLAYTON, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS September 30, 2007

Total Fund Balance - Governmental Funds \$ 17,705,057

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$48,147,332 and the accumulated depreciation is \$13,557,669. 34,589,663

Net pension liabilities are not financial resources and, therefore, are not reported in the funds. (122,440)

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. 643,040

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. 624,683

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	(281,128)
Compensated absences	(248,618)
Bonds payable and capital lease outstanding	(23,399,297)
Unamortized issuance costs	104,657

Total Net Assets - Governmental Activities \$ 29,615,617

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended September 30, 2007

	General	Revolving Public Improvement Fund	Equipment Replacements Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
General property taxes	\$ 5,032,029	\$ —	\$ —	\$ 1,278,234	\$ 6,310,263
Assessment income	—	41,251	—	144,592	185,843
Licenses and permits	1,415,552	—	—	—	1,415,552
Public utility licenses	4,757,730	876	—	—	4,758,606
Intergovernmental	4,402,252	2,358,471	—	1,626,590	8,387,313
Community programs	1,249,216	—	—	—	1,249,216
Fines and forfeitures	881,673	—	—	47,643	929,316
Investment income	496,983	103,943	124,579	158,828	884,333
Miscellaneous	741,558	34,176	15,662	34,122	825,518
Total Revenues	18,976,993	2,538,717	140,241	3,290,009	24,945,960
Expenditures					
Current:					
General government	4,070,128	—	—	157	4,070,285
Public safety	8,044,844	—	—	74,772	8,119,616
Streets and highways	3,754,718	—	—	—	3,754,718
Parks and recreation	1,759,570	—	—	—	1,759,570
Community development	—	—	—	220,788	220,788
Capital outlay	—	1,634,915	569,158	714,301	2,918,374
Debt service:					
Principal	—	—	—	2,395,000	2,395,000
Interest and fiscal charges	—	—	—	882,260	882,260
Total Expenditures	17,629,260	1,634,915	569,158	4,287,278	24,120,611
Revenues Over (Under) Expenditures	1,347,733	903,802	(428,917)	(997,269)	825,349
Other Financing Sources (Uses)					
Transfers in	—	540,409	396,819	3,859,345	4,796,573
Transfers out	—	(996,154)	—	(2,676,010)	(3,672,164)
Sale of capital assets	—	—	45,917	—	45,917
Total Other Financing Sources (Uses)	—	(455,745)	442,736	1,183,335	1,170,326
Net Change In Fund Balances	1,347,733	448,057	13,819	186,066	1,995,675
Fund Balances - Beginning Of Year	8,328,683	1,801,767	2,649,175	2,929,757	15,709,382
Fund Balances - End Of Year	\$ 9,676,416	\$ 2,249,824	\$ 2,662,994	\$ 3,115,823	\$ 17,705,057

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, 2007

Net Change In Fund Balances - Total Governmental Funds \$ 1,995,675

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the costs of those assets are allocated over estimated useful lives and reported as depreciation expense. Capital outlays of \$1,471,809 over the capitalization threshold exceeded depreciation of \$1,376,999 in the current period. 94,810

In the statement of activities, a loss on disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on disposal of capital assets; only the proceeds from sales of capital assets are reported. (113,118)

Property tax revenues received prior to the year for which they were levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this fiscal year by \$21,862. 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 \$54,890. (33,028)

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

Principal payments on capital leases	3,988
Repayment of bond principal	2,395,000
Amortization of issuance costs and deferred amount on refunding	(54,368)

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	26,278
Compensated absences	(12,109)
Net pension liabilities	(225,419)

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. 101,383

Change In Net Assets Of Governmental Activities \$ 4,179,092

CITY OF CLAYTON, MISSOURI

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

September 30, 2007

	Business-Type Activity - Parking Facilities Enterprise Fund	Governmental Activities - Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,813,732	\$ 526,184
Investments	7,734,512	—
Accounts receivable	49,490	95
Interest receivable	101,362	—
Prepaid insurance	—	105,951
Total Current Assets	10,699,096	632,230
Noncurrent Assets		
Capital Assets:		
Land	1,642,361	—
Other capital assets, net of accumulated depreciation	11,656,716	—
Total Capital Assets	13,299,077	—
Restricted Assets:		
Cash	20,972	—
Investments	264,223	—
Total Restricted Assets	285,195	—
Bond issue costs	12,243	—
Total Noncurrent Assets	13,596,515	—
Total Assets	\$ 24,295,611	\$ 632,230
Liabilities		
Current Liabilities		
Accounts payable	\$ 2,160	\$ 7,547
Accrued interest payable	67,734	—
Accrued liabilities	8,499	—
Due to other funds	306,824	—
Deposits	4,925	—
Accrued compensated absences	2,554	—
Bonds payable - current	200,000	—
Notes payable - current	130,000	—
Total Current Liabilities	722,696	7,547
Noncurrent Liabilities		
Bonds payable	1,849,472	—
Notes payable	1,716,341	—
Total Noncurrent Liabilities	3,565,813	—
Total Liabilities	4,288,509	7,547
Net Assets		
Invested in capital assets, net of related debt	9,415,507	—
Restricted for debt service	285,195	—
Unrestricted	10,306,400	624,683
Total Net Assets	\$ 20,007,102	\$ 624,683

CITY OF CLAYTON, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS For The Year Ended September 30, 2007

	Business-Type Activity - Parking Facilities Enterprise Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
St. Louis parking systems	\$ 375,085	\$ —
Parking lot revenue	112,695	—
Parking meter revenue	928,906	—
Participant contributions	—	212,193
Employer contributions	—	1,670,876
Total Operating Revenues	1,416,686	1,883,069
Operating Expenses		
Personnel services	274,787	—
Contractual services	302,992	1,809,816
Commodities	53,044	—
Depreciation	338,920	—
Insurance and fringe benefits	48,246	—
Total Operating Expenses	1,017,989	1,809,816
Operating Income	398,697	73,253
Nonoperating Revenue (Expense)		
Gain on sale of capital assets	330,776	—
Investment income	586,580	15,954
Interest expense	(137,329)	—
Miscellaneous income	—	12,176
Total Nonoperating Revenue (Expense)	780,027	28,130
Income Before Transfers	1,178,724	101,383
Transfers		
Transfers out	(1,124,409)	—
Change In Net Assets	54,315	101,383
Net Assets - Beginning Of Year	19,952,787	523,300
Net Assets - End Of Year	\$ 20,007,102	\$ 624,683

CITY OF CLAYTON, MISSOURI

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For The Year Ended September 30, 2007

	Business-Type Activity - Parking Facilities Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 1,438,741	\$ —
Receipts from interfund services provided	—	1,896,572
Payments to suppliers	(420,335)	—
Payments to employees	(274,363)	—
Payments for interfund services used	—	(1,807,131)
Net Cash Provided By Operating Activities	744,043	89,441
Cash Flows From Noncapital And Related Financing Activities		
Transfers to other funds	(1,124,409)	—
Due to other funds	98,430	—
Net Cash Used In Noncapital And Related Financing Activities	(1,025,979)	—
Cash Flows From Capital And Related Financing Activities		
Principal payments on note payable	(125,000)	—
Principal payments on special obligation capital improvement bonds	(190,000)	—
Proceeds from sale of capital assets	426,764	—
Interest payments on special obligation capital improvement bonds and note payable	(116,872)	—
Net Cash Used In Capital And Related Financing Activities	(5,108)	—
Cash Flows From Investing Activities		
Interest received on investments	473,147	15,954
Purchase of investments	(2,178,350)	—
Sales of investments	4,807,839	—
Net Cash Provided By Investing Activities	3,102,636	15,954
Net Increase In Cash And Cash Equivalents	2,815,592	105,395
Cash And Cash Equivalents - Beginning Of Year	19,112	420,789
Cash And Cash Equivalents - End Of Year	\$ 2,834,704	\$ 526,184
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities		
Operating income	\$ 398,697	\$ 73,253
Adjustments to reconcile operating income to net cash provided by operating activities:		
Miscellaneous nonoperating revenue	—	12,176
Depreciation	338,920	—
(Increase) decrease in:		
Accounts receivable	22,055	1,327
Prepaid insurance	—	4,680
Increase (decrease) in:		
Accounts payable	(16,881)	(1,004)
Accrued liabilities	424	(991)
Deposits	828	—
Net Cash Provided By Operating Activities	\$ 744,043	\$ 89,441
Supplemental Disclosure Of Cash Flow Information		
Noncash activities:		
Amortization of deferred amount on refunding	\$ 25,404	\$ —
Net depreciation in fair value of investments	(92,887)	—

CITY OF CLAYTON, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS FIDUCIARY FUNDS September 30, 2007

	Pension Trust Funds
Assets	
Cash and cash equivalents	\$ 763,172
Investments:	
U.S. government and agency securities	4,351,823
Foreign bonds	240,117
Common stocks	2,695,907
Corporate bonds	3,322,065
Taxable municipal obligations	607,874
Mutual funds	25,957,023
Interest receivable	88,784
Total Assets	<u>38,026,765</u>
Net Assets	
Held in trust for pension benefits	<u>\$ 38,026,765</u>

CITY OF CLAYTON, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS FIDUCIARY FUNDS

For The Year Ended September 30, 2007

	Pension Trust Funds
Additions	
Contributions:	
Participant contributions	\$ 218,276
Employer contributions	756,282
Total Contributions	<u>974,558</u>
Investment Income:	
Net appreciation in fair value of investments and interest and dividends	5,248,575
Less: Investment expenses	<u>(185,424)</u>
Total Investment Income	<u>5,063,151</u>
Total Additions	6,037,709
Deductions	
Benefits	<u>1,221,058</u>
Change In Net Assets	4,816,651
Net Assets Held In Trust For Pension Benefits - Beginning Of Year	<u>33,210,114</u>
Net Assets Held In Trust For Pension Benefits - End Of Year	<u><u>\$ 38,026,765</u></u>

CITY OF CLAYTON, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2007

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 local governments. The more significant of the City's accounting and reporting policies and practices are described below.

Reporting Entity

The financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an amendment of GASB 14*. 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.

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

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

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:

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. City ordinances provide for the transfer of funds from the Parking Facilities 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 individuals, 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

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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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.

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

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 Parking Facilities Fund and of the City's Internal Service Fund are charges to customers for sales and services. Operating expenses for the Parking Facilities 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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Cash, Cash Equivalents And Investments

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

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

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. The City has elected to capitalize infrastructure assets purchased prior to June 30, 1980. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 for general capital assets and \$100,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

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

Compensated Absences

Under terms of the City's personnel policy, employees are granted vacation time based on length of service. Vacation is granted at the beginning of the calendar year. A maximum of 80 hours may be carried over to a subsequent calendar year. Upon termination, the employee is paid for unused vacation. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. Upon termination, and only if the employee is vested, the employee is paid \$1 for each hour of sick leave balance. A liability for these amounts is reported in 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 discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

Deferred Amount On Refunding

In the government-wide and proprietary fund financial statements, the deferred amount on refunding is recorded as an adjustment to 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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 are displayed in three components as follows:

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.

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

In accordance with its investment policy, 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.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

A summary of deposits and investments as of September 30, 2007 is as follows:

	<u>Cost</u>	<u>Fair Value</u>
Governmental Activities		
Cash and temporary investment	\$ 3,744,916	\$ 3,744,916
Money market funds	2,237,024	2,237,024
Certificates of deposit	5,040,944	5,159,567
U.S. Agencies	6,889,076	6,864,168
	<hr/> <hr/> \$ 17,911,960	<hr/> <hr/> \$ 18,005,675
Business Type Activity – Enterprise Fund		
Cash and temporary investment	\$ 2,834,704	\$ 2,834,704
U.S. Agencies	8,015,924	7,998,735
	<hr/> <hr/> \$ 10,850,628	<hr/> <hr/> \$ 10,833,439
Pension Trust Funds		
Cash and temporary investments	\$ 763,172	\$ 763,172
Mutual funds	17,854,263	25,957,023
U.S. Treasuries	599,518	614,250
U.S. Agencies	3,739,592	3,737,573
Common stocks	2,308,843	2,695,907
Corporate bonds	3,337,993	3,322,065
Taxable municipal obligations	612,360	607,874
Foreign bonds	242,717	240,117
	<hr/> <hr/> \$ 29,458,458	<hr/> <hr/> \$ 37,937,981

Investment Policy

Governmental And Business-Type Activity

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

Uniformed Employee Retirement Fund (UERF) And Non-Uniformed Employee Retirement Fund (NUERF)

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

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

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

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Investment Types And Maturities

Governmental And Business-Type Activity

As of September 30, 2007, the governmental and business type activity portfolios had the following investments and maturities:

Governmental Activities		Investment Maturities (In Years)		
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10
U.S. Agencies	\$ 6,864,168	\$ 4,920,920	\$ 1,217,152	\$ 726,096

Business-Type Activity - Enterprise Fund		Investment Maturities (In Years)		
Investment Type	Fair Value	Less Than 1	1 - 5	6 - 10
U.S. Agencies	\$ 7,998,735	\$ 4,662,167	\$ 2,183,214	\$ 1,153,354

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)

Pension Trust Funds

As of September 30, 2007, the Uniformed Employee Retirement Fund and Non-Uniformed Employee Retirement Fund 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	\$ 614,250	\$ —	\$ —	\$ 121,162	\$ 493,088
U.S. Agencies	3,737,573	360,142	229,426	383,244	2,764,761
Corporate bonds	3,322,065	43,788	662,095	738,637	1,877,545
Taxable municipal obligations	607,874	—	343,540	219,267	45,067
Fixed income - mutual funds	3,348,028	—	3,348,028	—	—
Foreign bonds	240,117	—	46,117	194,000	—
	\$ 11,869,907	\$ 403,930	\$ 4,629,206	\$ 1,656,310	\$ 5,180,461

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, 2007, 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) limit.

Governmental Activities	S&P	Fair Value
U.S. Agencies	AAA	<u>\$ 6,864,168</u>
Business-Type Activity - Enterprise Fund	S&P	Fair Value
U.S. Agencies	AAA	<u>\$ 7,998,735</u>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Pension Trust Funds

The investment policies of the pension funds do 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, 2007, excluding obligations of the United States government or obligations explicitly guaranteed by the United States government.

	S&P	Fair Value
U.S. Agencies	AAA	\$ 3,737,573
Corporate Bonds	AAA	1,752,667
Corporate Bonds	AA	293,619
Corporate Bonds	A	873,109
Corporate Bonds	BBB	402,670
Fixed Income - Mutual Funds	Unrated	3,348,028
Taxable Municipal Obligations	AAA	547,879
Taxable Municipal Obligations	AA	59,995
Foreign Bonds	AAA	194,000
Foreign Bonds	A	46,117
		<u>\$ 11,255,657</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 government-wide investment portfolio will be invested in a single institution. As of September 30, 2007, the City had the following investment concentrations with one issuer:

Governmental Funds

Federal Home Loan Bank	56%
Federal Farm Credit Bank	33%
Federal National Mortgage Association	11%

Business-Type Activity - Enterprise Fund

Federal Home Loan Bank	82%
Federal Farm Credit Bank	18%

Pension Trust Funds

As of September 30, 2007, the pension plans did not have concentrations with any one issuer greater than 5% of the total portfolio.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

The pension investment policies specify that investments held by these plans shall be 55% to 65% equity securities and 35% to 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, 2007, the City of Clayton Uniformed Employees' Retirement Fund has \$8,521,879 in treasuries, agencies, municipal obligations, and corporate and foreign bonds that are held by the counterparty's trust department, but not in the name of the Uniformed Employee's Retirement Fund.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

3. Capital Assets

Capital asset activity was as follows:

	Balance - October 1, 2006	Additions	Retirements	Balance - September 30, 2007
Government Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,072,517	\$ 248,464	\$ —	\$ 1,320,981
Construction in process	231,275	129,818	248,464	112,629
Total capital assets not being depreciated	1,303,792	378,282	248,464	1,433,610
Capital assets, being depreciated:				
Buildings	16,162,062	183,549	—	16,345,611
Improvements other than buildings	259,710	156,713	—	416,423
Machinery and equipment	5,395,927	691,080	375,658	5,711,349
Infrastructure	24,093,773	310,649	164,083	24,240,339
Total capital assets being depreciated	45,911,472	1,341,991	539,741	46,713,722
Less accumulated depreciation for:				
Buildings	2,195,200	419,494	—	2,614,694
Improvements other than buildings	225,468	3,840	—	229,308
Machinery and equipment	3,339,688	470,463	337,982	3,472,169
Infrastructure	6,846,937	483,202	88,641	7,241,498
Total accumulated depreciation	12,607,293	1,376,999	426,623	13,557,669
Total capital assets being depreciated, net	33,304,179	(35,008)	113,118	33,156,053
Governmental activities capital assets, net	\$ 34,607,971	\$ 343,274	\$ 361,582	\$ 34,589,663

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

	Balance - October 1, 2006	Additions	Retirements	Balance - September 30, 2007
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,726,669	\$ —	\$ 84,308	\$ 1,642,361
Capital assets, being depreciated:				
Buildings	13,294,550	—	—	13,294,550
Improvements other than buildings	78,601	—	—	78,601
Machinery and equipment	255,399	—	34,600	220,799
Total capital assets being depreciated	13,628,550	—	34,600	13,593,950
Less accumulated depreciation for:				
Buildings	1,439,116	311,212	—	1,750,328
Improvements other than buildings	48,136	1,510	—	49,646
Machinery and equipment	136,981	26,198	25,919	137,260
Total accumulated depreciation	1,624,233	338,920	25,919	1,937,234
Total capital assets being depreciated, net	12,004,317	(338,920)	8,681	11,656,716
Business-type activities capital assets, net	\$ 13,730,986	\$ (338,920)	\$ 92,989	\$ 13,299,077

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

	For The Year Ended September 30, 2007
Governmental activities:	
General government	\$ 218,997
Public safety	219,577
Streets and highways	722,009
Parks and recreation	216,416
	<u>\$ 1,376,999</u>
Business-type activity:	
Parking operations	<u>\$ 338,920</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:

	September 30, 2007	
	Actual	Required
Series 2005A Bond Reserve Account	\$ 1,122,449	\$ 1,064,500
Series 2005B Bond Reserve Account	264,223	224,000
	<u>\$ 1,386,672</u>	<u>\$ 1,288,500</u>

5. Interfund Assets/Liabilities

Individual interfund assets and liabilities are as follows:

Due From/To Other Funds:

Receivable Fund	Payable Fund	September 30, 2007
General Fund	Parking Facilities Fund	\$ 306,824
General Fund	Redevelopment Forsyth/Hanley Road Fund	51,767

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, 2007</u>
2005 Bond Debt Service Fund	2005 Bond Reserve Fund	\$ 1,316,523
2005 Bond Debt Service Fund	Parking Facilities Fund	100,000
Revolving Public Improvement Fund	Parking Facilities Fund	540,409
Capital Improvement Project Fund	Parking Facilities Fund	484,000
Equipment Replacement Fund	Special Taxing District	1,539
Equipment Replacement Fund	Revolving Public Improvement Fund	395,280
2002 Capital Project Bond Fund	Revolving Public Improvement Fund	600,874
2005 Bond Debt Service Fund	Capital Improvement Project Fund	873,883
2002 Capital Project Bond Fund	Capital Improvement Project Fund	484,065
		<u>\$ 4,796,573</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.

7. Long-Term Liabilities

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

	<u>Balance - October 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance - September 30, 2007</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Special obligation capital improvement bonds	\$ 19,575,000	\$ —	\$ 1,555,000	\$ 18,020,000	\$ 8,085,000
General obligation bonds	6,600,000	—	840,000	5,760,000	875,000
Capital lease	8,142	—	3,988	4,154	4,154
	<u>26,183,142</u>	<u>—</u>	<u>2,398,988</u>	<u>23,784,154</u>	<u>8,964,154</u>
Compensated absences*	236,509	640,105	627,996	248,618	248,618
	<u>\$ 26,419,651</u>	<u>\$ 640,105</u>	<u>\$ 3,026,984</u>	<u>24,032,772</u>	<u>\$ 9,212,772</u>
Less: Deferred Amount On Refunding				<u>384,857</u>	
Governmental Activities Long-Term Liabilities				<u>\$ 23,647,915</u>	

* The liability for compensated absences is generally liquidated by the general fund.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

	Balance - October 1, 2006	Additions	Reductions	Balance - September 30, 2007	Amounts Due Within One Year
Business-Type Activity					
Special obligation capital					
improvement bonds	\$ 2,430,000	\$ —	\$ 190,000	\$ 2,240,000	\$ 200,000
Note payable	1,971,341	—	125,000	1,846,341	130,000
	4,401,341	—	315,000	4,086,341	330,000
Compensated absences**	1,498	16,284	15,228	2,554	2,554
	<u>\$ 4,402,839</u>	<u>\$ 16,284</u>	<u>\$ 330,228</u>	4,088,895	<u>\$ 332,554</u>
Less: Deferred Amount On Refunding				<u>190,528</u>	
Business-Type Activity					
 Long-Term Liabilities				<u>\$ 3,898,367</u>	

** The liability for compensated absences is generally liquidated by the Parking Facilities Enterprise Fund.

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. These bond issuances 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 issuances 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.

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 4.5% to 5.125%. The \$5,160,000 Special Obligation Capital Improvement Bonds Series 1998A mature from 1999 to 2018 with interest rates of 4.375% to 5.0%. The \$9,950,000 Special Obligation Capital Improvement Bonds Series 2002 mature 2004 to 2007 with an interest rate of 2.65%.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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 3.9% to 6.9%. The \$4,500,000 General Obligation Bonds Series 1994 mature from 1996 to 2014 with interest rates of 3.8% to 5.5%. The \$8,410,000 General Obligation Bonds Series 1999 mature from 1999 to 2012 with interest rates of 4.1% to 4.5%. The Series 1993 and Series 1994 bonds were partially refunded by the Series 1999 bonds.

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 from 1999 to 2018 with interest rates of 4.375% to 5.0%. The \$3,315,000 Taxable Special Obligation Capital Improvement Bonds Series 1998B mature from 1999 to 2017 with interest rates of 6.25% to 6.625%.

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, 2007, the amount of prior years' defeased debt outstanding, but removed from the financial statements amounted to \$12,525,000.

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 range from 4.0% to 4.75%. The City commenced payments to the County in fiscal year 2005 of \$19,234 per month continuing 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:

Asset:		
Equipment		\$ 19,804
Less: Accumulated depreciation		13,863
		<hr/>
Total		\$ 5,941
		<hr/> <hr/>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

<u>Year</u>	<u>Amount</u>
2008	\$ 4,326
Less: Imputed interest	172
<u>Present value of minimum lease payments</u>	<u>\$ 4,154</u>

Maturities

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

<u>For The Year</u> <u>Ending September 30,</u>	<u>Special Obligation Capital Improvement Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	770,000	314,103	1,084,103
2012	805,000	286,540	1,091,540
2013 – 2017	4,775,000	942,894	5,717,894
2018	2,115,000	43,358	2,158,358
	<u>\$ 18,020,000</u>	<u>\$ 2,777,438</u>	<u>\$ 20,797,438</u>

<u>For The Year</u> <u>Ending September 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	995,000	111,478	1,106,478
2012	1,040,000	67,205	1,107,205
2013	985,000	22,163	1,007,163
	<u>\$ 5,760,000</u>	<u>\$ 776,195</u>	<u>\$ 6,536,195</u>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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

For The Year Ending September 30,	Special Obligation Capital Improvement Bonds		
	Principal	Interest	Total
2008	\$ 200,000	\$ 103,790	\$ 303,790
2009	205,000	93,969	298,969
2010	220,000	83,663	303,663
2011	235,000	72,629	307,629
2012	245,000	60,989	305,989
2013 – 2016	1,135,000	114,824	1,249,824
	\$ 2,240,000	\$ 529,864	\$ 2,769,864

For The Year Ending September 30,	St Louis County Parking Garage Repayment		
	Principal	Interest	Total
2008	\$ 130,000	\$ 84,055	\$ 214,055
2009	140,000	78,725	218,725
2010	145,000	72,845	217,845
2011	150,000	66,610	216,610
2012	155,000	60,010	215,010
2013 – 2017	910,000	184,408	1,094,408
2018	216,341	10,276	226,617
	\$ 1,846,341	\$ 556,929	\$ 2,403,270

8. 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, 2007 was \$10,550,282. The actuarial accrued liability and actuarial value of assets for both plans is as follows:

	Non-Uniformed Employees July 1, 2007	Uniformed Employees January 1, 2007
Actuarial value of assets	\$ 9,661,919	\$ 25,274,151
Actuarial accrued liability	9,533,677	28,927,898
Excess of assets over (under) actuarial accrued liability	\$ 128,242	\$ (3,653,747)

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

City of Clayton Non-Uniformed Employees' Retirement Fund Financial Statements

Statement Of Fiduciary Net Assets

Cash and cash equivalents	\$ 40,252
Investments: Mutual funds	10,405,848
Interest receivable	<u>13,207</u>
Net Assets Held For Pension Benefits	<u><u>\$ 10,459,307</u></u>

Statement Of Changes In Fiduciary Net Assets

Additions

Contributions:

Participant contributions	\$ —
Employer contributions	<u>—</u>
Total Contributions	<u>—</u>

Investment income:

Net appreciation in fair value of investments and interest and dividends	1,352,430
Less: Investment expense	<u>(47,914)</u>
Total Investment Income	<u>1,304,516</u>

Total Additions 1,304,516

Deductions

Benefits	<u>248,826</u>
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Change In Net Assets 1,055,690

**Net Assets Held In Trust For Pension Benefits,
Beginning Of Year** 9,403,617

**Net Assets Held In Trust For Pension Benefits,
End Of Year** \$ 10,459,307

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Plan Description And Provisions

The City sponsors and administers a single-employer defined benefit pension plan, the City of Clayton 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, 2007 was \$4,201,226. Current membership in the NUERF is as follows:

Group	July 1, 2007
Retirees and beneficiaries currently receiving benefits	27
Vested terminated employees	35
Active employees:	
Fully vested	57
Nonvested	31

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.

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

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

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 6.4% of covered compensation. For the plan year ended June 30, 2007, based on an actuarial valuation dated July 1, 2006, there was an actuarial required employer contribution of \$243,153.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Annual Pension Cost And Net Pension Obligation

The City's annual pension cost and net pension obligation for the NUERF are as follows:

Pension Plan							
For The Plan Years Ended June 30,	Net Pension Obligation (Asset) Beginning Of Year	Annual Required Contribution	Interest On Net Pension Obligation (Asset)	Adjustment To Annual Required Contribution	Annual Pension Cost	Actual Contri- butions	Net Pension Obligation (Asset) End Of Year
2007	\$ 138,725	\$ 243,153	\$ 9,711	\$ 15,228	\$ 254,523	\$ —	\$ 393,248
2006	23,297	111,731	1,631	2,557	115,427	—	138,725
2005	(175,119)	209,866	(12,258)	(19,223)	198,416	—	23,297

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

Pension Plan			
For The Plan Years Ended June 30,	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)
2007	\$ 254,523	— %	\$ 393,248
2006	115,427	— %	138,725
2005	198,416	— %	23,297

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, 2007
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%
Post-retirement benefit increases	Lower of annual consumer price index or 2%

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Required Supplementary Information (Unaudited)

Schedule Of Funding Progress						
Actuarial Valuation Dated July 1,	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Excess Of Assets Over AAL	Funded Ratio	Annual Covered Payroll	Excess Of Assets As A Percentage Of Covered Payroll
2007	\$ 9,661,919	\$ 9,533,677	\$ 128,242	101.35%	\$ 4,201,226	3.05%
2006	9,049,924	9,035,521	14,403	100.16%	3,966,774	0.36%
2005	8,655,695	8,512,416	143,279	101.68%	3,971,048	3.61%
2004	8,309,122	8,277,529	31,593	100.38%	3,806,509	0.83%
2003	8,054,378	7,356,093	698,285	109.49%	3,676,619	18.99%
2002	7,660,471	7,476,674	183,797	102.46%	4,112,317	4.47%

Schedule Of Employer's Contributions			
For The Plan Years Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2007	\$ 243,153	\$ —	—
2006	111,731	—	—
2005	209,866	—	—
2004	—	—	—
2003	54,152	159,349	294%
2002	—	—	—

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

City of Clayton Uniformed Employees' Retirement Fund Financial Statements

Statement Of Fiduciary Net Assets

Assets	
Cash and cash equivalents	\$ 722,920
Investments:	
U.S. government and agency securities	4,351,823
Foreign bonds	240,117
Common stocks	2,695,907
Corporate bonds	3,322,065
Taxable municipal obligations	607,874
Mutual funds	15,551,175
Interest receivable	<u>75,577</u>
Total Net Assets Held For Pension Benefits	<u><u>\$ 27,567,458</u></u>

Statement Of Changes In Fiduciary Net Assets

Additions	
Contributions:	
Participant contributions	\$ 218,276
Employer contributions	<u>756,282</u>
Total contributions	<u>974,558</u>
Investment Income:	
Net appreciation in fair value of investments and interest and dividends	3,896,145
Less: Investment expense	<u>(137,510)</u>
Net Investment Income	<u>3,758,635</u>
Total Additions	4,733,193
Deductions	
Benefits	<u>972,232</u>
Change In Net Assets	3,760,961
Net Assets Held In Trust For Pension Benefits, Beginning Of Year	<u>23,806,497</u>
Net Assets Held In Trust For Pension Benefits, End Of Year	<u><u>\$ 27,567,458</u></u>

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

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, 2007 was \$5,102,197. Current membership in the UERF is as follows:

Group	January 1, 2007
Retirees and beneficiaries currently receiving benefits	46
Vested terminated employees	5
Active employees:	
Fully vested	43
Nonvested	43

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

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

Funding Policy

City ordinance requires each member to contribute 5% of basic pay during the first 30 years of credited service. The ordinance requires the City to contribute the actuarially computed amounts, which, together with employee contributions and investment income, will cover the costs of the Plan.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

Annual Pension Cost And Net Pension Obligation

The City's annual pension cost and net pension obligation (asset) for the UERF are as follows:

Pension Plan							
For The Plan Years Ended December 31,	Net Pension Obligation (Asset) Beginning Of Year	Annual Required Contribution	Interest On Net Pension Obligation (Asset)	Adjustment To Annual Required Contribution	Annual Pension Cost	Actual Contri- bution	Net Pension Obligation (Asset) End Of Year
2006	\$ (267,043)	\$ 756,282	\$ (18,693)	\$ 14,928	\$ 752,517	\$ 756,282	\$ (270,808)
2005	(263,330)	798,089	(18,433)	14,720	794,376	798,089	(267,043)
2004	(258,944)	819,885	(18,126)	13,740	815,499	819,885	(263,330)

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

Pension Plan			
For The Plan Years Ended December 31,	Annual Pension Cost	Percentage Contributed	Net Pension Obligation (Asset)
2006	\$ 752,517	100.5%	\$ (270,808)
2005	794,376	100.5%	(267,043)
2004	815,499	100.5%	(263,330)

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, 2007
Actuarial cost method	Entry age (normal)
Amortization method	Closed
Amortization period	27 years
Actuarial assumptions:	
Investment rate of return	7.0%
Projected salary increases	3.5%
Post-retirement benefit increases	Lower of annual consumer price index or 2%

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (Continued)

Required Supplementary Information (Unaudited)

Schedule Of Funding Progress						
Actuarial Valuation Dated January 1,	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL As A Percentage Of Covered Payroll
2007	\$ 25,274,000	\$ 28,928,000	\$ 3,654,000	87.4%	\$ 5,102,000	71.6%
2006	22,515,000	27,183,000	4,668,000	82.8%	5,171,000	90.3%
2005	21,317,000	26,264,000	4,947,000	81.2%	4,905,000	100.8%
2004	19,197,000	24,962,000	5,766,000	76.9%	4,314,000	133.7%
2003	17,284,000	23,705,000	6,421,000	72.9%	3,933,000	163.2%
2002	17,287,000	22,239,000	4,952,000	77.7%	4,299,000	115.2%

Schedule Of Employer's Contributions			
For The Plan Years Ended December 31,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2006	\$ 756,282	\$ 756,282	100.0%
2005	798,089	798,089	100.0%
2004	819,885	819,885	100.0%
2003	846,500	846,500	100.0%
2002	707,416	707,416	100.0%
2001	510,886	510,886	100.0%

9. 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.

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City uses the Insurance Fund (an Internal Service Fund) to account for its risks of loss.

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

The Insurance Fund charges other funds for insurance coverage based on estimates of the amounts needed from each fund to cover their proportionate share of insurance premiums. The City purchases commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from the prior year.

11. Joint Venture

Pursuant to an agreement authorized by City ordinance, the City joined with the Clayton School District to construct and operate a recreational facility. The construction was funded by the City and the Clayton School District. Administration, accounting, repair, and maintenance of the facility will be shared in accordance with the agreement. The City has contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the Clayton City Hall. The City is liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$100,000 for its share of the operational cash shortage incurred by the joint venture for the year ended September 30, 2007.

CITY OF CLAYTON, MISSOURI

Notes To Basic Financial Statements (*Continued*)

A condensed summary of financial information for the joint venture as of and for its fiscal year ended September 30, 2007 is as follows:

Assets	<u>\$ 16,233,745</u>
Liabilities	<u>\$ 1,318,019</u>
Net Assets	
Invested in capital assets, net of related debt	14,770,725
Unrestricted deficit	<u>145,001</u>
Net Assets	<u>\$ 14,915,726</u>
Operating revenue	\$ 2,634,750
Operating expenses	3,670,446
Nonoperating revenue	50,031
Capital contributions	<u>200,000</u>
Change in net assets	<u>\$ (785,665)</u>

12. Commitments And Contingencies

Litigation

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

Federal Grants

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

13. Deficit Fund Balance

The Redevelopment Forsyth/Hanley Road Fund had a deficit fund balance of \$51,767 at September 30, 2007. This amount will be reimbursed by the developer of record. The Police Forfeiture and P.O.S.T. Fund had a deficit fund balance of \$2,068.

14. Subsequent Events

On October 31, 2007, the City issued Special Obligation Refunding Bonds, Series 2007, in the principal amount of \$8,175,000. The bonds were issued for the purpose of providing funds to (1) currently refund the City's outstanding Special Obligation Capital Improvement Bonds, Series 2002, (2) fund a debt service reserve fund and (3) pay the costs of issuing the bonds.

Required Supplementary Information

CITY OF CLAYTON, MISSOURI

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

For The Year Ended September 30, 2007

	Original Budget	Final Budget	Actual	Over (Under) Budget
Revenues				
General property taxes	\$ 5,015,760	\$ 5,015,760	\$ 5,032,029	\$ 16,269
Licenses and permits	1,299,992	1,299,992	1,415,552	115,560
Public utility licenses	4,580,766	4,580,766	4,757,730	176,964
Intergovernmental	4,133,400	4,133,400	4,402,252	268,852
Community programs	1,044,375	1,044,375	1,249,216	204,841
Fines and forfeitures	725,691	725,691	881,673	155,982
Investment income	338,500	338,500	496,983	158,483
Miscellaneous	382,807	382,807	741,558	358,751
Total Revenues	17,521,291	17,521,291	18,976,993	1,455,703
Expenditures				
Current:				
General government				
City planning and development	696,040	696,040	756,103	60,063
Nondepartmental	679,275	679,275	675,123	(4,152)
Information systems	501,404	501,404	492,110	(9,294)
Communications	350,197	350,197	323,154	(27,043)
Finance	508,107	508,107	483,449	(24,658)
City manager's office	376,788	376,788	367,981	(8,807)
Municipal court	175,373	175,373	164,217	(11,156)
Board of aldermen and city clerk	79,581	79,581	82,716	3,135
City attorney's office	100,000	100,000	98,747	(1,253)
Personnel administration	152,747	152,747	286,080	133,333
Boards and commissions	12,200	12,200	9,518	(2,682)
Building maintenance	360,140	360,140	330,156	(29,984)
Public safety	8,196,004	8,196,004	8,046,603	(149,401)
Streets and highways	3,563,537	3,563,537	3,869,336	305,799
Parks and recreation	1,769,714	1,769,714	1,764,211	(5,503)
Total Expenditures	17,521,107	17,521,107	17,749,504	228,397
Net Change In Fund Balances	\$ 184	\$ 184	1,227,489	\$ 1,227,306

Adjustments To Reconcile To GAAP Basis

Encumbrances reserved at September 30, 2007	124,339
Encumbrances reserved at September 30, 2006	(4,095)
	120,244

Net Change In Fund Balances - GAAP Basis 1,347,733

Fund Balance - Beginning Of Year 8,328,683

Fund Balance - End Of Year \$ 9,676,416

CITY OF CLAYTON, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION NOTES TO BUDGETARY COMPARISON INFORMATION September 30, 2007

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, the Redevelopment Forsyth/Hanley Road Fund, the 2005 Bond Reserve Fund, and proceeds from capital outlay for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Expenditures may not exceed appropriations at the department level for the General Fund and at the fund level for all other funds.
- b. Public hearings and open council meetings are held to obtain taxpayer comments.
- c. Prior to September 1, the budget is adopted by the Board of Aldermen.
- d. Budgets are adopted on a basis generally consistent with 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, in the General Fund, must be approved by the Board of Aldermen.

Violations Of Budgetary Laws And Regulations

Expenditures exceeded appropriations in the following funds and departments at September 30, 2007:

<u>Fund</u>	<u>Amount</u>
General:	
City Planning and Development	\$ 60,063
Board of Aldermen and City Clerk	3,135
Personnel Administration	133,333
Streets and Highways	305,799
2002 Capital Project Bond Fund	607

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

CITY OF CLAYTON, MISSOURI

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than 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 fees associated with the redevelopment and construction of Forsyth and Hanley.

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).

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.

Capital Improvement Project Fund – This fund is used to account for improvements to park and recreational facilities and stormwater systems, which are funded by a 0.5% sales tax.

CITY OF CLAYTON, MISSOURI

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.

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, 2007

	Special Revenue	Capital Projects	Debt Service	Total
Assets				
Cash and cash equivalents	\$ 326,787	\$ 318,025	\$ 969,948	\$ 1,614,760
Investments	99,713	99,713	—	199,426
Property taxes receivable	—	—	7,606	7,606
Intergovernmental receivable	—	206,358	—	206,358
Special assessments receivables	—	—	179,751	179,751
Interest receivable	915	915	16,329	18,159
Cash - restricted	—	—	208,765	208,765
Investments - restricted	—	—	1,122,449	1,122,449
Total Assets	\$ 427,415	\$ 625,011	\$ 2,504,848	\$ 3,557,274
Liabilities And Fund Balances				
Liabilities				
Accounts payable	\$ 14,521	\$ 183,998	\$ —	\$ 198,519
Accrued liabilities	3,261	547	—	3,808
Due to other funds	51,767	—	—	51,767
Deferred revenue	—	—	187,357	187,357
Total Liabilities	69,549	184,545	187,357	441,451
Fund Balances				
Reserved for:				
Encumbrances	—	155	—	155
Debt service	—	—	2,317,491	2,317,491
Unreserved:				
Special revenue funds	357,866	—	—	357,866
Capital projects funds	—	440,311	—	440,311
Total Fund Balances	357,866	440,466	2,317,491	3,115,823
Total Liabilities And Fund Balances	\$ 427,415	\$ 625,011	\$ 2,504,848	\$ 3,557,274

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
September 30, 2007**

	Special Taxing District	Sewer Lateral	Police Forfeiture And P.O.S.T.	Firefighter Assistance Grant	Redevelopment Forsyth/Hanley Road	Total
Assets						
Cash and cash equivalents	\$ 97,314	\$ 217,540	\$ 11,933	\$ —	\$ —	\$ 326,787
Investments	99,713	—	—	—	—	99,713
Interest receivable	915	—	—	—	—	915
Total Assets	\$ 197,942	\$ 217,540	\$ 11,933	\$ —	\$ —	\$ 427,415
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ 520	\$ —	\$ 14,001	\$ —	\$ —	\$ 14,521
Accrued liabilities	3,261	—	—	—	—	3,261
Due to other funds	—	—	—	—	51,767	51,767
Total Liabilities	3,781	—	14,001	—	51,767	69,549
Fund Balances						
Unreserved:						
Special Revenue Funds	194,161	217,540	(2,068)	—	(51,767)	357,866
Total Liabilities And Fund Balances	\$ 197,942	\$ 217,540	\$ 11,933	\$ —	\$ —	\$ 427,415

CITY OF CLAYTON, MISSOURI

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
September 30, 2007

	Capital Improvement Project Fund	2002 Capital Project Bond Fund	Total
<hr/>			
Assets			
Cash and cash equivalents	\$ 318,025	\$ —	\$ 318,025
Investments	99,713	—	99,713
Intergovernmental receivable	206,358	—	206,358
Interest receivable	915	—	915
<hr/>			
Total Assets	\$ 625,011	\$ —	\$ 625,011
<hr/>			
Liabilities And Fund Balances			
Liabilities			
Accounts payable	\$ 183,998	\$ —	\$ 183,998
Accrued liabilities	547	—	547
Total Liabilities	184,545	—	184,545
<hr/>			
Fund Balances			
Reserved for:			
Encumbrances	155	—	155
Unreserved:			
Capital Projects Funds	440,311	—	440,311
Total Fund Balances	440,466	—	440,466
<hr/>			
Total Liabilities And Fund Balances	\$ 625,011	\$ —	\$ 625,011
<hr/>			

CITY OF CLAYTON, MISSOURI

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
September 30, 2007**

	2005 Bond Reserve	1993-94, 99 Bond Issue	2005 Bond Debt Service	Total
Assets				
Cash and cash equivalents	\$ —	\$ 768,819	\$ 201,129	\$ 969,948
Property taxes receivable	—	7,606	—	7,606
Special assessment receivable	—	—	179,751	179,751
Interest receivable	—	—	16,329	16,329
Cash - restricted	—	—	208,765	208,765
Investments - restricted	—	—	1,122,449	1,122,449
Total Assets	\$ —	\$ 776,425	\$ 1,728,423	\$ 2,504,848
Liabilities And Fund Balances				
Liabilities				
Deferred revenue	\$ —	\$ 7,606	\$ 179,751	\$ 187,357
Fund Balances				
Reserved for:				
Debt service	—	768,819	1,548,672	2,317,491
Total Liabilities And Fund Balances	\$ —	\$ 776,425	\$ 1,728,423	\$ 2,504,848

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For The Year Ended September 30, 2007

	Special Revenue	Capital Projects	Debt Service Fund	Total
Revenues				
General property taxes	\$ 186,433	\$ —	\$ 1,091,801	\$ 1,278,234
Assessment income	101,093	—	43,499	144,592
Intergovernmental	—	1,626,590	—	1,626,590
Fines and forfeitures	47,643	—	—	47,643
Investment income	26,708	12,558	119,562	158,828
Miscellaneous	29,982	4,140	—	34,122
Total Revenues	391,859	1,643,288	1,254,862	3,290,009
Expenditures				
Current:				
General government	—	—	157	157
Public safety	74,772	—	—	74,772
Community development	220,788	—	—	220,788
Capital outlay	56,269	658,032	—	714,301
Debt service:				
Principal	—	875,000	1,520,000	2,395,000
Interest and fiscal charges	—	209,939	672,321	882,260
Total Expenditures	351,829	1,742,971	2,192,478	4,287,278
Revenues Over (Under) Expenditures	40,030	(99,683)	(937,616)	(997,269)
Other Financing Sources (Uses)				
Transfers in	—	1,568,939	2,290,406	3,859,345
Transfers out	(1,539)	(1,357,948)	(1,316,523)	(2,676,010)
Total Other Financing Uses	(1,539)	210,991	973,883	1,183,335
Net Change In Fund Balances	38,491	111,308	36,267	186,066
Fund Balances				
Beginning of year	319,375	329,158	2,281,224	2,929,757
End of year	\$ 357,866	\$ 440,466	\$ 2,317,491	\$ 3,115,823

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2007

	Special Taxing District	Sewer Lateral	Police Forfeiture And P.O.S.T.	Firefighter Assistance Grant	Redevelopment Forsyth/Hanley Road	Total
Revenues						
General property taxes	\$ 186,433	\$ —	\$ —	\$ —	\$ —	\$ 186,433
Assessment income	—	101,093	—	—	—	101,093
Fines and forfeitures	—	—	47,643	—	—	47,643
Investment income	11,617	11,963	3,128	—	—	26,708
Miscellaneous	—	—	—	—	29,982	29,982
Total Revenues	198,050	113,056	50,771	—	29,982	391,859
Expenditures						
Current:						
Public safety	—	—	74,772	—	—	74,772
Community development	179,426	—	—	—	41,362	220,788
Capital outlay	—	55,071	—	1,198	—	56,269
Total Expenditures	179,426	55,071	74,772	1,198	41,362	351,829
Revenues Over (Under)						
Expenditures	18,624	57,985	(24,001)	(1,198)	(11,380)	40,030
Other Financing Uses						
Transfers out	(1,539)	—	—	—	—	(1,539)
Net Change In Fund Balances	17,085	57,985	(24,001)	(1,198)	(11,380)	38,491
Fund Balances						
Beginning of year	177,076	159,555	21,933	1,198	(40,387)	319,375
End of year	\$ 194,161	\$ 217,540	\$ (2,068)	\$ —	\$ (51,767)	\$ 357,866

CITY OF CLAYTON, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS For The Year Ended September 30, 2007

	Capital Improvement Project Fund	2002 Capital Project Bond Fund	Total
Revenues			
Intergovernmental	\$ 1,626,590	\$ —	\$ 1,626,590
Investment income	12,558	—	12,558
Miscellaneous	4,140	—	4,140
Total Revenues	1,643,288	—	1,643,288
Expenditures			
Capital outlay	658,032	—	658,032
Debt service:			
Principal	—	875,000	875,000
Interest and fiscal charges	—	209,939	209,939
Total Expenditures	658,032	1,084,939	1,742,971
Revenues Over (Under) Expenditures	985,256	(1,084,939)	(99,683)
Other Financing Sources (Uses)			
Transfers in	484,000	1,084,939	1,568,939
Transfers out	(1,357,948)	—	(1,357,948)
Total Other Financing Sources (Uses)	(873,948)	1,084,939	210,991
Net Change In Fund Balances	111,308	—	111,308
Fund Balances			
Beginning of year	329,158	—	329,158
End of year	\$ 440,466	\$ —	\$ 440,466

CITY OF CLAYTON, MISSOURI

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended September 30, 2007**

	2005 Bond Reserve	1993-94, 99 Bond Issue	2005 Bond Debt Service	Total
Revenues				
General property taxes	\$ —	\$ 1,091,801	\$ —	\$ 1,091,801
Assessment income	—	—	43,499	43,499
Investment income	—	41,310	78,252	119,562
Total Revenues	—	1,133,111	121,751	1,254,862
Expenditures				
Current:				
General government	—	—	157	157
Debt service:				
Principal	—	840,000	680,000	1,520,000
Interest and fiscal charges	—	265,418	406,903	672,321
Total Expenditures	—	1,105,418	1,087,060	2,192,478
Revenues Over (Under) Expenditures	—	27,693	(965,309)	(937,616)
Other Financing Sources (Uses)				
Transfers in	—	—	2,290,406	2,290,406
Transfers out	(1,316,523)	—	—	(1,316,523)
Total Other Financing Sources (Uses)	(1,316,523)	—	2,290,406	973,883
Net Change In Fund Balances	(1,316,523)	27,693	1,325,097	36,267
Fund Balances				
Beginning of year	1,316,523	741,126	223,575	2,281,224
End of year	\$ —	\$ 768,819	\$ 1,548,672	\$ 2,317,491

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL TAXING
DISTRICT SPECIAL REVENUE FUND – BUDGET BASIS
For the Year Ended September 30, 2007**

	Final Budget	Actual	Over (Under) Budget
Revenues			
General property taxes:			
Current real estate	\$ 181,300	\$ 186,433	\$ 5,133
Investment income	7,000	11,617	4,617
Total Revenues	188,300	198,050	9,750
Expenditures			
Community development	186,136	179,426	(6,710)
Revenues Over Expenditures	2,164	18,624	16,460
Other Financing Uses			
Transfers out	1,539	(1,539)	(3,078)
Net Change In Fund Balances	\$ 3,703	17,085	\$ 13,382
Fund Balances			
Beginning of year		177,076	
End of year		\$ 194,161	

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, 2007**

	Final Budget	Actual	Over (Under) Budget
Revenues			
Assessment income	\$ 97,000	\$ 101,093	\$ 4,093
Investment income	7,000	11,963	4,963
Total Revenues	104,000	113,056	9,056
Expenditures			
Capital outlay	90,000	55,071	(34,929)
Revenues Over Expenditures	<u>\$ 14,000</u>	57,985	<u>\$ 43,985</u>
Fund Balances			
Beginning of year		<u>159,555</u>	
End of year		<u>\$ 217,540</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, 2007

	Final Budget	Actual	Over (Under) Budget
Revenues			
Intergovernmental	\$ 1,467,900	\$ 1,626,590	\$ 158,690
Investment income	—	12,558	12,558
Miscellaneous	127,000	4,140	(122,860)
Total Revenues	1,594,900	1,643,288	48,388
Expenditures			
Capital outlay	942,889	658,187	(284,702)
Revenues Over Expenditures	652,011	985,101	333,090
Other Financing Sources (Uses)			
Transfers in	484,000	484,000	—
Transfers out	(1,392,722)	(1,357,948)	34,774
Total Other Financing Sources (Uses)	(908,722)	(873,948)	34,774
Net Change In Fund Balances	\$ (256,711)	111,153	\$ 367,864
Adjustments To Reconcile To GAAP Basis			
Encumbrances reserved at September 30, 2007		155	
Net Change In Fund Balance - GAAP Basis		111,308	
Fund Balances			
Beginning of year		329,158	
End of year		\$ 440,466	

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, 2007

	Final Budget	Actual	Over (Under) Budget
Expenditures			
Debt service:			
Principal	\$ 875,000	\$ 875,000	\$ —
Interest and fiscal charges	209,332	209,939	607
Total Expenditures	1,084,332	1,084,939	607
Revenues Under Expenditures	(1,084,332)	(1,084,939)	(607)
Other Financing Sources			
Transfers in	1,084,332	1,084,939	607
Net Change In Fund Balances	\$ —	—	\$ —
Fund Balances			
Beginning of year		—	
End of year		\$ —	

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL –
1993-94, 99 BOND ISSUE DEBT SERVICE FUND – BUDGET BASIS
For The Year Ended September 30, 2007**

	Final Budget	Actual	Over (Under) Budget
Revenues			
General property taxes	\$ 1,070,000	\$ 1,091,801	\$ 21,801
Investment income	35,000	41,310	6,310
Total Revenues	1,105,000	1,133,111	28,111
Expenditures			
Debt service:			
Principal	840,000	840,000	—
Interest and fiscal charges	265,418	265,418	—
Total Expenditures	1,105,418	1,105,418	—
Net Change In Fund Balances	\$ (418)	27,693	\$ 28,111
Fund Balances			
Beginning of year		<u>741,126</u>	
End of year		<u>\$ 768,819</u>	

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – 2005 BOND DEBT SERVICE FUND – BUDGET BASIS For The Year Ended September 30, 2007

	Final Budget	Actual	Over (Under) Budget
Revenues			
Assessment income	\$ 20,360	\$ 43,499	\$ 23,139
Investment income	—	78,252	78,252
Total Revenues	20,360	121,751	101,391
Expenditures			
Current:			
General government	2,000	157	(1,843)
Debt service:			
Principal	680,000	680,000	—
Interest and fiscal charges	406,903	406,903	—
Total Expenditures	1,088,903	1,087,060	(1,843)
Revenues Over (Under) Expenditures	(1,068,543)	(965,309)	103,234
Other Financing Sources			
Transfers in	1,221,573	2,290,406	1,068,833
Net Change In Fund Balances	\$ 153,030	1,325,097	\$ 1,172,067
Fund Balances			
Beginning of year		<u>223,575</u>	
End of year		<u>\$ 1,548,672</u>	

CITY OF CLAYTON, MISSOURI

MAJOR GOVERNMENTAL FUNDS – BUDGETARY INFORMATION

CAPITAL PROJECTS FUNDS

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

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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues			
Assessment income	\$ —	\$ 41,251	\$ 41,251
Public utility licenses	5,000	876	(4,124)
Intergovernmental	3,533,211	2,358,471	(1,174,740)
Investment income	42,500	103,943	61,443
Miscellaneous	—	34,176	34,176
Total Revenues	3,580,711	2,538,717	(1,041,994)
Expenditures			
Capital outlay	1,634,915	1,332,696	(302,219)
Revenues Over (Under) Expenditures	1,945,796	1,206,021	(739,775)
Other Financing Sources (Uses)			
Transfers in	549,409	540,409	(9,000)
Transfers out	(958,354)	(996,154)	(37,800)
Total Other Financing Sources (Uses)	(408,945)	(455,745)	(46,800)
Net Change In Fund Balances	\$ 1,536,851	750,276	\$ (786,575)
Adjustments To Reconcile To GAAP Basis			
Encumbrances reserved at September 30, 2007		55,333	
Encumbrances reserved at September 30, 2006		(357,552)	
		<u>(302,219)</u>	
Net Changes In Fund Balance - GAAP Basis		448,057	
Fund Balances			
Beginning of year		<u>1,801,767</u>	
End of year		<u>\$ 2,249,824</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, 2007

	Final Budget	Actual	Over (Under) Budget
Revenues			
Investment income	\$ 135,000	\$ 124,579	\$ (10,421)
Miscellaneous	—	15,662	15,662
Total Revenues	135,000	140,241	5,241
Expenditures			
Capital outlay	645,783	326,432	(319,351)
Revenues Over (Under) Expenditures	(510,783)	(186,191)	324,592
Other Financing Sources (Uses)			
Transfers in	396,819	396,819	—
Sale of capital assets	50,000	45,917	(4,083)
Total Other Financing Sources (Uses)	446,819	442,736	(4,083)
Net Change In Fund Balances	\$ (63,964)	256,545	\$ 320,509
Adjustments To Reconcile To GAAP Basis			
Encumbrances reserved at September 30, 2007		250	
Encumbrances reserved at September 30, 2006		(242,976)	
		(242,726)	
Net Change In Fund Balances - GAAP Basis		13,819	
Fund Balances			
Beginning of year		2,649,175	
End of year		\$ 2,662,994	

CITY OF CLAYTON, MISSOURI

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 – PARKING FACILITIES ENTERPRISE FUND – BUDGET BASIS For The Year Ended September 30, 2007

	Final Budget	Actual	Over (Under) Budget
Operating Revenues			
St. Louis parking systems	\$ 353,800	\$ 375,085	\$ 21,285
Parking lot revenue	119,920	112,695	(7,225)
Parking meter revenue	866,000	928,906	62,906
Total Operating Revenues	1,339,720	1,416,686	76,966
Operating Expenses			
Personnel services	301,560	274,787	(26,773)
Contractual services	434,149	305,763	(128,386)
Commodities	52,240	53,044	804
Depreciation	334,599	338,920	4,321
Insurance and fringe benefits	—	48,726	48,726
Total Operating Expenses	1,122,548	1,021,240	(101,308)
Operating Income	217,172	395,446	178,274
Nonoperating Revenue (Expense)			
Gain on sale of capital assets	423,764	330,776	(92,988)
Investment income	500,000	586,580	86,580
Interest expense	(113,248)	(137,329)	24,081
Total Nonoperating Revenue (Expense)	810,516	780,027	(30,489)
Income Before Transfers	1,027,688	1,175,473	147,785
Transfers			
Transfers out	(1,175,395)	(1,124,409)	(50,986)
Change In Net Assets	\$ (147,707)	51,064	\$ (198,771)
Adjustment To Reconcile To GAAP Basis			
Encumbrances reserved at September 30, 2007		3,251	
Change In Net Assets - GAAP Basis		54,315	
Net Assets			
Beginning of year		19,952,787	
End of year		\$ 20,007,102	

CITY OF CLAYTON, MISSOURI

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – BUDGET AND ACTUAL – INTERNAL SERVICE FUND – BUDGET BASIS For The Year Ended September 30, 2007

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Over</u> <u>(Under)</u> <u>Budget</u>
Operating Revenues			
Participant contributions	\$ 258,168	\$ 212,193	\$ (45,975)
Employer contributions	1,705,941	1,670,876	(35,065)
Total Operating Revenues	<u>1,964,109</u>	<u>1,883,069</u>	<u>(81,040)</u>
Operating Expenses			
Contractual services	2,088,198	1,810,296	(277,902)
Operating Income (Loss)	<u>(124,089)</u>	<u>72,773</u>	<u>196,862</u>
Nonoperating Revenue			
Investment income	22,500	15,954	(6,546)
Miscellaneous income	9,000	12,176	3,176
Total Nonoperating Revenue	<u>31,500</u>	<u>28,130</u>	<u>(3,370)</u>
Change In Net Assets	<u>\$ (92,589)</u>	<u>100,903</u>	<u>\$ 193,492</u>
Adjustment To Reconcile To GAAP Basis			
Encumbrances reserved at September 30, 2007		<u>480</u>	
Change In Net Assets - GAAP Basis		<u>101,383</u>	
Net Assets			
Beginning of year		<u>523,300</u>	
End of year		<u>\$ 624,683</u>	

CITY OF CLAYTON, MISSOURI

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, 2007

	City Of Clayton Non- Uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
Assets			
Cash and cash equivalents	\$ 40,252	\$ 722,920	\$ 763,172
Investments:			
U.S. government and agency securities	—	4,351,823	4,351,823
Foreign bonds	—	240,117	240,117
Common stocks	—	2,695,907	2,695,907
Corporate bonds	—	3,322,065	3,322,065
Taxable municipal obligations	—	607,874	607,874
Mutual funds	10,405,848	15,551,175	25,957,023
Interest receivable	13,207	75,577	88,784
Net Assets			
Held in trust for pension benefits	\$ 10,459,307	\$ 27,567,458	\$ 38,026,765

CITY OF CLAYTON, MISSOURI

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

For the Year Ended September 30, 2007

	City Of Clayton Non- Uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
Additions			
Contributions:			
Participant contributions	\$ —	\$ 218,276	\$ 218,276
Employer contributions	—	756,282	756,282
Total Contributions	—	974,558	974,558
Investment Income:			
Net appreciation in fair value of investments and interest and dividends	1,352,430	3,896,145	5,248,575
Less: Investment expense	(47,914)	(137,510)	(185,424)
Total Investment Income	1,304,516	3,758,635	5,063,151
Total Additions	1,304,516	4,733,193	6,037,709
Deductions			
Benefits	248,826	972,232	1,221,058
Change In Net Assets	1,055,690	3,760,961	4,816,651
Net Assets Held In Trust For Pension Benefits, Beginning Of Year	9,403,617	23,806,497	33,210,114
Net Assets Held In Trust For Pension Benefits, End Of Year	\$ 10,459,307	\$ 27,567,458	\$ 38,026,765

CITY OF CLAYTON, MISSOURI

**SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS - BUDGET AND
ACTUAL - CITY OF CLAYTON NON-UNIFORMED EMPLOYEES' RETIREMENT
PENSION TRUST FUND
For The Year Ended September 30, 2007**

	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Additions			
Investment Income:			
Net appreciation in fair value of investments and interest and dividends	\$ 666,600	\$ 1,352,430	\$ 685,830
Less: Investment expense	(40,400)	(47,914)	7,514
Total Additions	626,200	1,304,516	678,316
Deductions			
Benefits	263,000	248,826	(14,174)
Change In Net Assets	<u>\$ 363,200</u>	1,055,690	<u>\$ 692,490</u>
Net Assets Held In Trust For Pension Benefits - Beginning Of Year		<u>9,403,617</u>	
Net Assets Held In Trust For Pension Benefits - End Of Year		<u>\$ 10,459,307</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, 2007

	Final Budget	Actual	Over (Under) Budget
Additions			
Contributions:			
Participant contributions	\$ 220,000	\$ 218,276	\$ (1,724)
Employer contributions	756,282	756,282	—
Total Contributions	976,282	974,558	(1,724)
Investment Income:			
Net appreciation in fair value of investments and interest and dividends	1,720,920	3,896,145	2,175,225
Less: Investment expense	92,000	(137,510)	(229,510)
Net Investment Income	1,812,920	3,758,635	1,945,715
Total Additions	2,789,202	4,733,193	1,943,991
Deductions			
Benefits	832,212	972,232	140,020
Change In Net Assets	\$ 1,956,990	3,760,961	\$ 1,803,971
Net Assets Held In Trust For Pension Benefits - Beginning Of Year		<u>23,806,497</u>	
Net Assets Held In Trust For Pension Benefits - End Of Year		<u>\$ 27,567,458</u>	

STATISTICAL SECTION

STATISTICAL SECTION (Unaudited)

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

Financial Trends - These five (5) schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity - These four (4) schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity - These five (5) schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic And Economic Information - These two (2) schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information - These three (3) schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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

CITY OF CLAYTON, MISSOURI

NET ASSETS BY COMPONENT Last Five Fiscal Years

<u>Functions/Programs</u>	September 30,				
	2003	2004	2005	2006	2007
Governmental activities:					
Invested in capital assets, net of related debt	\$ 3,385,887	\$ 5,755,970	\$ 6,595,418	\$ 8,732,202	\$ 11,295,023
Restricted	7,061,365	7,167,871	2,512,962	2,613,411	2,729,192
Unrestricted	10,606,559	10,849,389	14,478,948	14,090,912	15,591,402
Total governmental activities net assets	\$ 21,053,811	\$ 23,773,230	\$ 23,587,328	\$ 25,436,525	\$ 29,615,617
Business-type activities:					
Invested in capital assets, net of related debt	\$ 9,825,160	\$ 10,256,621	\$ 11,540,026	\$ 9,545,577	\$ 9,415,507
Restricted	363,211	364,327	283,450	280,174	285,195
Unrestricted	7,055,289	7,316,261	6,211,445	10,127,036	10,306,400
Total business-type activities net assets	\$ 17,243,660	\$ 17,937,209	\$ 18,034,921	\$ 19,952,787	\$ 20,007,102
Primary government:					
Invested in capital assets, net of related debt	\$ 13,211,047	\$ 16,012,591	\$ 18,135,444	\$ 18,277,779	\$ 20,710,530
Restricted	7,424,576	7,532,198	2,796,412	2,893,585	3,014,387
Unrestricted	17,661,848	18,165,650	20,690,393	24,217,948	25,897,802
Total primary government net assets	\$ 38,297,471	\$ 41,710,439	\$ 41,622,249	\$ 45,389,312	\$ 49,622,719

Notes:

GASB Statement 34 was implemented in 2003.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

CHANGES IN NET ASSETS

Last Five Fiscal Years

Page 1 Of 2

	For The Years Ended September 30,				
	2003	2004	2005	2006	2007
Primary Government Expenses					
Governmental activities:					
General government	\$ 3,185,066	\$ 2,875,742	\$ 4,706,827	\$ 4,253,478	\$ 4,585,667
Public safety	7,655,085	8,243,416	8,198,773	8,660,970	8,246,154
Streets and highways	4,158,084	4,856,137	4,530,110	4,530,039	5,919,304
Parks and recreation	2,014,876	2,279,115	2,211,655	2,865,602	1,975,986
Community development	130,408	100,657	528,627	975,774	220,788
Interest on long-term debt	1,211,293	1,218,464	861,255	989,693	910,350
Total governmental expenses	18,354,812	19,573,531	21,037,247	22,275,556	21,858,249
Business-type activities:					
Parking facility	1,042,756	1,092,781	1,247,961	1,274,489	1,155,318
Total Primary Government Expenses	\$ 19,397,568	\$ 20,666,312	\$ 22,285,208	\$ 23,550,045	\$ 23,013,567
Primary Government Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 777,873	\$ 621,820	\$ 595,618	\$ 666,138	\$ 735,781
Public safety	1,230,252	1,334,618	1,381,324	931,486	1,141,418
Streets and highways	154,909	622,814	238,677	246,210	277,604
Parks and recreation	491,455	548,968	611,660	672,161	739,568
Community development	301,011	802,980	824,766	1,309,048	1,331,109
Operating grants and contributions	1,340,611	2,078,952	1,680,413	924,132	1,232,687
Capital grants and contributions	120,433	—	—	—	287,100
Total governmental activities program revenues	4,416,544	6,010,152	5,332,458	4,749,175	5,745,267
Business-type activities:					
Charges for services:					
Parking facility	1,721,204	1,711,194	1,595,313	1,486,560	1,416,686
Total Primary Government Program Revenues	\$ 6,137,748	\$ 7,721,346	\$ 6,927,771	\$ 6,235,735	\$ 7,161,953
Net Revenue (Expense)					
Governmental activities	\$ (13,938,268)	\$ (13,563,379)	\$ (15,704,789)	\$ (17,526,381)	\$ (16,112,982)
Business-type activities	678,448	618,413	347,352	212,071	261,368
Total Primary Government Net Expense	\$ (13,259,820)	\$ (12,944,966)	\$ (15,357,437)	\$ (17,314,310)	\$ (15,851,614)

CITY OF CLAYTON, MISSOURI

CHANGES IN NET ASSETS

Last Five Fiscal Years

Page 2 Of 2

	For The Years Ended September 30,				
	2003	2004	2005	2006	2007
General Revenues And Other Changes In Net Assets					
Governmental Activities:					
Taxes:					
Property	\$ 4,496,193	\$ 4,648,009	\$ 4,707,073	\$ 6,135,030	\$ 6,332,125
Sales	5,640,949	5,563,404	5,706,839	5,934,900	6,226,794
Utility	3,803,453	4,361,026	4,553,878	4,890,845	4,758,606
Other	104,854	100,534	100,613	554,595	565,780
Licenses (taxes)	493,240	492,858	—	—	—
Investment income	442,863	349,778	329,421	665,054	884,333
Contribution*	800,000	—	—	—	—
Gain (loss) on sale of capital assets	(98,720)	—	—	70,222	—
Miscellaneous	297,353	205,002	284,031	220,455	400,027
Transfers	145,374	139,849	390,576	904,477	1,124,409
Total governmental activities revenues and transfers	16,125,559	15,860,460	16,072,431	19,375,578	20,292,074
Business-type activities:					
Investment income	242,034	214,985	140,936	367,140	586,580
Gain (loss) on sale of capital assets	—	—	—	2,243,132	330,776
Miscellaneous	658	—	—	—	—
Transfers	(145,374)	(139,849)	(390,576)	(904,477)	(1,124,409)
Total business-type activities revenues and transfers	97,318	75,136	(249,640)	1,705,795	(207,053)
Total General Revenues And Other Changes In Net Assets	\$ 16,222,877	\$ 15,935,596	\$ 15,822,791	\$ 21,081,373	\$ 20,085,021
Changes In Net Assets					
Governmental activities	\$ 2,187,291	\$ 2,297,081	\$ 367,642	\$ 1,849,197	\$ 4,179,092
Business-type activities	775,766	693,549	97,712	1,917,866	54,315
Total Changes In Net Assets	\$ 2,963,057	\$ 2,990,630	\$ 465,354	\$ 3,767,063	\$ 4,233,407

Notes:

* One time donation from Enterprise Leasing Corp.

GASB Statement 34 was implemented in 2003.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

FUND BALANCES – GOVERNMENTAL FUNDS Last Five Fiscal Years

	September 30,				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 78,453	\$ 18,654	\$ 4,000	\$ 4,095	\$ 124,339
Unreserved	7,489,726	7,390,863	7,084,601	8,324,588	9,552,077
Total General Fund	\$ 7,568,179	\$ 7,409,517	\$ 7,088,601	\$ 8,328,683	\$ 9,676,416
All Other Governmental Funds					
Reserved:					
Revolving Public Improvement Fund	\$ 865,807	\$ 1,294,260	\$ —	\$ —	\$ —
Capital Improvement Project Fund	22,121	—	52	—	—
Equipment Replacements Fund	—	2,904	5,940	243,051	250
1997-98 Bond Debt Service Fund	207,345	—	—	—	—
Other Governmental Funds	2,172,239	2,332,455	2,260,337	2,282,433	2,317,646
Unreserved, reported in:					
Revolving Public Improvement Fund	3,530,868	2,167,752	2,469,123	1,801,767	2,249,824
Capital Improvement Project Fund	(5,202)	—	—	—	—
Equipment Replacements Fund	2,770,853	3,051,034	2,994,069	2,406,124	2,662,744
Other Governmental Funds:					
Special Revenue Fund	332,104	345,430	400,612	318,166	357,866
Capital Projects Funds	2,119,083	281,879	775,873	329,158	440,311
Total All Other Governmental Funds	\$ 12,015,218	\$ 9,475,714	\$ 8,906,006	\$ 7,380,699	\$ 8,028,641

Notes:

GASB Statement 34 was implemented in 2003.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS Last Five Fiscal Years

	For The Years Ended September 30,				
	2003	2004	2005	2006	2007
Revenues					
General property taxes	\$ 4,531,961	\$ 4,664,838	\$ 4,716,717	\$ 6,086,868	\$ 6,310,263
Assessment income	150,325	652,862	414,771	186,253	185,843
Licenses and permits	1,339,456	1,135,051	1,207,727	1,362,041	1,415,552
Public utility licenses	3,803,453	4,361,026	4,553,878	4,890,845	4,758,606
Intergovernmental	7,283,761	7,909,370	7,519,596	7,520,816	8,387,313
Community programs	972,018	960,036	1,000,188	1,112,109	1,249,216
Fines and forfeitures	684,168	764,265	756,907	777,766	929,316
Investment income	429,380	348,425	329,421	665,054	884,333
Miscellaneous	659,422	457,995	583,531	596,398	825,518
Total Revenues	19,853,944	21,253,868	21,082,736	23,198,150	24,945,960
Expenditures					
General government	3,009,861	3,110,409	3,986,435	3,914,379	4,070,285
Public safety	7,137,008	7,838,638	7,930,225	7,921,971	8,119,616
Streets and highways	2,907,164	2,999,624	3,256,194	3,405,316	3,754,718
Parks and recreation	1,698,757	1,799,563	1,600,093	1,657,278	1,759,570
Community development	111,793	108,161	191,357	254,375	220,788
Capital outlay	10,224,954	5,745,639	3,106,040	3,930,973	2,918,374
Debt service:					
Principal	1,220,000	1,450,000	2,040,000	2,465,000	2,395,000
Interest and fiscal charges	1,133,151	1,231,434	892,930	962,248	882,260
Bond issuance costs	11,166	—	139,036	—	—
Total Expenditures	27,453,854	24,283,468	23,142,310	24,511,540	24,120,611
Excess Of Expenditures Over Revenues	(7,599,910)	(3,029,600)	(2,059,574)	(1,313,390)	825,349
Other Financing Sources (Uses)					
Bond proceeds	9,950,000	—	—	—	—
Proceeds from capital lease	—	15,804	—	—	—
Special item	800,000	—	—	—	—
Sale of capital assets	117,699	15,461	24,510	123,688	45,917
Issuance of refunding debt	—	—	12,165,000	—	—
Payments to refunding escrow agent	—	—	(11,411,136)	—	—
Transfers in	10,149,648	4,570,241	3,852,528	3,488,397	4,796,573
Transfers out	(10,004,274)	(4,430,392)	(3,461,952)	(2,583,920)	(3,672,164)
Total Other Financing Sources (Uses)	11,013,073	171,114	1,168,950	1,028,165	1,170,326
Net Change In Fund Balances	\$ 3,413,163	\$ (2,858,486)	\$ (890,624)	\$ (285,225)	\$ 1,995,675
Debt service as a percentage of noncapital expenditures	13.72%	14.46%	15.33%	16.65%	15.46%

Notes:

GASB Statement 34 was implemented in 2003.

Source: Revenues and expenditures from governmental funds from basic financial statements

CITY OF CLAYTON, MISSOURI

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Fiscal Years (Dollars In Thousands)

Fiscal Year	Real Property		Personal Property	Railroads And Utilities	Total Taxable Assessed Value	Estimated Actual Value	Total Direct Tax Rate
	Residential Property	Commercial Property					
1998	\$ 389,349	\$ —	\$ 77,923	\$ 2,458	\$ 469,730	\$ 1,881,499	0.880
1999	399,963	—	85,078	2,396	487,437	1,940,097	0.880
2000	468,061	—	87,862	2,606	558,529	2,215,676	0.755
2001	472,516	—	90,470	3,066	566,052	2,244,900	0.755
2002 *	284,752	292,087	89,103	3,624	669,566	2,690,159	0.644
2003	286,748	297,052	84,026	2,634	670,460	2,697,949	0.656
2004	325,478	298,990	83,640	2,290	710,398	2,905,407	0.652
2005	325,974	300,037	83,904	2,290	712,205	2,912,085	0.652
2006	361,777	307,555	86,774	2,367	758,473	3,132,865	0.796
2007	367,607	307,107	86,612	2,820	764,147	3,163,050	0.779

Notes:

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

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

CITY OF CLAYTON, MISSOURI

DIRECT AND OVERLAPPING PROPERTY TAX RATES (RESIDENTIAL ONLY) PER \$100 OF ASSESSED VALUE Last Ten Fiscal Years

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Taxes levied on all property in the City of Clayton										
City of Clayton	\$ 0.880	\$ 0.880	\$ 0.755	\$ 0.755	\$ 0.644	\$ 0.656	\$ 0.652	\$ 0.652	\$ 0.796	\$ 0.779
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
St. Louis County	0.720	0.720	0.720	0.720	0.720	0.720	0.720	0.730	0.708	0.708
Special School District	0.620	0.640	0.620	0.623	0.835	0.849	0.833	0.905	0.840	0.824
St. Louis Community College	0.240	0.240	0.240	0.240	0.230	0.232	0.231	0.237	0.223	0.223
Metropolitan St. Louis Sewer District (Extension)	0.070	0.070	0.070	0.070	0.069	0.069	0.069	0.069	0.069	0.069
Metropolitan Zoological Park and Museum District	0.233	0.233	0.233	0.234	0.222	0.222	0.226	0.276	0.265	0.261
Sheltered Workshop	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.082	0.082
Deer Creek Sewer District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Black Jack Sewer District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
	2.998	3.018	2.873	2.877	2.955	2.983	2.966	3.104	3.133	3.096
School District (1):										
Clayton School District	3.610	3.650	3.410	3.300	2.938	2.945	3.622	3.769	3.925	3.716
Total	\$ 6.608	\$ 6.668	\$ 6.283	\$ 6.177	\$ 5.893	\$ 5.928	\$ 6.588	\$ 6.873	\$ 7.058	\$ 6.812

Notes:

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

Source - St. Louis County Assessor

CITY OF CLAYTON, MISSOURI

PRINCIPAL PROPERTY TAX PAYERS Current Fiscal Year And Nine Fiscal Years Ago

Taxpayer	2007			1998		
	Taxable Assessed	Rank	Percentage Of Total City Taxable Assessed Value (1)	Taxable Assessed	Rank	Percentage Of Total City Taxable Assessed Value (2)
	Value			Value		
Clayton Corporate Park Mgmt. Co.	\$ 25,319,460	1	3.31%	\$ 16,000,000	2	3.41%
Pierre Laclede LLC	21,136,160	2	2.77%	17,285,570	1	3.68%
KBS Clayton Plaza LLC	17,309,850	3	2.27%			
Duke Realty LTD Partnership	14,432,000	4	1.89%			
8182 Maryland Associates	11,049,800	5	1.45%	8,014,660	5	1.71%
HEF 1 - StL No. 1 LLC	10,880,000	6	1.42%	9,857,760	4	2.10%
The Realty Associates Funds VI and VII	10,688,490	7	1.40%			
Riggs & Company Trustee	9,920,000	8	1.30%			
The Realty Associates Funds V	9,481,600	9	1.24%			
Forsyth Centre Associates LLC	8,160,000	10	1.07%			
ZML Clayton Limited Partnership				11,543,780	3	2.46%
The Crawford Group				7,919,350	6	1.69%
TCEP II Properties				6,113,920	8	1.30%
The Brown Group				6,534,970	7	1.39%
CB Bemiston Tower, Inc.				5,854,850	9	1.25%
Frank, Edwin & Esther R. H/W				4,727,430	10	1.01%
Total	\$ 138,377,360		18.11%	\$ 93,852,290		19.98%

Notes:

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

(2) Total assessed value of the City was \$469,729,399 as of January 1, 1997.

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

CITY OF CLAYTON, MISSOURI

PROPERTY TAX LEVIES AND COLLECTIONS (1) Last Ten Fiscal Years

Fiscal Year Ended September 30,	Tax Levied For The Fiscal Year (2)	Collected Within The Fiscal Year		Collections In Subsequent Years	Total Collections To Date (3)	
		Amount	Percentage Of Levy		Amount	Percentage Of Levy
1998	\$ 4,137,310	\$ 3,719,218	89.9	\$ 565,002	\$ 4,284,220	103.6
1999	4,141,897	3,845,863	92.9	418,808	4,264,671	103.0
2000	4,214,517	3,618,341	85.9	382,842	4,001,183	94.9
2001	4,275,506	4,059,048	94.9	587,857	4,646,905	108.7
2002	4,320,414	3,902,880	90.3	171,868	4,074,748	94.3
2003	4,409,624	4,244,002	96.2	381,852	4,625,854	104.9
2004	4,587,714	4,382,118	95.5	148,628	4,530,746	98.8
2005	4,644,371	4,392,929	94.6	181,332	4,574,261	98.5
2006	6,251,869	4,764,534	76.2	(148,346)	4,616,188	95.5
2007	6,206,413	6,123,300	98.7	114,431	6,237,731	100.5

Notes:

- (1) Source - St. Louis County Collectors Office
- (2) Originally adjusted for strikeouts and additions by St. Louis Board of Equalization after 1978.
- (3) St. Louis County Collectors Office charges a collection fee of 1.5%.

CITY OF CLAYTON, MISSOURI

RATIOS OF OUTSTANDING DEBT BY TYPE (1) Last Ten Fiscal Years (Dollars In Thousands, Except Per Capita)

Fiscal Year	Governmental Activities						Business-Type Activities							
	Less			Net			Less			Net				
	Capital Improvement	Bonds	Reserve For Debt	Capital Improvement	Bonds	Reserve For Debt	Capital Improvement	Bonds	Reserve For Debt	Capital Improvement	Bonds	Reserve For Debt		
1998 (3)	\$ 14,680	\$ 14,680	\$ (1,240)	\$ 13,440	\$ 199	\$ 12,045	\$ —	\$ 3,940	\$ (400)	\$ 3,540	\$ —	\$ 29,224	\$ 3.78	\$ 2,178
1999	14,172	14,172	(1,211)	12,961	99	11,605	—	3,828	(393)	3,435	—	28,100	3.64	2,094
2000	13,641	13,641	(1,279)	12,362	—	10,980	—	3,709	(414)	3,295	—	26,637	3.45	1,985
2001	10,276	10,276	(1,368)	8,908	—	10,325	—	2,803	(441)	2,362	—	21,595	2.35	1,355
2002	9,821	9,821	(1,343)	8,478	—	9,640	—	2,699	(435)	2,264	—	20,382	2.22	1,279
2003 (4)	21,960	21,960	(1,285)	20,675	—	8,930	—	3,380	(425)	2,955	—	32,560	3.55	2,043
2004	21,255	21,255	(1,285)	19,970	—	8,185	16	3,245	(423)	2,822	2,152	33,145	3.24	2,080
2005 (5)	21,230	21,230	(1,173)	20,057	—	7,410	12	2,655	(426)	2,229	2,091	31,799	3.11	1,995
2006	19,575	19,575	(1,304)	18,271	—	6,600	8	2,430	(280)	2,150	1,971	29,000	2.84	1,820
2007	18,020	18,020	(1,331)	16,689	—	5,760	4	2,240	(285)	1,955	1,846	26,254	2.57	1,648

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements
- (2) See "Demographic and Economic Statistics" table for personal income and population data.
- (3) In fiscal year 1998 the City issued \$18,250,000 in capital improvement bonds for a new recreation center, park facilities and neighborhood renovations and a parking garage.
- (4) In fiscal year 2003 the City issued an additional \$9,250,000 in capital improvement bonds for construction of City Hall, Shaw Park Pool and the Fire Station.
- (5) In fiscal year 2005, capital improvement bonds of \$14,820,000 were issued to refinance the capital improvement bonds issued in fiscal year 1998.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING Last Ten Fiscal Years (Dollars In thousands, Except Per Capita)

Fiscal Year	General Obligation Bonds (1)	Percentage Of Actual Taxable Value of Property (2)	Per Capita (3)
1998	\$ 12,045	2.56	\$ 898
1999	11,605	2.38	865
2000	10,980	1.97	818
2001	10,325	1.82	648
2002	9,640	1.44	605
2003	8,930	1.33	560
2004	8,185	1.16	514
2005	7,410	1.04	465
2006	6,600	0.87	414
2007	5,760	0.75	361

Notes:

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

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

CITY OF CLAYTON, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (Dollars In Thousands)

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable To City Of Clayton</u>	<u>Amount Applicable To City Of Clayton</u>
St. Louis County	\$ 78,010	3.51	\$ 2,738
Clayton School District	<u>24,694</u>	84.36	<u>20,832</u>
Subtotal	102,704		23,570
City of Clayton	<u>5,760</u>	100.00	<u>5,760</u>
 Total	<u><u>\$ 108,464</u></u>		<u><u>\$ 29,330</u></u>

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

Sources:

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

CITY OF CLAYTON, MISSOURI

LEGAL DEBT MARGIN INFORMATION Last Ten Fiscal Years (Dollars In Thousands)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit (1)	\$ 46,973	\$ 48,744	\$ 55,853	\$ 56,605	\$ 66,957	\$ 67,046	\$ 71,040	\$ 71,221	\$ 75,847	\$ 76,415
Total net debt applicable to Debt Limit	11,304	10,806	9,979	9,054	8,830	8,137	7,431	6,680	5,859	4,993
Legal debt margin	\$ 35,669	\$ 37,938	\$ 45,874	\$ 47,551	\$ 58,127	\$ 58,909	\$ 63,609	\$ 64,541	\$ 69,988	\$ 71,422

Total net debt applicable to the limit as a percentage of debt limit	24.06%	22.17%	17.87%	16.00%	13.19%	12.14%	10.46%	9.38%	7.22%	6.53%
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Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

(1) Debt limit is 10% of the assessed value, which can be found in the "Assessed Value and Actual Value of Taxable Property" table.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

PLEDGED REVENUE COVERAGE (1)(2) Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Direct Operating Expense	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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	—	—	—	—
2006	1,486,560	793,063	693,497	—	—	—	—
2007	1,416,686	679,069	737,617	—	—	—	—

Notes:

- (1) Capital Improvement Bonds issued in fiscal years 1998, 2003 and 2005 did not constitute a general obligation or indebtedness of the City for which the City is obligated to levy or pledge any form of taxation and therefore are not shown.
- (2) Direct operating expenses do not include interest and depreciation.

Source: Basic financial statements

CITY OF CLAYTON, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS Last Ten Calendar Years

Year	Population (1)	Personal Income (thousands of dollars)	Median Household Income (2)	Clayton School District Enrollment (3)	Unemployment Rate (4)
1998	13,417	\$ 772,309	\$ 57,562	2,432	2.1 %
1999	13,417	772,309	57,562	2,404	1.7 %
2000	13,417	772,309	57,562	2,460	1.5 %
2001	15,935	917,250	57,562	2,440	2.2 %
2002	15,935	917,250	57,562	2,442	2.6 %
2003	15,935	917,250	57,562	2,478	2.8 %
2004	15,935	1,022,772	64,184	2,548	2.6 %
2005	15,935	1,022,772	64,184	2,558	2.5 %
2006	15,935	1,022,772	64,184	2,460	2.6 %
2007	15,935	1,022,772	64,184	2,479	2.8 %

(1) Source - 1990 U.S. Bureau of Census for population estimates 1998 to 2000; source of data for 2001-2007, current population estimate revised census 2000 from U.S. Census Bureau dated 12/07/01.

(2) Source - sources of data from 1998 - 2003 from 1990 U.S. Bureau of Census. Sources of data from 2004-2007 from 2000 U.S. Bureau of Census.

(3) Source - Director of Communications for the School District of Clayton.

(4) Source - 2001 and previous, Missouri Division of Employment Security from U.S. Census Bureau Records; 2002 through 2007 - Missouri Department of Economic Development (based on 2000 census).

CITY OF CLAYTON, MISSOURI

PRINCIPAL EMPLOYERS Current Fiscal Year And Nine Fiscal Years Ago

Employer	2007			1998		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
St. Louis County	1,850	1	5.60	1,800	1	6.00
Clayton Corporate Management	852	2	2.58	464	5	1.55
Enterprise Rent-A Car	675	3	2.05	1,011	2	3.37
Brown Group	605	4	1.83	651	3	2.17
Commerce Bank	531	5	1.61	412	6	1.38
Centene Management Company	474	6	1.44	—	—	—
Clayton School District	469	7	1.42	470	4	1.57
Restaurant at Ritz Carlton	375	8	1.14	200	9	0.67
Ritz Carlton	301	9	0.91	400	7	1.34
Rehab Care Group Inc.	275	10	0.83	—	—	—
The Earthgrains Company	—	—	—	362	8	1.21
Graybar Electric	—	—	—	177	10	0.59
Total	6,407		19.41	5,947		19.85

Notes:

Total employees for the City was estimated, based on square footage of commercial buildings that existed in Clayton nine years ago and currently.
Source - Business License Database from Finance Division and Clayton School District.

CITY OF CLAYTON, MISSOURI

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	Full-Time Equivalent Employees As Of September 30,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government:										
Elected officials	7	7	7	7	7	7	7	7	7	7
City Clerk (3)	1	1	1	1	1	1	1	1	1	—
City Manager	3	4	4	4	3	3	3	4	4	5
Economic Development (1)	1	1	1	1	1	1	1	—	—	—
Human resources	2	2	2	2	2	2	2	2	2	2
Finance	5	5	6	6	6	6	6	7	7	7
Municipal court	3	3	3	3	3	3	3	3	3	3
Information systems	2	2	2	3	3	3	3	3	3	3
Planning and development	11	10	11	11	10	10	10	10	10	10
Police:										
Officers	51	51	51	53	53	53	52	52	52	52
Civilians (2)	13	13	13	15	15	14	8	8	8	8
Fire:										
Firefighters and officers	30	30	32	32	33	32	35	35	35	35
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works:										
Engineering	5	6	6	6	6	5	5	5	5	5
Street maintenance	15	13	13	16	16	17	16	16	16	16
Vehicle maintenance	5	5	5	5	5	5	5	5	5	5
Building maintenance	3	3	3	3	3	2	3	3	3	3
Parking maintenance	1	1	1	1	1	1	1	1	1	1
Parks and recreation:										
Administration/recreation	7	7	7	7	13	13	14	14	14	15
Parks maintenance	9	8	10	10	10	9	9	9	9	9
Total	175	173	179	187	192	188	185	186	186	187

Notes:

- (1) Economic development employee moved to communications in administrative services in 2005.
- (2) Dispatcher positions eliminated in 2004 when City joined East Central Dispatch Center (ECDC). Dispatchers transferred to ECDC.
- (3) Transfer of City Clerk position to City Manager's Office from Legislative.

Source: City of Clayton Annual Budgets (1998-2007)

CITY OF CLAYTON, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM Last Five Fiscal Years*

Function/Program	Fiscal Year				
	2003	2004	2005	2006	2007
Police:					
Arrests	432	670	848	973	1,176
Parking violations	4,579	4,526	4,114	5,362	3,729
Traffic violations	5,423	5,364	7,402	7,626	6,011
Parking tickets **	59,829	57,738	50,222	44,221	43,427
Fire:					
Emergency response ambulance	1,212	1,418	1,370	1,430	1,497
Emergency response- fire	1,639	1,470	1,460	1,420	1,665
Inspections	907	800	767	520	656
Parks and recreation:					
Shaw Park Pool - Passes	533	542	528	651	871
Shaw Park Ice Rink - Passes	11	13	16	8	—
Platinum Passes	—	—	—	—	152
Tennis Court - Passes	26	30	26	8	9
Pool/Tennis - Passes	81	73	69	57	66
Tri Passes (pool/rink/tennis)	2	11	12	13	—
Shelter Rentals (including picnic pads)	468	391	497	266	306
Planning and development:					
Residential permits issued	173	202	172	304	282
Estimated cost of construction					
for residential permits	\$ 33,443,381	\$ 20,694,236	\$ 29,333,420	\$ 43,081,206	\$ 33,021,571
Commercial permits issued	272	281	274	113	135
Est. cost of construction					
for commercial permits	\$ 33,135,438	\$ 68,617,644	\$ 31,775,928	\$ 57,891,052	\$ 28,898,204
Finance and administration:					
Business licenses issued	890	893	894	889	791
Liquor licenses issued	62	64	67	63	62

Notes:

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

** Parking tickets not included in parking violations.

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

Sources: City of Clayton Annual Reports (2003-2007), various City departments

CITY OF CLAYTON, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	25	25	25	25	25	25	25	25	25	25
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	371	371	371	371	371	371	371	371	371	371
Vehicles:										
Ladder Trucks	1	1	1	1	1	1	1	1	1	1
Pumpers	1	1	1	1	1	1	1	1	1	1
Rescue Trucks	1	1	1	1	1	1	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Public Works:										
Miles of streets - paved	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7	46.7
Miles of alleys	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Miles of sidewalks	39	39	39	39	39	39	39	39	39	39
Number of street lights	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Parks and recreation:										
Acres of Parks	75	75	75	75	75	75	75	75	75	75
Number of Parks	5	5	5	5	5	5	5	5	5	5
Athletic Complex	1	1	1	1	1	1	1	1	1	1
Aquatic Center	1	1	1	1	1	1	1	1	1	1

Notes:

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

Source: City of Clayton Annual Reports (1998-2007), various City departments