

# Clayton, MISSOURI



## Comprehensive Annual Financial Report

for the year ended  
September 30, 2011

***CITY OF CLAYTON, MISSOURI***

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***COMPREHENSIVE ANNUAL  
FINANCIAL REPORT***

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FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2011

PREPARED BY THE FINANCE  
DEPARTMENT

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

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**INTRODUCTORY SECTION**

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March 29, 2012

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

The Comprehensive Annual Financial Report (CAFR) of the City of Clayton, Missouri (the City), for the fiscal year (FY) ended September 30, 2011, is herewith submitted for your review. The information presented in the CAFR is the responsibility of the City's management. The City believes that the financial statements, supporting schedules, and statistical information fairly present the financial condition of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs.

#### **REPORTING STANDARDS**

To provide a reasonable basis for making the representations contained within this report, management of the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformance with U.S. generally accepted accounting principles (GAAP). Furthermore, the City is presenting its Comprehensive Annual Financial Report under the reporting model required by the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. The format and a description of these reports are addressed in the Management's Discussion and Analysis (MD&A) and in the notes to financial statements.

#### **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

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

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

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

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

Budgetary control is maintained at the departmental and fund levels partially through the use of an encumbrance system. Monies of respective accounts are encumbered as purchase orders so that budgeted appropriations may not be overspent without proper approval.

## **THE REPORTING ENTITY AND ITS SERVICES**

The City was incorporated in 1913. Its borders encompass 2.54 square miles and combine a bustling downtown with quiet, secure residential neighborhoods. The City's downtown is the region's premier business district and home to Forbes and Fortune 500 headquarters and branches. The City has a residential population of 15,939 and an estimated daytime population of 46,000. The City serves as the governmental seat for St. Louis County, Missouri. The governing body for the City consists of an elected six-member Board of Aldermen and the Mayor who collectively appoints a City Manager to administer daily operations.

The City provides a full range of municipal services including public works, parks and recreation, public safety, community development, and general administration that are encompassed in the following departments: Public Works, Parks and Recreation, Police, Fire, Finance, Planning and Development, Information Technology; and Administrative Services. All funds included in this CAFR reflect the above municipal 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 Nonuniformed 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 30 years of service. The City contributes an actuarially determined amount to meet current costs and the amortization of past service liability.

The Nonuniformed 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 employer contributions. Beginning October 1, 2009, the City reinstated its contributions to this Fund and beginning October 1, 2011, employee mandatory contributions of 1.5% was reinstated.

Both the Uniformed and Nonuniformed Employee Pension Funds have made significant strides to recover the losses experienced in FY 2008 and FY 2009 due to the market downturn. In FY 2008, the Uniformed Pension Fund assets lost 13% and the Nonuniformed Pension Fund assets lost 12% compared to the prior year. Rebounding began in FY 2009 and FY 2010, with the Uniformed

Plan adding gains of 2.2% and 8.7%, respectively, and the Nonuniformed Plan experiencing a loss of 1.4% and a gain of 7.1%, respectively. In FY 2011, the Uniformed Pension Fund ending balance improved by \$1,252,554 or an increase of 4.8% over the prior year and the Nonuniformed Pension Fund ending balance improved by \$574,228 or 6.4% over the prior year.

The actuarial valuation date is January 1 for the Uniformed Plan and with the improvement in asset value in calendar year 2010, the City's employer contribution for FY 2011 decreased to \$990,993 from \$1,181,801 in the prior year. The City required contribution budgeted for FY 2012 decreased to \$965,627 due to the Plan's value increasing slightly in calendar year 2011.

The Nonuniformed Plan blends the changes in asset value over a five-year period preventing significant market changes from dramatically impacting annual funding levels. The City's employer contribution in FY 2011 was \$252,495 and the amount budgeted for FY 2012 has increased to \$400,000.

The funding level for the Nonuniformed Plan increased slightly from 86.6% to 87% as of July 1, 2011 and the Uniformed Plan increased from 77.2% to 80.6% as of January 1, 2011.

## **DEBT ADMINISTRATION**

At year-end, long-term liabilities totaled \$33,655,453 (see footnote F on page 34) and includes: government-wide debt of \$33,550,274 consisting of general obligation bonds, special obligation bonds, capital leases, and an intergovernmental loan agreement with St. Louis County for the Shaw Park Drive Parking Facility; unamortized premium on bonds of \$120,942; compensated absences of \$311,773; and less the deferred amount on refunding of \$327,536.

## **ECONOMIC EVENTS AND THE FUTURE**

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

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

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



The City's thriving retail community includes approximately 80 restaurants (many of which are award-winning), 90 vibrant retail boutiques, and 230 personal service businesses. The City's downtown is the region's premier business district and home to numerous Forbes and Fortune 500 headquarters and branch offices. To name just a few, the City's quality of life has attracted Enterprise Rent-A-Car, Brown Shoe Group, Commerce Bank, Centene Corporation, Graybar, Barry-Wehmiller Companies, Olin Corporation, Apex Oil, and a majority of the largest law firms in the St. Louis area. The City maintains one of the highest commercial occupancy rates in the region. The City's office and retail market continues to be one of the steadiest submarkets in the St. Louis area. Occupancy rates for the last several years have continued to stay in the 88% to 90% range, one of the highest occupancy rates in the metropolitan area, and higher than the regional average.

In addition to its thriving economy, the City has beautiful residential neighborhoods and it has devoted more than 70 acres of green space to passive and active park areas and recreation adding to its quality of life. Included in these resources is The Center of Clayton, a multi-use recreational facility operated jointly by the City and the Clayton School District.

In 2011, home values continued to decline across the country and in some areas of the country by double digits. The City was fortunate in the housing market this past year in that the City's total residential assessed value only declined by 3.5% from 2010 to 2011. However, as assessed values declined the sale prices of homes actually increased. The median sale price for a single-family home in the City during 2011 was \$581,000 with an average sale price of \$679,952. In 2010, the median sale price for a single-family home was \$577,500 with an average sale price of \$661,587. Overall, the City still experiences a number of significant residential upgrades, condominium conversions, home remodeling/additions, and new condominium buildings. In 2011, the City experienced more than \$13.5 million in construction of new homes and remodeling of existing residential structures.

Calendar year 2011 marked the first full year that the City operated under its recently approved revised Downtown Master Plan. The study conducted by Sasaki and Associates began in the fall of 2009 and was approved in the fall of 2010. The plan calls for a stronger identity for the downtown and provides a comprehensive framework for future development. Some of the accomplishments towards the goals of the plan achieved this past year include a new pedestrian pocket park and the sale of a vacant building, known as Clayton on the Park, to a residential developer proposing 208 new residential units.

## **DEVELOPMENT**

The City continues to have commercial development. In 2011, the City processed 148 construction permits for commercial use for a construction value of approximately \$60 million. In addition, the City recently approved the rezoning of major property in downtown to provide for the 208 residential units referenced above. Clayton also continued to grow as the region's premier dining destination. New restaurants such as Mad Tomato, Bocci, and Half and Half were additions to the Clayton dining experience during 2011. Furthermore, two new restaurants, Pasteria and Niche, were recently approved for the new Centene world headquarters development.

## **FUTURE DEVELOPMENT**

With the adoption of the revised downtown master plan, the City now has numerous action items to begin to prioritize. The plan suggested increased wayfinding signage and widened sidewalks in addition to identifying potential redevelopment sites. As the national economy improves, Clayton expects many of the past proposed projects, delayed for economic reasons, to be resurrected.

## **FINANCIAL PLANNING**

The City, in FY 2012, expects to receive more than \$45 million in revenue. This is an increase of \$13 million when compared to the prior year budget. The majority of the increase in revenue is due to \$10 million in bond proceeds, of which \$4.5 million is to be used for the new police building. Bond proceeds will also be used for park improvements, street and sidewalk improvements, street lighting, and signage. An advance tenant lease payment of \$1.5 million is planned to be received and applied to the construction of the new police building. Finally, \$1.4 million is related to grants for solar panel installation at the new police building and street resurfacing.

The overall breakdown of revenue by category includes property tax totaling \$7.0 million, sales tax totaling \$5.3 million, utility tax revenue of \$5.6 million, licenses and fees totaling \$3.3 million, intergovernmental revenue of \$6.6 million, parks and recreation revenue totaling \$0.9 million, fines of \$1.4 million, bond proceeds of \$10.0 million and miscellaneous revenue of \$5.6 million. The City's estimated FY 2012 expenditures are \$53.1 million. This is an increase of \$8.9 million when compared to the prior year's adopted budget due to increased capital project expenditures.

Capital projects and equipment replacement are a key component of the City's long-range expenditure plan. The planned capital projects and equipment purchases for the next three-year period beginning October 1, 2011 are approximately \$47.9 million. Included in this amount over the three-year period is \$16.1 million allocated toward the new police facility; ongoing improvements to streetscapes, streets, pedestrian safety, sidewalks, and alleys of \$15.6 million; fleet and equipment replacement totaling \$3.4 million; facility improvements of \$1.3 million; park improvements of \$2.3 million; and transfers for debt service payments of \$9.2 million.

## **MAJOR INITIATIVES**

The City conducted its third annual citizen's survey in 2011 performed by The ETC Institute (the survey administrator). The City maintained high ratings showing that 96% of the residents surveyed feel that the quality of life in Clayton is excellent/good; 94% are very satisfied/satisfied with the quality of public safety services and 92% with the overall quality of City services. The City also excelled in comparison to other cities in the region and nationally. A citizen survey will be conducted each year to ensure the City is meeting the needs and expectations of our customers. The City continues to develop its performance measurement and management system to align City services and programs with the feedback from the annual Citizen Survey and strategic priorities in *Vision 2013*. In 2010, the City revised the strategic priorities to include the following six service area goals:

- I. Ensure the public's safety;
- II. Maintain and grow a strong, diversified economic base;
- III. Create and maintain a beautiful, clean and healthy community;
- IV. Encourage widespread participation in a variety of recreational and cultural activities;

- V. Foster all safe and accessible modes of travel; and
- VI. Efficiently and transparently align organizational resources to achieve the City's vision, mission, and goals.

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

The City continues to lead the region as a "green" city. In April 2011, the City of Clayton completed the challenge of becoming the first Green Power Community (GPC) in Missouri joining an elite list of 37 communities nationwide partnering with the Environmental Protection Agency (EPA) in purchasing green power. Since reaching the initial goal of 2% of green power citywide, the City has recently increased green power to over 3% of the community. This commitment comes from institutions, businesses and residents throughout the City. In addition, the City has received a grant for a photovoltaic system which is an installation of solar cells which will convert sunlight into electricity to help power the new police facility.

Following a five-year search for a new location for the City's Police Department, the City purchased the Heritage Building for \$7.5 million and is in the process of constructing and renovating the building for the Police and Information Technology Departments. By purchasing the Heritage Building, the City strives to preserve this important real estate property from possible demolition for a new high-rise development in the future. In August 2010, the City residents voted to extend and increase the general obligation property tax levy in support of this project.

## **AWARD**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2010. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last 24 consecutive years (fiscal years ended 1987-2010). We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA.

Additionally, the GFOA awarded the Distinguished Budget Award to the City for FY 2011. This was the City's fourth Distinguished Budget Award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. This award is valid for a period of one year only and we have already submitted the FY 2012 budget for consideration.

## **INDEPENDENT AUDIT**

The City's policy is to have the financial statements of the City audited annually by an independent Certified Public Accountant. The City has complied with this policy for FY 2011 and the independent auditors' report of Hochschild, Bloom & Company LLP is included with this CAFR.

## **ACKNOWLEDGEMENTS**

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

Respectfully submitted,



**Craig S. Owens**  
City Manager



**Janet K. Watson**  
Director of Finance & Administration

**MAYOR**

Linda Goldstein

**ALDERMEN**

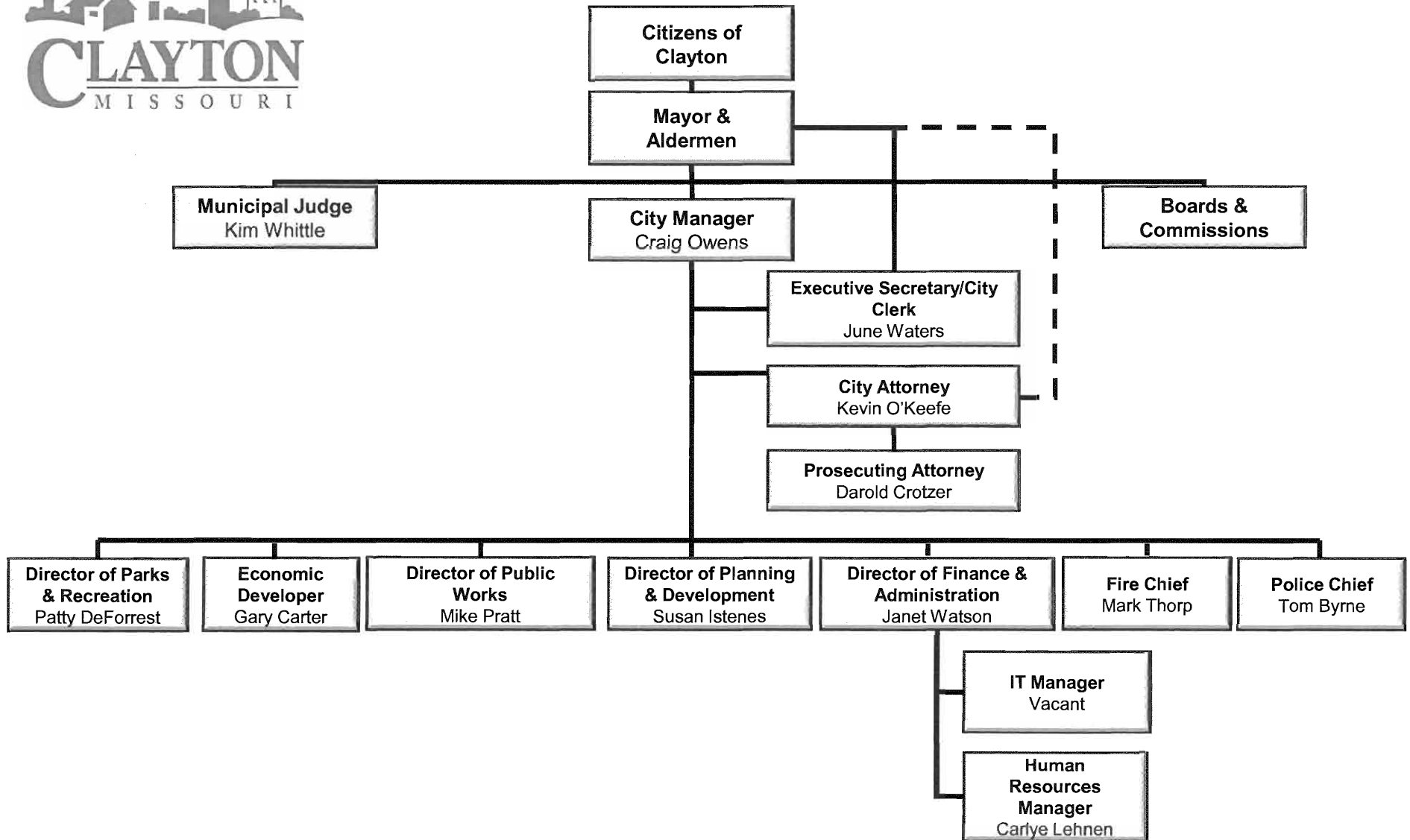
Judy R. Goodman, Ward I  
Andrea Maddox-Dallas, Ward I  
Cynthia Garnholz, Ward II  
Michelle Harris, Ward II  
Mark Winings, Ward III  
Steven E. Lichtenfeld, Ward III

**CITY MANAGER**

Craig S. Owens



# City of Clayton Organization Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Clayton  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2010

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.



*Linda C. Dandison*

President

*Jeffrey R. Emen*

Executive Director

**FINANCIAL SECTION**

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

## **INDEPENDENT AUDITORS' REPORT**

March 29, 2012

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF CLAYTON, MISSOURI** (the City) as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of September 30, 2011, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 29, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. general accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements as a whole. The introductory section, other supplementary information as listed in the table contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information as listed in the table of contents is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Hochschild, Bloom & Company LLP*  
**CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF CLAYTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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The management of the City of Clayton, Missouri (the City) presents this narrative overview and analysis to assist our readers in reviewing and understanding the accompanying annual financial statements for the fiscal year ended September 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal which can be found on pages i - vii of this report.

### **FINANCIAL HIGHLIGHTS**

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$64,156,155. Of this amount \$21,750,452 may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$6,853,170 due to revenues exceeding expenses by that amount.
- At the close of fiscal year 2011, the City's governmental funds reported an ending fund balance of \$33,072,867, a decrease of \$5,496,951 in comparison to the prior year balance of \$38,569,818. Approximately 62.5% of the amount or \$20,675,783 is unassigned and available for spending at the City's discretion.
- At the end of 2011, unassigned fund balance for the General Fund was \$20,675,783 or 88% of total General Fund operating expenditures and transfers.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

**CITY OF CLAYTON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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

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

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

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

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

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

The City utilizes the following major governmental funds:

- General
- Capital Improvement
- Equipment Replacement
- 2009 Build America Bond

The larger funds are presented as major funds while the other funds are presented in the combining statements for nonmajor funds. A description of the major funds can be found on page 22 in the notes

**CITY OF CLAYTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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to financial statements. Both major and nonmajor fund statements include a balance sheet and statement of revenues, expenditures, and changes in fund balances.

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

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

**Notes to the basic financial statements.** Notes provide additional information that is essential to a full understanding of the information included in the government-wide and fund financial statements. Notes provide additional details about the balances and transactions in the City's financial statements and may be found on pages 21 through 49.

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

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**CITY OF CLAYTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

As noted earlier, net assets over time may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$64,156,155 at the close of the most recent fiscal year, an increase of \$6,853,170.

A major portion of the City's net assets are invested in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure) less any related debt used to acquire those assets and total \$37,682,326 or 58.7% of net assets. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Unrestricted net assets of \$21,750,452 are another major portion of the City's net assets (34%) that may be used to meet on-going obligations to citizens and creditors.

	<b>City Of Clayton's Net Assets</b>	
	<b>September 30</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
Current and other assets	\$ 39,900,737	44,049,835
Capital assets	65,347,013	56,471,640
Total Assets	105,247,750	100,521,475
<b>LIABILITIES</b>		
Current liabilities	5,724,058	4,518,483
Noncurrent liabilities	35,367,537	38,700,007
Total Liabilities	41,091,595	43,218,490
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	37,682,326	26,675,814
Restricted	4,723,377	3,717,214
Unrestricted	21,750,452	26,909,957
Total Net Assets	\$ 64,156,155	57,302,985

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

**CITY OF CLAYTON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<b>City Of Clayton's</b>		
<b>Statement Of Activities</b>		
<b>For The Years Ended</b>		
<b>September 30</b>		
	<b>2011</b>	<b>2010</b>
<b>Program Revenues:</b>		
Charges for services	\$ 6,123,613	5,853,059
Operating grants and contributions	2,010,033	1,865,220
Capital grants and contributions	5,997,466	372,500
Total Program Revenues	14,131,112	8,090,779
<b>General Revenues:</b>		
Property tax	6,665,628	6,388,623
Sales tax	5,486,472	5,260,745
Utility tax	5,450,458	6,172,511
Other taxes	100,488	100,488
Investment income	320,728	667,936
Grants and contributions not restricted to specific programs	309,426	-
Gain of sale of capital assets	-	264,774
Other general revenues	349,838	652,450
Total General Revenues	18,683,038	19,507,527
Total Revenues	32,814,150	27,598,306
<b>Program Expenses:</b>		
General government	5,006,261	6,066,181
Public safety	10,240,914	9,784,707
Streets and highways	6,060,451	6,847,543
Parks and recreation	2,808,620	2,938,071
Community development	318,787	432,432
Interest on long-term debt	1,525,947	1,571,301
Total Program Expenses	25,960,980	27,640,235
<b>Change In Net Assets</b>	6,853,170	(41,929)
Net Assets - Beginning of Year	57,302,985	57,344,914
<b>Net Assets - End of Year</b>	\$ 64,156,155	57,302,985

**CITY OF CLAYTON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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The City's overall net assets of \$64,156,155 increased \$6,853,170 during the current fiscal year. Fiscal year 2011 revenues totaling \$32,814,150 are \$5,215,844 more than fiscal year 2010. Program revenues totaling \$14,131,112 are \$6,040,333 more than fiscal year 2010 due largely to an increase of \$5,624,966 in capital grants and contributions. These capital grants were for ongoing improvements to streets, pedestrian safety, park improvements, and the purchase of real estate located in a flood zone for redevelopment purposes.

General revenue from property, sales and utility taxes total \$17,602,558 or 94.2% of total general revenues of \$18,683,038, a decrease of \$219,321 from fiscal year 2010. Property tax revenue increased \$277,005 to \$6,665,628 partly due to new residential construction in 2011. Sales tax increased by \$225,727 to \$5,486,472 mainly due to the slight improvement in the economy. Utility tax decreased \$722,053 to \$5,450,458 due to a one-time telecommunications settlement of \$990,000 in fiscal year 2010. Investment income decreased \$347,208 due to very low interest rates. Grants and contributions not restricted to specific programs were higher due to the receipt of operating grants over the prior year.

Program expenses totaling \$25,960,980 were \$1,679,255 less than fiscal year 2010. The main reasons for the decrease are \$800,000 less in capital outlay, decreased operating expenses of \$340,000 related to the purchased building, and decreased pension costs of \$65,000.

## **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 funds statements are also different than the government-wide statements. Fund statements focus on current and short-term resources, while government-wide statements present the long-term view.

The City's total governmental funds, as shown on page 15, at the end of the current fiscal year reported an ending fund balance of \$33,072,867, a decrease of \$5,496,951 in comparison with the prior year. Approximately 63% of this total amount (\$20,675,783) constitutes unassigned fund balances, which is available for spending at the City's discretion. The remainder of fund balances consists of restricted funds of \$10,403,806 for capital projects, community development, debt service, public safety, and sewer lateral; committed funds of \$1,974,198 for capital projects; and assigned funds of \$19,080 for the purchase of supplies, services, and other current expenditures. The governmental funds may be viewed on pages 15 through 18.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, unassigned fund balance is \$20,675,783 while total fund balance is \$20,694,863. Fund balance represents 88% of total General Fund operating expenditures and transfers. The City's General Fund minimum reserve policy level is 25% of operating expenditures and transfers. The City's fiscal year 2011 General Fund balance decreased \$2,362,893. Fiscal year 2011 revenue totaled \$21,199,421 and is



**CITY OF CLAYTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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\$923,775 less than fiscal year 2010. The areas accounting for the majority of the change were public utilities were \$737,556 less due to a one-time telecommunications settlement in the prior year, \$276,988 less building permit revenue, and \$140,037 less in investment income due to low interest rates, all offset by other minor increases.

The Capital Improvement Fund balance totaling \$1,203,554 is all restricted for capital projects. The net decrease in fund balance of \$1,461,371 was due to an increase in planned capital outlay and transfers compared to the prior year. Transfers in of \$1,501,658 are from the 2009 bond issue and transfers out of \$1,963,168 are to pay for a portion of the debt service on the 2007 and 2005 bond issues.

The Equipment Replacement Fund has a total fund balance of \$1,974,198 which is committed for the replacement of all the vehicles and large dollar equipment in the City based on a long-range replacement plan. The funding source is from a charge-back to the General Fund.

### **GENERAL FUND SIGNIFICANT VARIANCES - BUDGET AND ACTUAL**

Page 51 summarizes the General Fund budget to actual. The General Fund final budget for revenues totaled \$21,198,662 and was approximately \$180,000 lower than the original budget due to projected decreases in building permits. The final budget for expenditures totaled \$22,044,677 and was approximately \$66,000 higher than the original budget partially due to a loan to the Clayton Recreation, Sports and Wellness Commission. As stated earlier, the City policy on General Fund balance is a minimum of 25% of operating expenditures and transfers. The current General Fund balance is at 88%.

Overall, the net change in fund balance was a decrease of \$2,362,893. Actual General Fund revenue totaling \$21,199,421 was \$759 more than the final budget. The actual General Fund expenditures totaling \$21,396,173 were \$648,504 or 2.9% less than the final budget.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets.** The City's investment in capital assets as of September 30, 2011 totaled \$65,347,013 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress. The total change in the City's investment in capital assets was an increase of \$8,875,373 with capital assets increasing \$3,044,789, construction in progress increasing \$7,710,119, and offset by depreciation of \$1,879,535.

**CITY OF CLAYTON, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<b>City Of Clayton</b>		
<b>Capital Assets</b>		
<b>(Net of Depreciation)</b>		
<b>September 30</b>		
	<b>2011</b>	<b>2010</b>
Land	\$ 2,963,342	2,963,342
Buildings and improvements	22,488,669	23,227,343
Improvements other than building	1,088,762	438,900
Machinery and equipment	3,528,444	3,663,496
Infrastructure	19,351,858	17,962,740
Construction in progress	15,925,938	8,215,819
	<u>\$65,347,013</u>	<u>56,471,640</u>
Total Capital Assets, Net		

Additional information on the City's capital assets can be found in Note C in the notes to financial statements starting on page 32 of this report.

**LONG-TERM DEBT**

The City had government-wide debt outstanding of \$33,550,274 at the end of the current fiscal year. The amount of \$1,960,000 is general obligation debt backed by the full faith and credit of the City. The amount of \$29,405,000 is special obligation debt and \$2,185,274 is a note payable and capital lease which are paid for from annual appropriations.

<b>City Of Clayton's</b>		
<b>Outstanding Debt</b>		
<b>September 30</b>		
	<b>2011</b>	<b>2010</b>
Series 2005	\$ 9,075,000	10,080,000
Series 2007	5,895,000	6,710,000
Series 2009 GO	1,960,000	2,955,000
Series 2009\BAB	14,435,000	15,000,000
Capital lease payable	893,106	960,737
Note payable	1,292,168	1,431,341
	<u>\$33,550,274</u>	<u>37,137,078</u>
Total Long-term Debt		

**CITY OF CLAYTON, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

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The City reduced principal by \$3,586,804 during the current fiscal year. Additional information on the City's long-term debt can be found in Note F in the notes to financial statements starting on page 34 of this report.

**THE OUTLOOK FOR NEXT YEAR'S BUDGET**

The City's reliance on operating revenue is spread among three major revenue sources, property tax, sales tax, and utility tax and is projected to have minimal growth. The City issued \$10 million of bonds in November 2011 for capital projects.

The City's original annual budget for fiscal year 2012 projects total expenditures of \$53,109,797, including capital projects of \$23,787,418 with the largest project being the renovation of the new police facility.

The City plans to spend down the large General Fund reserves closer to the 25% policy level over the next several years.

The City's capital improvement plan for 2012 through 2014 provides investment in capital projects of \$44 million.

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

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Finance and Administration  
City of Clayton, Missouri  
10 N. Bemiston Avenue  
Clayton, MO 63105

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**CITY OF CLAYTON, MISSOURI**  
**STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2011**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,870,843
Investments	27,173,205
Receivables:	
Intergovernmental	4,043,332
Property taxes	222,447
Public utility licenses	495,085
Special assessments	266,196
Interest	27,299
Other	724,990
Prepaid insurance	128,969
Bond issue costs, net	362,462
Net pension asset	286,409
Investments - restricted	2,299,500
Capital assets:	
Land and construction in progress	18,889,280
Other capital assets, net of accumulated depreciation	46,457,733
Total Assets	105,247,750
<b>LIABILITIES</b>	
Accounts payable	2,212,172
Accrued interest payable	436,119
Accrued liabilities	670,409
Unearned revenues	2,001,750
Deposits	403,608
Noncurrent liabilities:	
Due within one year	4,061,009
Due in more than one year	29,594,444
Due in more than one year - net OPEB obligation	158,802
Due in more than one year - net pension obligation	1,553,282
Total Liabilities	41,091,595
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	37,682,326
Restricted for:	
Capital projects	1,203,554
Community development	166,831
Debt service	2,900,008
Public safety	175,350
Sewer lateral	277,634
Unrestricted	21,750,452
Total Net Assets	\$ 64,156,155

**CITY OF CLAYTON, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net Revenues (Expenses) And Change In Net Assets</b>	
		<b>Charges For Services</b>	<b>Operating Grants And Contributions</b>	<b>Capital Grants And Contributions</b>	
<b>Governmental Activities</b>					
General government	\$ 5,006,261	1,549,918	-	-	(3,456,343)
Public safety	10,240,914	2,481,302	590,279	-	(7,169,333)
Streets and highways	6,060,451	1,174,765	1,419,754	5,942,134	2,476,202
Parks and recreation	2,808,620	917,628	-	55,332	(1,835,660)
Community development	318,787	-	-	-	(318,787)
Interest on long-term debt	1,525,947	-	-	-	(1,525,947)
Total Governmental Activities	\$ 25,960,980	6,123,613	2,010,033	5,997,466	(11,829,868)
<b>General Revenues</b>					
Taxes:					
Property					6,665,628
Sales					5,486,472
Utility					5,450,458
Other					100,488
Grants and contributions not restricted to specific programs					309,426
Investment income					320,728
Miscellaneous					349,838
Total General Revenues					18,683,038
<b>CHANGE IN NET ASSETS</b>					6,853,170
<b>NET ASSETS, OCTOBER 1</b>					57,302,985
<b>NET ASSETS, SEPTEMBER 30</b>					\$ 64,156,155

See notes to financial statements

**CITY OF CLAYTON, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2011**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Equipment Replacement Fund</u>	<u>2009 Build America Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 466,994	-	300,446	1,975,606	1,127,797	3,870,843
Investments	18,823,552	2,746,852	1,766,180	3,703,387	133,234	27,173,205
Receivables:						
Intergovernmental	445,052	3,521,171	-	-	-	3,966,223
Property taxes	193,529	-	-	-	28,918	222,447
Public utility licenses	495,085	-	-	-	-	495,085
Special assessments	-	161,089	-	-	105,107	266,196
Interest	14,027	6,332	5,049	1,436	455	27,299
Other	723,712	1,278	-	-	-	724,990
Due from other funds	1,703,703	-	-	-	-	1,703,703
Investments - restricted	-	-	-	-	2,299,500	2,299,500
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 22,865,654</u>	<u>6,436,722</u>	<u>2,071,675</u>	<u>5,680,429</u>	<u>3,695,011</u>	<u>40,749,491</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 730,760	1,348,376	97,477	-	35,559	2,212,172
Accrued liabilities	662,589	-	-	-	7,820	670,409
Due to other funds	-	1,703,703	-	-	-	1,703,703
Deferred revenues	393,834	2,161,089	-	-	131,809	2,686,732
Deposits	383,608	20,000	-	-	-	403,608
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>2,170,791</u>	<u>5,233,168</u>	<u>97,477</u>	<u>-</u>	<u>175,188</u>	<u>7,676,624</u>
<b>Fund Balances</b>						
Restricted for:						
Capital projects	-	1,203,554	-	5,680,429	-	6,883,983
Community development	-	-	-	-	166,831	166,831
Debt service	-	-	-	-	2,900,008	2,900,008
Public safety	-	-	-	-	175,350	175,350
Sewer lateral	-	-	-	-	277,634	277,634
Committed for:						
Capital projects	-	-	1,974,198	-	-	1,974,198
Assigned to:						
Purchase of supplies, services, and other current expenditures	19,080	-	-	-	-	19,080
Unassigned	20,675,783	-	-	-	-	20,675,783
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>20,694,863</u>	<u>1,203,554</u>	<u>1,974,198</u>	<u>5,680,429</u>	<u>3,519,823</u>	<u>33,072,867</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities And Fund Balances	<u>\$ 22,865,654</u>	<u>6,436,722</u>	<u>2,071,675</u>	<u>5,680,429</u>	<u>3,695,011</u>	<u>40,749,491</u>

**CITY OF CLAYTON, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**SEPTEMBER 30, 2011**

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Total Fund Balances - Governmental Funds \$ 33,072,867

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$86,629,797 and the accumulated depreciation is \$21,282,784. 65,347,013

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds. 684,982

Prepaid assets used in governmental activities are not financial resources if they expire after 30 days and, therefore, are not reported in the governmental funds. 128,969

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

Net pension asset	286,409
Net pension obligation	(1,553,282)
OPEB obligation	(158,802)
Interest subsidy receivable	77,109

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

Accrued compensated absences	(311,773)
Accrued interest payable	(436,119)
Bonds, notes, and capital leases payable outstanding	(33,550,274)
Unamortized bond premium	(120,942)
Unamortized issuance costs	362,462
Unamortized deferred charges	327,536

Net Assets Of Governmental Activities \$ 64,156,155



**CITY OF CLAYTON, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Equipment Replacement Fund</u>	<u>2009 Build America Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
General property taxes	\$ 5,446,505	-	-	-	1,172,852	6,619,357
Assessment income	-	55,540	-	-	116,710	172,250
Licenses and permits	1,523,861	-	-	-	-	1,523,861
Public utility licenses	5,428,352	22,106	-	-	-	5,450,458
Intergovernmental	4,065,539	9,387,716	-	232,317	-	13,685,572
Community programs	1,460,533	-	-	-	-	1,460,533
Parking facilities and meters	1,653,514	-	-	-	-	1,653,514
Fines and forfeitures	1,088,209	-	-	-	214,643	1,302,852
Investment income	212,626	34,664	15,798	32,992	24,648	320,728
Miscellaneous	320,282	26,320	-	-	-	346,602
Total Revenues	<u>21,199,421</u>	<u>9,526,346</u>	<u>15,798</u>	<u>265,309</u>	<u>1,528,853</u>	<u>32,535,727</u>
<b>EXPENDITURES</b>						
Current:						
General government	4,430,545	-	-	-	-	4,430,545
Parks and recreation	2,322,392	-	-	-	-	2,322,392
Public safety	9,611,240	-	-	-	66,962	9,678,202
Streets and highways	4,801,188	-	-	-	-	4,801,188
Community development	-	-	-	-	314,280	314,280
Capital outlay	-	10,534,313	839,730	-	103,005	11,477,048
Debt service:						
Principal	139,173	-	67,631	565,000	2,815,000	3,586,804
Interest and fiscal charges	91,635	-	43,803	663,862	693,090	1,492,390
Total Expenditures	<u>21,396,173</u>	<u>10,534,313</u>	<u>951,164</u>	<u>1,228,862</u>	<u>3,992,337</u>	<u>38,102,849</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(196,752)</u>	<u>(1,007,967)</u>	<u>(935,366)</u>	<u>(963,553)</u>	<u>(2,463,484)</u>	<u>(5,567,122)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	1,509,764	481,381	996,446	2,643,376	5,630,967
Transfers out	(2,166,141)	(1,963,168)	-	(1,501,658)	-	(5,630,967)
Sale of capital assets	-	-	70,171	-	-	70,171
Total Other Financing Sources (Uses)	<u>(2,166,141)</u>	<u>(453,404)</u>	<u>551,552</u>	<u>(505,212)</u>	<u>2,643,376</u>	<u>70,171</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(2,362,893)</u>	<u>(1,461,371)</u>	<u>(383,814)</u>	<u>(1,468,765)</u>	<u>179,892</u>	<u>(5,496,951)</u>
FUND BALANCES, OCTOBER 1	<u>23,057,756</u>	<u>2,664,925</u>	<u>2,358,012</u>	<u>7,149,194</u>	<u>3,339,931</u>	<u>38,569,818</u>
<b>FUND BALANCES, SEPTEMBER 30</b>	<u>\$ 20,694,863</u>	<u>1,203,554</u>	<u>1,974,198</u>	<u>5,680,429</u>	<u>3,519,823</u>	<u>33,072,867</u>

**CITY OF CLAYTON, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Net Change In Fund Balances - Governmental Funds \$ (5,496,951)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$11,011,509) exceeded depreciation (\$2,106,478) in the current period. 8,905,031

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations) is to decrease net assets. (29,658)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. 139,753

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

Repayment of bond principal	3,380,000
Repayment of note payable	139,173
Repayment of capital lease	67,631
Amortization of premium, issuance costs, and deferred amount on refunding	(90,023)

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

Accrued interest on debt	56,466
Prepaid insurance	(2,449)
Compensated absences	15,953
Net OPEB obligation	(111,981)
Net pension obligation	(123,757)
Net pension asset	3,982

Change In Net Assets Of Governmental Activities \$ 6,853,170

**CITY OF CLAYTON, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS -**  
**PENSION TRUST FUNDS**  
**SEPTEMBER 30, 2011**

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**ASSETS**

Cash and cash equivalents	\$ 658,761
Investments:	
U.S. government and agency securities	3,100,645
Common stocks	3,672,938
Corporate bonds	4,765,315
Taxable municipal obligations	756,436
Mutual funds	21,040,627
Property funds	3,261,872
Interest receivable	88,083
Total Assets	<u>37,344,677</u>

**LIABILITIES**

Unsettled investment transactions	<u>124,885</u>
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**NET ASSETS**

Held in trust for pension benefits	<u><u>\$ 37,219,792</u></u>
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**CITY OF CLAYTON, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY**  
**NET ASSETS - PENSION TRUST FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

**ADDITIONS**

Contributions:

Participant contributions	\$ 223,940
Employer contributions	1,243,488
Total Contributions	1,467,428

Investment income:

Net appreciation in fair value of investments and interest and dividends	2,106,971
Less - Investment expense	(188,794)
Total Investment Income	1,918,177
Total Additions	3,385,605

**DEDUCTIONS**

Benefits paid	1,558,823
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**CHANGE IN NET ASSETS**

1,826,782

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS,  
OCTOBER 1

35,393,010

**NET ASSETS HELD IN TRUST FOR PENSION BENEFITS,  
SEPTEMBER 30**

\$ 37,219,792

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**1. Reporting Entity**

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

**2. Government-wide and Fund Financial Statements**

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

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

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

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

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

The City reports the following major governmental funds:

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

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

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

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

Additionally, the City reports the following fiduciary funds:

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

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**4. Cash, Cash Equivalents, and Investments**

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

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

**5. Allowance for Uncollectibles**

Accounts receivables are shown net of an allowance for uncollectibles of \$167,548.

**6. Prepaid Items**

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

**7. Due To/From Other Funds**

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

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Restricted Assets**

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

**9. Special Assessments Receivable**

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

**10. Capital Assets**

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

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

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

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

**11. Compensated Absences**

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

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



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**12. Long-term Obligations**

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

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

**13. Fund Balance Policies**

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

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

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

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

**Assigned** -- The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen has designated authority.

**Unassigned** -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The City has set a minimum unassigned fund balance of not less than 25% of annual operating expenditures for the fiscal year, and a target of 33% of annual operating expenditures for the fiscal year.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**14. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of the applicable appropriation, is employed by the governmental funds. Since appropriations lapse at year-end, outstanding encumbrances are reappropriated in the subsequent year's budget to provide for the liquidation of the prior commitments. Encumbrances do not constitute current year expenditures or liabilities. Encumbrances outstanding at year-end were \$19,080 for the General Fund, \$1,303,332 for the Capital Improvement Fund, and \$162,485 for the Equipment Replacement Fund.

**15. Interfund Transactions**

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

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

**16. Property Taxes**

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

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

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

**17. Use of Estimates**

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

**NOTE B - CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**1. Deposits**

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation (FDIC).

As of September 30, 2011, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of September 30, 2011, the City had the following investments:

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

**2. Investments (Continued)**

Investments	Fair Value	Maturities					Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years	
<b>Primary Government</b>							
Certificates of deposit	\$29,472,705	-	23,117,693	6,355,012	-	-	N/A
<b>Fiduciary Funds</b>							
U.S. government and agency securities:							
U.S. Treasuries	421,117	-	-	-	152,601	268,516	AAA
U.S. Agencies	1,657,310	-	-	72,647	182,887	1,401,776	AAA
U.S. Agencies	1,022,218	-	-	631,975	277,615	112,628	AA
Common stock	3,672,938	3,672,938	-	-	-	-	N/A
Corporate bonds	2,068,278	-	-	1,208,010	340,848	519,420	A
Corporate bonds	638,362	-	88,388	317,710	-	232,264	AA
Corporate bonds	778,254	-	-	232,661	278,805	266,788	AAA
Corporate bonds	34,368	-	-	-	-	34,368	BB
Corporate bonds	728,133	-	51,686	329,408	91,265	255,774	BBB
Corporate bonds	177,686	-	-	-	35,723	141,963	CCC
Corporate bonds	59,293	-	-	-	-	59,293	D
Corporate bonds	280,941	-	-	50,546	-	230,395	Not rated
Taxable municipal obligations	133,572	-	-	133,572	-	-	A
Taxable municipal obligations	344,611	-	-	191,929	132,718	19,964	AA
Taxable municipal obligations	154,554	-	-	82,306	-	72,248	AAA
Taxable municipal obligations	35,156	-	35,156	-	-	-	BBB
Taxable municipal obligations	88,543	-	-	88,543	-	-	Not rated
Mutual funds	21,040,627	21,040,627	-	-	-	-	Not rated
Property funds	3,261,872	3,261,872	-	-	-	-	Not rated
Total Fiduciary Funds	<u>36,597,833</u>	<u>27,975,437</u>	<u>175,230</u>	<u>3,339,307</u>	<u>1,492,462</u>	<u>3,615,397</u>	
Grand Total Investments	<u>\$66,070,538</u>	<u>27,975,437</u>	<u>23,292,923</u>	<u>9,694,319</u>	<u>1,492,462</u>	<u>3,615,397</u>	

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

**2. Investments (Continued)**

**Investment Policy**

*Governmental Activities*

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

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

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

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

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

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

*Pension Trust Funds*

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

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

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

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

**2. Investments (Continued)**

**Investment Policy (Continued)**

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

**Investment Types and Maturities**

*Governmental Activities*

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

At September 30, 2011, the general government portfolios only had investments in depository agreements.

**Credit Risk**

*Governmental Activities*

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

*Pension Trust Funds*

The investment policies of the pension funds do not address credit quality standards. The above table reflects the credit ratings for the two retirement plans associated with the securities invested in the pension trust funds as of September 30, 2011, excluding obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

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

**2. Investments (Continued)**

**Concentration of Risk**

*Governmental Activities*

The City will diversify its investments by institution. With the exception of bonds, bills or notes of the U. S. government or any agency thereof, including authorized pools, it shall be the goal of the City that no more than 80% of the City's government-wide investment portfolio will be invested in a single institution. The City had no investments other than certificates of deposit at September 30, 2011.

*Pension Trust Funds*

The pension investment policies specify that the investment mix shall be in a range of 55-65% equity securities, 25-35% fixed income securities, and 5-15% real estate. Target allocation for the equity securities is 30% large cap, 15% small cap, and 15% international; fixed income 30%; and real estate 10%. The trustees follow these guidelines for all investments while adhering to the list of permissible investments outlines in the policies. The funds in the plans are invested over the long term in keeping with the objective of providing retirement benefits for its members. At September 30, 2011, the pension plans did not have concentrations with any one issuer greater than 5%.

**Custodial Credit Risk**

*Governmental Activities*

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

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

*Pension Trust Funds*

Custodial credit risk in the pension trust funds is the risk that in the event of the failure of the counterparty to a transaction, the pension funds will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. At September 30, 2011, the City of Clayton Uniformed Employees' Retirement Fund has \$8,622,396 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 FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<b>For The Year Ended September 30, 2011</b>			
	<b>Balance September 30 2010</b>	<b>Additions And Transfers</b>	<b>Deletions And Transfers</b>	<b>Balance September 30 2011</b>
Capital assets not being depreciated:				
Land	\$ 2,963,342	-	-	2,963,342
Construction in progress	8,215,819	8,338,613	628,494	15,925,938
Total Capital Assets Not Being Depreciated	<u>11,179,161</u>	<u>8,338,613</u>	<u>628,494</u>	<u>18,889,280</u>
Capital assets being depreciated:				
Buildings and improvements	29,794,469	-	-	29,794,469
Improvements other than building	858,154	739,018	-	1,597,172
Machinery and equipment	7,278,801	589,894	256,601	7,612,094
Infrastructure	26,764,304	1,972,478	-	28,736,782
Total Capital Assets Being Depreciated	<u>64,695,728</u>	<u>3,301,390</u>	<u>256,601</u>	<u>67,740,517</u>
Less - Accumulated depreciation for:				
Buildings and improvements	6,567,126	738,674	-	7,305,800
Improvements other than building	419,254	89,156	-	508,410
Machinery and equipment	3,615,305	695,288	226,943	4,083,650
Infrastructure	8,801,564	583,360	-	9,384,924
Total Accumulated Depreciation	<u>19,403,249</u>	<u>2,106,478</u>	<u>226,943</u>	<u>21,282,784</u>
Total Capital Assets Being Depreciated, Net	<u>45,292,479</u>	<u>1,194,912</u>	<u>29,658</u>	<u>46,457,733</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 56,471,640</u>	 <u>9,533,525</u>	 <u>658,152</u>	 <u>65,347,013</u>

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

	<b>For The Year Ended September 30 2011</b>
General government	\$ 507,357
Public safety	383,310
Streets and highways	897,749
Parks and recreation	<u>318,062</u>
 Total	 <u>\$ 2,106,478</u>



**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - RESTRICTED ASSETS**

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

	<u>September 30, 2011</u>	
	<u>Actual</u>	<u>Required</u>
Series 2005A Bond Reserve Account	\$ 1,216,500	1,216,500
Series 2005B Bond Reserve Account	265,500	265,500
Series 2007 Bond Reserve Account	817,500	817,500
Total	<u>\$2,299,500</u>	<u>2,299,500</u>

**NOTE E - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>September 30 2011</u>
General Fund	Capital Improvement Fund	<u>\$1,703,703</u>

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

<u>Transfers Out</u>	<u>Transfers In</u>	<u>For The Year Ended September 30 2011</u>
Capital Improvement Fund	Nonmajor Funds	\$1,963,168
2009 Build America Bond Fund	Capital Improvement Fund	1,501,658
General Fund	2009 Build America Bond Fund	996,446
General Fund	Nonmajor Funds	680,208
General Fund	Equipment Replacement Fund	481,381
General Fund	Capital Improvement Fund	<u>8,106</u>
Total		<u>\$5,630,967</u>

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

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT**

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

	<b>For The Year Ended September 30, 2011</b>			<b>Balance September 30 2011</b>	<b>Amounts Due Within One Year</b>
	<b>Balance September 30 2010</b>	<b>Additions</b>	<b>Reductions</b>		
Special obligation bonds	\$ 31,790,000	-	2,385,000	29,405,000	2,515,000
General obligation bonds	2,955,000	-	995,000	1,960,000	1,015,000
Plus - Premium	168,120	-	47,178	120,942	-
Less - Deferred charges	(409,263)	-	(81,727)	(327,536)	-
Note payable	1,431,341	-	139,173	1,292,168	169,974
Capital lease payable	960,737	-	67,631	893,106	64,851
Compensated absences	327,726	693,484	709,437	311,773	296,184
<b>Total Governmental Activities</b>	<b>\$ 37,223,661</b>	<b>693,484</b>	<b>4,261,692</b>	<b>33,655,453</b>	<b>4,061,009</b>

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

Taxable Build America (Direct-Pay) Special Obligation Bonds, Series 2009A and 2009B totaling \$6,420,000 and \$8,580,000, respectively, were issued on October 27, 2009 with interest rates ranging from 1% to 4.5% and 5% to 5.75%, respectively. The bonds were issued to acquire and renovate a facility for the police department. The bonds mature December 1, 2019 and December 1, 2029, respectively. The balance at September 30, 2011 was \$5,855,000 and \$8,580,000, respectively.

Special Obligation Refunding Bonds, Series 2007 totaling \$8,175,000 were issued on October 23, 2007 with an interest rate of 3.75%, maturing December 1, 2018. The 2007 bonds were issued to refund \$7,375,000 of the Series 2002 bond issue with an interest rate of 2.65%. The 2002 bonds were originally used to construct a new outdoor pool in Shaw Park, a new Fire Station, and to renovate City Hall. The balance at September 30, 2011 was \$5,895,000.

Special Obligation Refunding Bonds, Series 2005A totaling \$12,165,000 were issued on April 26, 2005 with interest rates ranging from 3% to 4.1%, maturing December 1, 2017. The 2005A bonds were issued to refund the 1997 and 1998A bonds that were originally used for the following purposes: to construct a multi-purpose recreation center in cooperation with Clayton School District; reconstruct the Shaw Park Ice Rink and Tennis Center; purchase fifty parking spaces in a new St. Louis County parking garage; and private street infrastructure improvements in two subdivisions. The balance at September 30, 2011 was \$7,695,000.

Special Obligation Refunding Taxable Bonds, Series 2005B totaling \$2,655,000, were issued on April 26, 2005 with an interest rate of 4.85%, maturing December 1, 2015. The 2005B bond was issued to refund the 1998B bonds that were originally used to acquire real estate and construct a parking garage. The balance at September 30, 2011 was \$1,380,000.

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

General Obligation Refunding Bonds, Series 2009 totaling \$3,950,000 were issued on March 10, 2009, with interest rates ranging from 2% to 3%, maturing December 1, 2012. The bond proceeds were used to refund \$3,970,000 of the Series 1999 bond issuance with an interest rate of 4.25%. The 1999 bonds were originally used to improve City parks; to resurface residential streets and sidewalks; improvements to infrastructure in three City subdivisions; building improvements to comply with the American Disabilities Act; perform improvements to curb, sidewalk and traffic signals in the Clayton Central Business District; perform improvements to the City recreational facilities including Shaw Park Pool, Ice Rink, and Hanley House; and replacement of the underground tank at the Municipal Garage. The balance at September 30, 2011 was \$1,960,000.

The City has an agreement with St. Louis County, Missouri (the County) to pay for a portion of Shaw Park parking garage. The garage was completed in fiscal year 2005 and the City's portion of the garage to be repaid to the County is \$2,764,176. The note bears interest at rates similar to those found in the bonds the County issued, which range from 4% to 4.75%. Monthly payments of \$19,234 will continue through April 2018. The balance at September 30, 2011 was \$1,292,168.

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

<b>For The Years Ended September 30</b>	<b>Special Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 2,515,000	1,208,810	3,723,810
2013	2,815,000	1,118,972	3,933,972
2014	2,235,000	1,029,564	3,264,564
2015	2,320,000	944,600	3,264,600
2016	2,415,000	852,254	3,267,254
2017 - 2021	9,265,000	2,847,529	12,112,529
2022 - 2026	4,060,000	1,609,705	5,669,705
2027 - 2030	3,780,000	437,655	4,217,655
Total	<u>\$ 29,405,000</u>	<u>10,049,089</u>	<u>39,454,089</u>

<b>For The Years Ended September 30</b>	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 1,015,000	43,575	1,058,575
2013	945,000	14,175	959,175
Total	<u>\$ 1,960,000</u>	<u>57,750</u>	<u>2,017,750</u>

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

<u>For The Years Ended September 30</u>	<u>Note Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 169,974	60,834	230,808
2013	178,683	52,125	230,808
2014	187,837	42,971	230,808
2015	197,462	33,346	230,808
2016	207,579	23,229	230,808
2017-2018	350,633	14,813	365,446
Total	<u>\$ 1,292,168</u>	<u>227,318</u>	<u>1,519,486</u>

**Capital Lease**

On November 25, 2009, the City entered into a capital lease agreement to purchase a ladder truck for \$1,020,000. The lease matures November 2021, with an interest rate of 4.71%. The capitalized cost of the truck is \$1,028,386, and accumulated depreciation is \$119,978 at September 30, 2011.

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

<u>For The Years Ended September 30</u>	
2012	\$ 102,148
2013	111,434
2014	111,434
2015	111,434
2016	111,434
2017 - 2021	557,171
2022	18,572
Total Minimum Lease Payments	<u>1,123,627</u>
Less - Amount representing interest	<u>230,521</u>
Present Value of Future Minimum Lease Payments	<u>\$ 893,106</u>

**NOTE G - CONDUIT DEBT**

The City of Clayton issued debt to provide financial assistance to private sector entities for the purpose of acquiring, constructing, and equipping industrial development projects deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-

**NOTE G - CONDUIT DEBT (Continued)**

sector entity served by the bond issuance. The City of Clayton is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements.

As of September 30, 2011, there were three series of industrial revenue bonds outstanding.

On May 12, 2009, the City approved the issuance of up to \$202,000,000 in Taxable Industrial Revenue Bonds to finance the acquisition of real property located at 7700-7736 Forsyth Boulevard related to the Centene Center project. At September 30, 2011, \$20,232,242 was issued and remains outstanding.

On May 12, 2009, the City approved the issuance of up to \$17,000,000 in Taxable Industrial Revenue Bonds to finance the purchase and installation of equipment related to the Centene Center project. At September 30, 2011, \$11,136 was issued and remains outstanding.

On May 23, 2009, the City approved the issuance of up to \$10,000,000 in Taxable Industrial Revenue Bonds to finance the acquisition of real property located at 21 South Hanley Road related to the Centene Center project. At September 30, 2011, \$2,860,717 was issued and remains outstanding.

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS**

The City maintains two single-employer, defined benefit pension plans. The City's total payroll for the year ended September 30, 2011 was \$10,999,899.

**1. Nonuniformed Employees' Retirement Fund**

*Plan Description and Provisions*

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

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

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

Current membership in the Plan is as follows:

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

**1. Nonuniformed Employees' Retirement Fund (Continued)**

<u>Group</u>	<u>July 1 2011</u>
Retirees and beneficiaries currently receiving benefits	27
Vested terminated employees	37
Active employees:	
Fully vested	62
Nonvested	23

All employees of the City, except policemen and firemen, who have completed 6 months of employment are eligible to participate as long as they continue to be employed by the City on a full-time, permanent basis. Employees attaining the age of 60 are entitled to annual benefits of 1.5% for each year of credited service times the average monthly compensation which is equal to the highest 5 consecutive years out of the last 10. 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 0.25% for each month that early retirement precedes normal retirement.

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

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

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

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

**1. Nonuniformed Employees' Retirement Fund (Continued)**

*Funding Status and Progress*

<b>Pension Plan</b>			
<b>Valuation For The Actuarial Years Ended June 30</b>	<b>Actuarial Value Of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>
2011	\$10,814,733	\$12,431,460	\$1,616,727
2010	10,217,856	11,801,559	1,583,703
2009	10,035,142	10,869,394	834,252
2008	10,160,207	10,124,715	(35,492)
2007	9,661,919	9,533,677	(128,242)
2006	9,049,924	9,035,521	(14,403)
<b>Valuation For The Actuarial Years Ended June 30</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL As A Percentage Of Covered Payroll</b>
2011	87.0%	\$4,367,581	37.0%
2010	86.6	4,724,615	33.5
2009	92.3	4,690,330	17.8
2008	100.4	4,477,087	(0.8)
2007	101.3	4,201,226	(3.1)
2006	100.2	3,966,774	(0.4)

**Schedule Of Employer's Contributions**

<b>For The Years Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2011	\$423,850	\$243,242	57.4%
2010	353,902	161,614	45.7
2009	251,507	-	-
2008	255,620	-	-
2007	256,078	-	-
2006	240,308	-	-

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

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

**1. Nonuniformed Employees' Retirement Fund (Continued)**

Valuation date	July 1, 2011
Actuarial cost method	Entry age (normal)
Amortization method	Level dollar
Amortization period	Closed
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	4.5%
Inflation rate	-
Post-retirement benefit increases	Lower of annual consumer price index or 2% to maximum adjustment of 25%

The net pension obligation is generally liquidated by the General Fund.

***Trend Information***

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

**Retirement Fund**

<b>Valuation For The Actuarial Years Ended June 30</b>	<b>Annual Pension Cost</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation (Asset)</b>
2011	\$366,999	66.3%	\$1,553,282
2010	302,660	53.4	1,429,525
2009	208,559	-	1,288,479
2008	221,481	-	1,079,920
2007	231,131	-	858,439
2006	224,280	-	627,308

<b>Valuation For The Actuarial Years Ended June 30</b>	<b>Net Pension Obligation (Asset) Beginning Of Year</b>	<b>Annual Required Contribution</b>	<b>Interest On Net Pension Obligation (Asset)</b>	<b>Adjustment To Annual Required Contribution</b>	<b>Annual Pension Cost</b>	<b>Actual Contri- bution</b>	<b>Net Pension Obligation (Asset) End Of Year</b>
2011	\$1,429,525	\$423,850	\$100,067	\$156,918	\$366,999	\$243,242	\$1,553,282
2010	1,288,479	353,902	90,194	141,436	302,660	161,614	1,429,525
2009	1,079,920	251,507	75,594	118,542	208,559	-	1,288,479
2008	858,439	255,620	60,091	94,230	221,481	-	1,079,920
2007	627,308	256,078	43,912	68,859	231,131	-	858,439
2006	403,028	240,308	28,212	44,240	224,280	-	627,308



**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

**2. City of Clayton Uniformed Employees' Pension Fund**

*Plan Description and Provisions*

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

<u>Group</u>	<u>January 1 2011</u>
Retirees and beneficiaries currently receiving benefits	54
Vested terminated employees	8
Active employees:	
Fully vested	46
Nonvested	41

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 10 years. If an employee terminates before 10 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 10 years of credited service or age 50 and completion of 25 years of credited service or age 65 with completion of 5 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 5-year average annual salary out of the last 10 years. The actual benefit is based on 2% for each year of credited service to a maximum of 60% of the final average monthly salary. Disabled employees or their surviving spouse will receive benefits based upon the years of service and basic pay of the employee as of such date. Early retirement is available to vested employees, but benefits are not paid until age 55.

City ordinance requires each member to contribute 5% of basic pay during the first 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 FINANCIAL STATEMENTS**

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

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

*Funding Status and Progress*

<b>Pension Plan</b>			
<b>Valuation For The Actuarial Years Ended December 31</b>	<b>Actuarial Value Of Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Unfunded AAL (UAAL)</b>
2010	\$25,439,311	\$32,958,143	(\$7,518,832)
2009	21,744,890	31,448,981	(9,704,091)
2008	27,667,999	30,172,986	(2,504,987)
2007	25,274,151	28,927,898	(3,653,747)
2006	22,514,850	27,182,515	(4,667,665)
2005	21,317,133	26,264,282	(4,947,149)

<b>Valuation For The Actuarial Years Ended December 31</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL As A Percentage Of Covered Payroll</b>
2010	77.2%	\$5,502,000	136.7%
2009	69.1	5,688,000	170.6
2008	91.7	5,274,000	47.5
2007	87.4	5,102,000	71.6
2006	82.8	5,171,000	90.3
2005	81.2	4,905,000	100.8

**Schedule Of Employer's Contributions**

<b>For The Years Ended December 31</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2010	\$ 990,993	\$ 990,993	100.0%
2009	1,125,201	1,125,201	100.0
2008	677,396	677,396	100.0
2007	733,009	733,009	100.0
2006	756,282	756,282	100.0
2005	798,089	798,089	100.0

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

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

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

Valuation date	January 1, 2011
Actuarial cost method	Entry age (normal)
Amortization method	Closed
Amortization period	23 years
Actuarial assumptions:	
Investment rate of return	7%
Projected salary increases	3.5%
Inflation rate	-
Post-retirement benefit increases	Lower of annual consumer price index or 2% to maximum adjustment of 25%

***Annual Pension Cost***

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

***Trend Information***

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

<b>Pension Plan</b>							
<b>Valuation For The Actuarial Years Ended December 31</b>			<b>Annual Pension Cost</b>			<b>Percentage Contributed</b>	<b>Net Pension Obligation (Asset)</b>
2010			\$ 987,011			100.4%	(\$286,409)
2009			1,121,274			100.4	(282,427)
2008			673,524			100.6	(278,500)
2007			729,190			100.5	(274,627)
2006			752,517			100.5	(270,808)
2005			794,376			100.5	(267,043)

<b>Valuation For The Actuarial Years Ended December 31</b>	<b>Net Pension Obligation (Asset) Beginning Of Year</b>	<b>Calculated Contribution</b>	<b>Interest On Net Pension Obligation (Asset)</b>	<b>Adjustment To Annual Required Contribution</b>	<b>Annual Pension Cost</b>	<b>Actual Contri- butions</b>	<b>Net Pension Obligation (Asset) End Of Year</b>
2010	(\$282,427)	\$ 990,993	(\$19,770)	(\$15,788)	\$ 987,011	\$ 990,993	(\$286,409)
2009	(278,500)	1,125,201	(19,495)	(15,568)	1,121,274	1,125,201	(282,427)
2008	(274,627)	677,396	(19,224)	(15,352)	673,524	677,396	(278,500)
2007	(270,808)	733,009	(18,957)	(15,138)	729,190	733,009	(274,627)
2006	(267,043)	756,282	(18,693)	(14,928)	752,517	756,282	(270,808)
2005	(263,330)	798,089	(18,433)	(14,720)	794,376	798,089	(267,043)

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

**3. Condensed Statement of Fiduciary Net Assets**

	September 30, 2011		
	City Of Clayton Non- uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 112,667	546,094	658,761
Investments:			
U.S. government and agency securities	-	3,100,645	3,100,645
Common stocks	-	3,672,938	3,672,938
Corporate bonds	-	4,765,315	4,765,315
Taxable municipal obligations	-	756,436	756,436
Mutual funds	8,605,750	12,434,877	21,040,627
Property funds	869,227	2,392,645	3,261,872
Interest receivable	9,504	78,579	88,083
Total Assets	9,597,148	27,747,529	37,344,677
<b>LIABILITIES</b>			
Unsettled investment transactions	-	124,885	124,885
<b>NET ASSETS</b>			
Held in trust for pension benefits	\$ 9,597,148	27,622,644	37,219,792

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE H - EMPLOYEE RETIREMENT BENEFIT PLANS (Continued)**

**4. Condensed Statement of Changes in Fiduciary Net Assets**

	For The Year Ended September 30, 2011		
	City Of Clayton Non- uniformed Employees' Retirement Fund	City Of Clayton Uniformed Employees' Pension Fund	Total
<b>ADDITIONS</b>			
Contributions:			
Participant contributions	\$ -	223,940	223,940
Employer contributions	252,495	990,993	1,243,488
Total Contributions	252,495	1,214,933	1,467,428
Investment income:			
Net appreciation in fair value of invest- ments and interest and dividends	616,985	1,489,986	2,106,971
Less - Investment expense	(18,989)	(169,805)	(188,794)
Total Investment Income	597,996	1,320,181	1,918,177
Total Additions	850,491	2,535,114	3,385,605
<b>DEDUCTIONS</b>			
Benefits paid	276,263	1,282,560	1,558,823
<b>CHANGES IN NET ASSETS</b>	574,228	1,252,554	1,826,782
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, OCTOBER 1</b>	9,022,920	26,370,090	35,393,010
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEPTEMBER 30</b>	\$ 9,597,148	27,622,644	37,219,792

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

**Plan Description**

The City sponsors and administers a single-employer OPEB plan that does not issue a separate stand-alone financial report. The City provides medical and prescription drug benefits to eligible retirees. All employees who retire from the City and meet the eligibility criteria may participate. Nonuniformed employees are eligible to retire once they have attained age 55 and have 10 years of service or age 60 and five years of service. Uniformed employees are eligible to retire once they have attained the age of 50 and have 25 years of service; age 55 and 10 years of service; or age 60 and five years of service. Retirees who elect to participate must pay the premium in effect for the current plan year or any subsequent year at the premium rates in effect at that time,

**CITY OF CLAYTON, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

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

	<b>For The Year Ended September 30 2011</b>
Normal cost	\$ 46,397
Amortization of unfunded accrued liability	59,325
Interest to end of year	<u>4,229</u>
Annual Required Contribution	109,951
Interest on net OPEB obligation	3,459
Adjustment to Annual Required Contribution	<u>(6,362)</u>
Annual OPEB cost	107,048
Contributions made	<u>(34,714)</u>
Increase in net OPEB obligation	72,334
Net OPEB obligation, September 30, 2010	<u>86,468</u>
Net OPEB Obligation, September 30, 2011	<u>\$158,802</u>

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

In future years, three-year trend information will be presented. 2009 was the year of implementation of GASB 45, the City has elected to implement prospectively, and an actuarial calculation is performed every two years.

**Required Supplemental Information**

**Schedule Of Funding Progress**

<b>Valuation For The Actuarial Valuation October 1</b>	<b>Actuarial Value Of Assets (1)</b>	<b>Actuarial Accrued Liability (2)</b>	<b>Unfunded Accrued Liability (UAAL) (1)-(2)</b>	<b>Funded Ratio (1)/(2)</b>	<b>Covered Payroll</b>	<b>UAAL As A Percentage Of Covered Payroll</b>
2010	\$ -	\$838,489	(\$838,489)	- %	\$10,322,076	8.12%
2008	-	512,770	(512,770)	-	10,378,293	4.94

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

<b>Schedule Of Employer Contributions</b>			
<b>For The Years Ended September 30</b>	<b>Annual Required Cost</b>	<b>Contribution Made</b>	<b>Percent Contributed</b>
2011	\$109,951	\$34,714	31.57%
2009	67,060	20,239	30.18

**Actuarial Methods and Assumptions**

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

In the October 1, 2010 actuarial valuation, the liabilities were computed using the Projected Unit Credit Method. The initial unfunded actuarial accrued liability is being amortized over 20 years. The actuarial assumptions utilized a 4% discount rate. The valuation assumes a 9.5% premium cost rate for fiscal year 2011, reduced by decrements to an ultimate 4.5% increase for 2030 and later years.

**NOTE J - DEFERRED COMPENSATION PLAN**

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

**NOTE K - RISK MANAGEMENT**

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

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

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

**NOTE K - RISK MANAGEMENT (Continued)**

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

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

**NOTE L - COMMITMENTS AND CONTINGENCIES**

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

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

**NOTE M - JOINT VENTURE**

Pursuant to an agreement authorized by City ordinance, the City joined with the Clayton School District to construct and operate a recreational facility. The construction was funded by the City and the Clayton School District. Administration, accounting, and repair and maintenance of the facility will be shared in accordance with the agreement. The City has contributed approximately two-thirds of the construction in the amount of \$11,789,000. The joint venture's financial statements are available at the City. The City is liable for one-half of any operational cash shortages incurred by the joint venture. The City paid \$150,000 for its share of the operational cash shortage incurred by the joint venture for the year ended September 30, 2011.

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



**NOTE M - JOINT VENTURE (Continued)**

	<b>For The Year Ended September 30 2011</b>
<b>Assets</b>	\$ 14,049,405
<b>Liabilities</b>	1,147,077
<b>Net Assets</b>	
Invested in capital assets, net of related debt	13,329,306
Unrestricted	(426,978)
Total Net Assets	\$ 12,902,328
Operating revenue	\$ 2,739,126
Operating expenses	(3,552,020)
Nonoperating revenues (expenses)	112,311
Capital contributions	300,000
Change In Net Assets	\$ (400,583)

**NOTE N - RESTRICTED NET ASSETS**

The government-wide statement of net assets reports \$4,723,377 of restricted net assets, of which \$1,823,369 is restricted by enabling legislation.

**NOTE O - FEDERAL FORFEITURE ACTIVITY**

The City had \$214,843 in revenues, \$66,962 in expenditures, and a \$175,350 ending balance as of September 30, 2011.

**NOTE P - SUBSEQUENT EVENTS**

The City issued \$10,000,000 in Special Obligation Bonds, Series 2011, on November 8, 2011 for the purpose of renovating the police department and other parks and public works projects.

**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF CLAYTON, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
General property taxes	\$ 5,715,850	5,715,850	5,446,505	(269,345)
Licenses and permits	1,718,891	1,460,391	1,523,861	63,470
Public utility licenses	5,252,091	5,324,213	5,428,352	104,139
Intergovernmental	3,748,508	3,748,508	4,065,539	317,031
Community programs	1,486,466	1,433,366	1,460,533	27,167
Parking facilities and meters	1,782,402	1,782,402	1,653,514	(128,888)
Fines and forfeitures	1,127,446	1,127,446	1,088,209	(39,237)
Investment income	303,400	303,400	212,626	(90,774)
Miscellaneous	245,353	303,086	320,282	17,196
Total Revenues	<u>21,380,407</u>	<u>21,198,662</u>	<u>21,199,421</u>	<u>759</u>
<b>EXPENDITURES</b>				
Current:				
General government:				
City planning and development	919,466	890,418	834,125	(56,293)
Nondepartmental	980,398	1,027,174	885,412	(141,762)
Information systems	690,124	649,024	536,484	(112,540)
Communications	29,703	29,703	29,610	(93)
Finance	515,017	500,923	494,760	(6,163)
City manager's office	615,813	678,738	671,808	(6,930)
Municipal court	276,913	272,313	248,346	(23,967)
Board of Aldermen and city clerk	84,940	84,940	76,357	(8,583)
Personnel administration	170,510	170,510	145,291	(25,219)
Building maintenance	545,504	545,504	508,352	(37,152)
Parks and recreation	2,418,231	2,354,253	2,322,392	(31,861)
Public safety	9,359,540	9,454,540	9,611,240	156,700
Streets and highways	5,140,828	5,155,828	4,801,188	(354,640)
Debt service:				
Principal	139,173	139,173	139,173	-
Interest and fiscal charges	91,636	91,636	91,635	(1)
Total Expenditures	<u>21,977,796</u>	<u>22,044,677</u>	<u>21,396,173</u>	<u>(648,504)</u>
<b>REVENUES UNDER EXPENDITURES</b>	(597,389)	(846,015)	(196,752)	649,263
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,641,141)</u>	<u>(2,165,141)</u>	<u>(2,166,141)</u>	<u>1,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,238,530)</u>	<u>(3,011,156)</u>	(2,362,893)	<u>648,263</u>
FUND BALANCE, OCTOBER 1			<u>23,057,756</u>	
<b>FUND BALANCE, SEPTEMBER 30</b>			<u>\$ 20,694,863</u>	

**CITY OF CLAYTON, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - NOTES TO**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED SEPTEMBER 2011**

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**Explanation of Budgetary Process**

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

- a. Prior to August 1, the City Manager submits to the Board of Aldermen a proposed operating budget for all funds, except the Police Forfeiture and P.O.S.T. Fund for the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Expenditures may not exceed appropriations at the department level for the General Fund and at the fund level for all other funds.
- b. Public hearings and open council meetings are held to obtain taxpayer comments.
- c. Prior to October 1, the budget is adopted by the Board of Aldermen.
- d. Budgets are adopted on a basis generally consistent with U.S. generally accepted accounting principles. Unencumbered appropriations lapse at year-end.
- e. Current year budget includes amendments. Budget amendments between funds or departments must be approved by the Board of Aldermen.

**Expenditures Exceeded Appropriations**

During the year ended September 30, 2011, expenditures exceeded appropriations in the following funds and departments:

<u>Fund/Department</u>	<u>Amount</u>
General Fund:	
Public safety	\$ 156,700
2009 Build America Bond Debt Service Fund	99

**OTHER SUPPLEMENTAL INFORMATION SECTION**

**NONMAJOR GOVERNMENTAL FUNDS**

**SPECIAL REVENUE FUNDS**

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

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

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

**Police Forfeiture and P.O.S.T. Fund** -- This fund is used to account for the fines and forfeitures received, which funds are to be utilized for police assistance, police training, and police equipment purchases.

**DEBT SERVICE FUNDS**

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

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

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

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

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS**  
**SEPTEMBER 30, 2011**

	Special Revenue Funds			Debt Service Funds			Total
	Special Taxing District	Sewer Lateral	Police Forfeiture And P.O.S.T.	1999 Bond Issue	2002 Capital Project Bond	2005 Bond Debt Service	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 180,346	150,998	185,091	293,138	6,046	312,178	1,127,797
Investments	-	133,234	-	-	-	-	133,234
Property taxes receivable	-	-	-	28,918	-	-	28,918
Special assessments receivables	-	-	-	-	-	105,107	105,107
Interest receivable	-	-	-	-	-	455	455
Investments - restricted	-	-	-	-	817,500	1,482,000	2,299,500
Total Assets	\$ 180,346	284,232	185,091	322,056	823,546	1,899,740	3,695,011
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 5,695	6,598	9,741	13,525	-	-	35,559
Accrued liabilities	7,820	-	-	-	-	-	7,820
Deferred revenue	-	-	-	26,702	-	105,107	131,809
Total Liabilities	13,515	6,598	9,741	40,227	-	105,107	175,188
<b>Fund Balances</b>							
Restricted for:							
Community development	166,831	-	-	-	-	-	166,831
Debt service	-	-	-	281,829	823,546	1,794,633	2,900,008
Public safety	-	-	175,350	-	-	-	175,350
Sewer lateral	-	277,634	-	-	-	-	277,634
Total Fund Balances	166,831	277,634	175,350	281,829	823,546	1,794,633	3,519,823
Total Liabilities And Fund Balances	\$ 180,346	284,232	185,091	322,056	823,546	1,899,740	3,695,011

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	Special Revenue Funds			Debt Service Funds			Total
	Special Taxing District	Sewer Lateral	Police Forfeiture And P.O.S.T.	1999 Bond Issue	2002 Capital Project Bond	2005 Bond Debt Service	
<b>REVENUES</b>							
General property taxes	\$ 400,555	-	-	772,297	-	-	1,172,852
Assessment income	-	99,098	-	-	-	17,612	116,710
Fines and forfeitures	-	-	214,643	-	-	-	214,643
Investment income	822	1,922	200	997	7,412	13,295	24,648
Total Revenues	<u>401,377</u>	<u>101,020</u>	<u>214,843</u>	<u>773,294</u>	<u>7,412</u>	<u>30,907</u>	<u>1,528,853</u>
<b>EXPENDITURES</b>							
Current:							
Community development	314,280	-	-	-	-	-	314,280
Public safety	-	-	66,962	-	-	-	66,962
Capital outlay	-	103,005	-	-	-	-	103,005
Debt service:							
Principal	-	-	-	995,000	815,000	1,005,000	2,815,000
Interest and fiscal charges	-	-	-	68,845	236,625	387,620	693,090
Total Expenditures	<u>314,280</u>	<u>103,005</u>	<u>66,962</u>	<u>1,063,845</u>	<u>1,051,625</u>	<u>1,392,620</u>	<u>3,992,337</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	87,097	(1,985)	147,881	(290,551)	(1,044,213)	(1,361,713)	(2,463,484)
<b>OTHER FINANCING SOURCES</b>							
Transfers in	-	-	-	-	1,043,168	1,600,208	2,643,376
<b>NET CHANGES IN FUND BALANCES</b>	87,097	(1,985)	147,881	(290,551)	(1,045)	238,495	179,892
FUND BALANCES, OCTOBER 1	<u>79,734</u>	<u>279,619</u>	<u>27,469</u>	<u>572,380</u>	<u>824,591</u>	<u>1,556,138</u>	<u>3,339,931</u>
<b>FUND BALANCES, SEPTEMBER 30</b>	<u><u>\$ 166,831</u></u>	<u><u>277,634</u></u>	<u><u>175,350</u></u>	<u><u>281,829</u></u>	<u><u>823,546</u></u>	<u><u>1,794,633</u></u>	<u><u>3,519,823</u></u>



**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE BUDGET AND**  
**ACTUAL - SPECIAL TAXING DISTRICT SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
General property taxes	\$ 397,643	397,643	400,555	2,912
Investment income	632	632	822	190
Total Revenues	<u>398,275</u>	<u>398,275</u>	<u>401,377</u>	<u>3,102</u>
<b>EXPENDITURES</b>				
Community development	<u>274,167</u>	<u>408,163</u>	<u>314,280</u>	<u>(93,883)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 124,108</u>	<u>(9,888)</u>	87,097	<u>96,985</u>
FUND BALANCE, OCTOBER 1			<u>79,734</u>	
<b>FUND BALANCE, SEPTEMBER 30</b>			<u>\$ 166,831</u>	

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - SEWER LATERAL SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Assessment income	\$ 100,125	100,125	99,098	(1,027)
Investment income	3,550	3,550	1,922	(1,628)
Total Revenues	103,675	103,675	101,020	(2,655)
<b>EXPENDITURES</b>				
Capital outlay	100,000	103,500	103,005	(495)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 3,675</b>	<b>175</b>	<b>(1,985)</b>	<b>(2,160)</b>
FUND BALANCE, OCTOBER 1			279,619	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 277,634</b>	

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - 1999 BOND ISSUE DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
General property taxes	\$ 865,000	772,297	(92,703)
Investment income	3,705	997	(2,708)
Total Revenues	<u>868,705</u>	<u>773,294</u>	<u>(95,411)</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	995,000	995,000	-
Interest and fiscal charges	69,000	68,845	(155)
Total Expenditures	<u>1,064,000</u>	<u>1,063,845</u>	<u>(155)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (195,295)</u></u>	(290,551)	<u><u>(95,256)</u></u>
<b>FUND BALANCE, OCTOBER 1</b>		<u>572,380</u>	
<b>FUND BALANCE, SEPTEMBER 30</b>		<u><u>\$ 281,829</u></u>	

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - 2002 CAPITAL PROJECT BOND DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Investment income	\$ 8,175	8,175	7,412	(763)
<b>EXPENDITURES</b>				
Debt service:				
Principal	815,000	815,000	815,000	-
Interest and fiscal charges	236,344	236,844	236,625	(219)
Total Expenditures	<u>1,051,344</u>	<u>1,051,844</u>	<u>1,051,625</u>	<u>(219)</u>
<b>REVENUES UNDER EXPENDITURES</b>	(1,043,169)	(1,043,669)	(1,044,213)	(544)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,043,168</u>	<u>1,043,168</u>	<u>1,043,168</u>	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (1)</u>	<u>(501)</u>	(1,045)	<u>(544)</u>
<b>FUND BALANCE, OCTOBER 1</b>			<u>824,591</u>	
<b>FUND BALANCE, SEPTEMBER 30</b>			<u>\$ 823,546</u>	

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - 2005 BOND DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Assessment income	\$ 21,401	21,401	17,612	(3,789)
Investment income	19,803	19,803	13,295	(6,508)
Total Revenues	41,204	41,204	30,907	(10,297)
<b>EXPENDITURES</b>				
Debt service:				
Principal	1,005,000	1,005,000	1,005,000	-
Interest and fiscal charges	388,232	388,732	387,620	(1,112)
Total Expenditures	1,393,232	1,393,732	1,392,620	(1,112)
<b>REVENUES UNDER EXPENDITURES</b>	(1,352,028)	(1,352,528)	(1,361,713)	(9,185)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,600,208	1,600,208	1,600,208	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ 248,180	247,680	238,495	(9,185)
FUND BALANCE, OCTOBER 1			1,556,138	
<b>FUND BALANCE, SEPTEMBER 30</b>			\$ 1,794,633	

**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.

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

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

**DEBT SERVICE FUND**

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

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

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - CAPITAL IMPROVEMENT CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Assessment income	\$ -	-	55,540	55,540
Public utility licenses	3,800	3,800	22,106	18,306
Intergovernmental	6,376,608	10,707,231	9,387,716	(1,319,515)
Investment income	25,000	25,000	34,664	9,664
Miscellaneous	395,680	395,680	26,320	(369,360)
Total Revenues	6,801,088	11,131,711	9,526,346	(1,605,365)
<b>EXPENDITURES</b>				
Capital outlay	15,401,040	11,016,124	10,534,313	(481,811)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(8,599,952)	115,587	(1,007,967)	(1,123,554)
<b>OTHER FINANCING SOURCES</b>				
<b>(USES)</b>				
Transfers in	7,336,000	2,655,747	1,509,764	(1,145,983)
Transfers out	(2,577,062)	(2,377,062)	(1,963,168)	(413,894)
Total Other Financing Sources (Uses)	4,758,938	278,685	(453,404)	(732,089)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (3,841,014)</b>	<b>394,272</b>	<b>(1,461,371)</b>	<b>(1,855,643)</b>
<b>FUND BALANCE, OCTOBER 1</b>			<b>2,664,925</b>	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 1,203,554</b>	

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - EQUIPMENT REPLACEMENT CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Investment income	\$ 24,750	15,798	(8,952)
<b>EXPENDITURES</b>			
Capital outlay	1,260,386	839,730	(420,656)
Debt service:			
Principal	67,631	67,631	-
Interest and fiscal charges	43,803	43,803	-
Total Expenditures	1,371,820	951,164	(420,656)
<b>REVENUES UNDER EXPENDITURES</b>	<b>(1,347,070)</b>	<b>(935,366)</b>	<b>411,704</b>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	480,279	481,381	1,102
Sale of capital assets	43,000	70,171	27,171
Total Other Financing Sources	523,279	551,552	28,273
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (823,791)</b>	<b>(383,814)</b>	<b>439,977</b>
<b>FUND BALANCE, OCTOBER 1</b>		<b>2,358,012</b>	
<b>FUND BALANCE, SEPTEMBER 30</b>		<b>\$ 1,974,198</b>	



**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - 2009 BUILD AMERICA BOND DEBT SERVICE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Intergovernmental	\$ 232,317	232,317	232,317	-
Investment income	84,553	84,553	32,992	(51,561)
Total Revenues	316,870	316,870	265,309	(51,561)
<b>EXPENDITURES</b>				
Debt service:				
Principal	565,000	565,000	565,000	-
Interest and fiscal charges	663,763	663,763	663,862	99
Total Expenditures	1,228,763	1,228,763	1,228,862	99
<b>REVENUES UNDER EXPENDI- TURES</b>	(911,893)	(911,893)	(963,553)	(51,660)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	996,446	996,446	996,446	-
Transfers out	(6,914,000)	(7,233,747)	(1,501,658)	(5,732,089)
Total Other Financing Sources (Uses)	(5,917,554)	(6,237,301)	(505,212)	(5,732,089)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (6,829,447)</b>	<b>(7,149,194)</b>	<b>(1,468,765)</b>	<b>5,680,429</b>
FUND BALANCE, OCTOBER 1			7,149,194	
<b>FUND BALANCE, SEPTEMBER 30</b>			<b>\$ 5,680,429</b>	

**FIDUCIARY FUND TYPES**

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

**PENSION TRUST FUNDS**

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

**City of Clayton Uniformed Employees' Pension Fund** -- This fund is used to account for assets held in a trustee capacity for the City's police officers and firefighters.

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION SCHEDULE OF**  
**CHANGES IN FIDUCIARY NET ASSETS - BUDGET AND ACTUAL -**  
**NONUNIFORMED EMPLOYEES' RETIREMENT PENSION TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<u>Original And Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>ADDITIONS</b>			
Employer contributions	\$ 252,495	252,495	-
Investment income:			
Net appreciation in fair value of investments and interest and dividends	683,764	616,985	(66,779)
Less - Investment expense	<u>(40,162)</u>	<u>(18,989)</u>	<u>(21,173)</u>
Total Investment Income	643,602	597,996	(45,606)
Total Additions	<u>896,097</u>	<u>850,491</u>	<u>(45,606)</u>
<b>DEDUCTIONS</b>			
Benefits paid	<u>320,405</u>	<u>276,263</u>	<u>(44,142)</u>
<b>CHANGE IN NET ASSETS</b>	<u><u>\$ 575,692</u></u>	<u>574,228</u>	<u><u>(1,464)</u></u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, OCTOBER 1		<u>9,022,920</u>	
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEPTEMBER 30</b>		<u><u>\$ 9,597,148</u></u>	

**CITY OF CLAYTON, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES**  
**IN FIDUCIARY NET ASSETS - BUDGET AND ACTUAL -**  
**UNIFORMED EMPLOYEES' PENSION TRUST FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2011**

	<b>Original And Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>ADDITIONS</b>			
Contributions:			
Participant contributions	\$ 225,795	223,940	(1,855)
Employer contributions	990,993	990,993	-
Total Contributions	1,216,788	1,214,933	(1,855)
Investment income:			
Net appreciation in fair value of investments and interest and dividends	1,879,810	1,489,986	(389,824)
Less - Investment expense	(161,551)	(169,805)	8,254
Total Investment Income	1,718,259	1,320,181	(398,078)
Total Additions	2,935,047	2,535,114	(399,933)
<b>DEDUCTIONS</b>			
Benefits paid	1,391,839	1,282,560	(109,279)
<b>CHANGE IN NET ASSETS</b>	<b>\$ 1,543,208</b>	<b>1,252,554</b>	<b>(290,654)</b>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, OCTOBER 1		26,370,090	
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, SEPTEMBER 30</b>		<b>\$ 27,622,644</b>	

**STATISTICAL SECTION**

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

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

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

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

	September 30								
	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
<b>Governmental Activities</b>									
Invested in capital assets, net of related debt	\$ 37,682,326	26,675,814	15,329,996	12,335,368	11,295,023	8,732,202	6,595,418	5,755,970	3,385,887
Restricted	4,723,377	3,717,214	3,782,799	2,819,375	2,729,192	2,613,411	2,512,962	7,167,871	7,061,365
Unrestricted	21,750,452	26,909,957	18,326,512	19,948,353	15,591,402	14,090,912	14,478,948	10,849,389	10,606,559
 Total Governmental Activities Net Assets	 <u>\$ 64,156,155</u>	 <u>57,302,985</u>	 <u>37,439,307</u>	 <u>35,103,096</u>	 <u>29,615,617</u>	 <u>25,436,525</u>	 <u>23,587,328</u>	 <u>23,773,230</u>	 <u>21,053,811</u>
<b>Business-type Activities</b>									
Invested in capital assets, net of related debt	\$ -	-	9,397,875	9,404,409	9,415,507	9,545,577	11,540,026	10,256,621	9,825,160
Restricted	-	-	265,500	204,000	285,195	280,174	283,450	364,327	363,211
Unrestricted	-	-	10,203,839	10,283,256	10,306,400	10,127,036	6,211,445	7,316,261	7,055,289
 Total Business-type Activities Net Assets	 <u>\$ -</u>	 <u>-</u>	 <u>19,867,214</u>	 <u>19,891,665</u>	 <u>20,007,102</u>	 <u>19,952,787</u>	 <u>18,034,921</u>	 <u>17,937,209</u>	 <u>17,243,660</u>
<b>Primary Government</b>									
Invested in capital assets, net of related debt	\$ 37,682,326	26,675,814	24,727,871	21,739,777	20,710,530	18,277,779	18,135,444	16,012,591	13,211,047
Restricted	4,723,377	3,717,214	4,048,299	3,023,375	3,014,387	2,893,585	2,796,412	7,532,198	7,424,576
Unrestricted	21,750,452	26,909,957	28,530,351	30,231,609	25,897,802	24,217,948	20,690,393	18,165,650	17,661,848
 Total Primary Government Net Assets	 <u>\$ 64,156,155</u>	 <u>57,302,985</u>	 <u>57,306,521</u>	 <u>54,994,761</u>	 <u>49,622,719</u>	 <u>45,389,312</u>	 <u>41,622,249</u>	 <u>41,710,439</u>	 <u>38,297,471</u>

Note:

(1) Business-type activities were combined with governmental activities.

Source: Basic financial statements

GASB 34 was implemented in 2003.

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

	<b>For The Years Ended September 30</b>								
	<b>2011</b>	<b>2010 (1)</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
<b>EXPENSES</b>									
<b>Governmental Activities</b>									
General government	\$ 5,006,261	6,066,181	5,184,518	5,286,324	4,585,667	4,253,478	4,706,827	2,875,742	3,185,066
Public safety	10,240,914	9,784,707	9,153,714	8,495,262	8,246,154	8,660,970	8,198,773	8,243,416	7,655,085
Streets and highways	6,060,451	6,847,543	7,133,404	5,411,338	5,919,304	4,530,039	4,530,110	4,856,137	4,158,084
Parks and recreation	2,808,620	2,938,071	2,135,837	2,079,965	1,975,986	2,865,602	2,211,655	2,279,115	2,014,876
Community development	318,787	432,432	199,035	173,316	220,788	975,774	528,627	100,657	130,408
Interest and fiscal charges	1,525,947	1,571,301	779,891	963,747	910,350	989,693	861,255	1,218,464	1,211,293
Total Governmental Activities Expenses	<u>25,960,980</u>	<u>27,640,235</u>	<u>24,586,399</u>	<u>22,409,952</u>	<u>21,858,249</u>	<u>22,275,556</u>	<u>21,037,247</u>	<u>19,573,531</u>	<u>18,354,812</u>
<b>Business-type Activities</b>									
Parking facility	-	-	1,081,979	1,210,118	1,155,318	1,274,489	1,247,961	1,092,781	1,042,756
Total Primary Government Expenses	<u>25,960,980</u>	<u>27,640,235</u>	<u>25,668,378</u>	<u>23,620,070</u>	<u>23,013,567</u>	<u>23,550,045</u>	<u>22,285,208</u>	<u>20,666,312</u>	<u>19,397,568</u>
<b>PROGRAM REVENUES</b>									
<b>Governmental Activities</b>									
Charges for services:									
General government	1,549,918	1,773,196	662,163	867,722	735,781	666,138	595,618	621,820	777,873
Public safety	2,481,302	2,125,691	1,295,680	1,286,279	1,141,418	931,486	1,381,324	1,334,618	1,230,252
Streets and highways	1,174,765	1,068,315	233,699	187,215	277,604	246,210	238,677	622,814	154,909
Parks and recreation	917,628	885,857	850,860	824,989	739,568	672,161	611,660	548,968	491,455
Community development	-	-	1,354,083	1,398,448	1,331,109	1,309,048	824,766	802,980	301,011
Operating grants and contributions	2,010,033	1,865,220	1,098,553	1,270,321	1,232,687	924,132	1,680,413	2,078,952	1,340,611
Capital grants and contributions	5,997,466	372,500	1,024,386	569,600	287,100	-	-	-	120,433
Total Governmental Activities Program Revenues	<u>14,131,112</u>	<u>8,090,779</u>	<u>6,519,424</u>	<u>6,404,574</u>	<u>5,745,267</u>	<u>4,749,175</u>	<u>5,332,458</u>	<u>6,010,152</u>	<u>4,416,544</u>
<b>Business-type Activities</b>									
Charges for services:									
Parking facility	-	-	1,521,683	1,420,803	1,416,686	1,486,560	1,595,313	1,711,194	1,721,204
Total Primary Government Program Revenues	<u>14,131,112</u>	<u>8,090,779</u>	<u>8,041,107</u>	<u>7,825,377</u>	<u>7,161,953</u>	<u>6,235,735</u>	<u>6,927,771</u>	<u>7,721,346</u>	<u>6,137,748</u>
<b>NET REVENUES (EXPENSES)</b>									
Governmental activities	(11,829,868)	(19,549,456)	(18,066,975)	(16,005,378)	(16,112,982)	(17,526,381)	(15,704,789)	(13,563,379)	(13,938,268)
Business-type activities	-	-	439,704	210,685	261,368	212,071	347,352	618,413	678,448
Total Primary Government Net Revenues (Expenses)	<u>(11,829,868)</u>	<u>(19,549,456)</u>	<u>(17,627,271)</u>	<u>(15,794,693)</u>	<u>(15,851,614)</u>	<u>(17,314,310)</u>	<u>(15,357,437)</u>	<u>(12,944,966)</u>	<u>(13,259,820)</u>

(Continued)



**CITY OF CLAYTON, MISSOURI**

**CHANGES IN NET ASSETS (Continued)**

**LAST NINE FISCAL YEARS**

	For The Years Ended September 30								
	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
<b>GENERAL REVENUES AND OTHER</b>									
<b>CHANGES IN NET ASSETS</b>									
<b>Governmental Activities</b>									
Taxes:									
Property	6,665,628	6,388,623	6,886,241	6,643,277	6,332,125	6,135,030	4,707,073	4,648,009	4,496,193
Sales	5,486,472	5,260,745	5,541,603	6,043,834	6,226,794	5,934,900	5,706,839	5,563,404	5,640,949
Utility	5,450,458	6,172,511	4,894,278	5,701,276	4,758,606	4,890,845	4,553,878	4,361,026	3,803,453
Other	100,488	100,488	538,881	556,272	565,780	554,595	100,613	100,534	104,854
Grants and contributions not restricted to specific programs	309,426	-	-	-	-	-	-	-	-
Licenses (taxes)	-	-	-	-	-	-	-	492,858	493,240
Investment income	320,728	667,936	659,833	771,380	884,333	665,054	329,421	349,778	442,863
Contribution*	-	-	-	-	-	-	-	-	800,000
Gain (loss) on sale of capital assets	-	264,774	4,887	-	-	70,222	-	-	(98,720)
Miscellaneous	349,838	652,450	1,092,730	1,022,818	400,027	220,455	284,031	205,002	297,353
Transfers	-	-	784,733	754,000	1,124,409	904,477	390,576	139,849	145,374
Total Governmental Activities General Revenues And Other Changes In Net Assets	<u>18,683,038</u>	<u>19,507,527</u>	<u>20,403,186</u>	<u>21,492,857</u>	<u>20,292,074</u>	<u>19,375,578</u>	<u>16,072,431</u>	<u>15,860,460</u>	<u>16,125,559</u>
<b>Business-type Activities</b>									
Investment income	-	-	320,578	427,878	586,580	367,140	140,936	214,985	242,034
Gain on sale of capital assets	-	-	-	-	330,776	2,243,132	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	658
Transfers	-	-	(784,733)	(754,000)	(1,124,409)	(904,477)	(390,576)	(139,849)	(145,374)
Total Business-type Activities General Revenues And Other Changes In Net Assets	<u>-</u>	<u>-</u>	<u>(464,155)</u>	<u>(326,122)</u>	<u>(207,053)</u>	<u>1,705,795</u>	<u>(249,640)</u>	<u>75,136</u>	<u>97,318</u>
Total Primary Government General Revenues And Other Changes In Net Assets	<u>18,683,038</u>	<u>19,507,527</u>	<u>19,939,031</u>	<u>21,166,735</u>	<u>20,085,021</u>	<u>21,081,373</u>	<u>15,822,791</u>	<u>15,935,596</u>	<u>16,222,877</u>
<b>CHANGES IN NET ASSETS</b>									
Governmental activities	6,853,170	(41,929)	2,336,211	5,487,479	4,179,092	1,849,197	367,642	2,297,081	2,187,291
Business-type activities	-	-	(24,451)	(115,437)	54,315	1,917,866	97,712	693,549	775,766
Total Primary Government	<u>\$ 6,853,170</u>	<u>(41,929)</u>	<u>2,311,760</u>	<u>5,372,042</u>	<u>4,233,407</u>	<u>3,767,063</u>	<u>465,354</u>	<u>2,990,630</u>	<u>2,963,057</u>

Notes:

(1) Business-type activities were combined with governmental activities.

\*One-time donation from Enterprise Leasing Corp.

Source: Basic financial statements

GASB 34 was implemented in 2003.

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

	September 30								
	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
<b>General Fund</b>									
Assigned	\$ 19,080	-	-	-	-	-	-	-	-
Unassigned	20,675,783	-	-	-	-	-	-	-	-
Reserved	-	434,493	46,246	50,748	124,339	4,095	4,000	18,654	78,453
Unreserved	-	22,623,263	12,590,092	11,816,465	9,552,077	8,324,588	7,084,601	7,390,863	7,489,726
<b>Total General Fund</b>	<u>\$ 20,694,863</u>	<u>23,057,756</u>	<u>12,636,338</u>	<u>11,867,213</u>	<u>9,676,416</u>	<u>8,328,683</u>	<u>7,088,601</u>	<u>7,409,517</u>	<u>7,568,179</u>
<b>All Other Governmental Funds</b>									
Restricted	\$ 10,403,806	-	-	-	-	-	-	-	-
Committed	1,974,198	-	-	-	-	-	-	-	-
Reserved:									
Capital Improvement Fund	-	2,266,413	601,000	1,074,715	-	-	-	1,294,260	865,807
Capital Improvement Project Fund	-	-	-	-	-	-	52	-	22,121
Equipment Replacement Fund	-	2,887	1,433	76,455	250	243,051	5,940	2,904	-
1997-98 Bond Debt Service Fund	-	-	-	-	-	-	-	-	207,345
2009 Build America Bond Fund	-	7,149,194	-	-	-	-	-	-	-
Other Governmental Funds	-	2,953,109	3,626,688	2,333,652	2,317,646	2,282,433	2,260,337	2,332,455	2,172,239
Unreserved, reported in:									
Capital Improvement Fund	-	398,512	1,689,633	2,358,173	2,249,824	1,801,767	2,469,123	2,167,752	3,530,868
Capital Improvement Project Fund	-	-	-	-	-	-	-	-	(5,202)
Equipment Replacement Fund	-	2,355,125	2,272,303	2,551,415	2,662,744	2,406,124	2,994,069	3,051,034	2,770,853
Other governmental funds:									
Special Revenue Funds	-	386,822	570,813	559,631	357,866	318,166	400,612	345,430	332,104
Capital Projects Funds	-	-	581,651	1,755,975	440,311	329,158	775,873	281,879	2,119,083
<b>Total All Other Governmental Funds</b>	<u>\$ 12,378,004</u>	<u>15,512,062</u>	<u>9,343,521</u>	<u>10,710,016</u>	<u>8,028,641</u>	<u>7,380,699</u>	<u>8,906,006</u>	<u>9,475,714</u>	<u>12,015,218</u>

Note:

(1) Enterprise and Internal Service Funds combined with General Fund and Capital Improvement Project Fund combined with Capital Improvement Fund.

Source: Basic financial statements

GASB 34 was implemented in 2003.

GASB 54 was implemented in 2011.

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

	For The Years Ended September 30								
	2011	2010 (1)	2009	2008	2007	2006	2005	2004	2003
<b>REVENUES</b>									
General property taxes	\$ 6,619,357	6,374,580	6,846,052	6,693,072	6,310,263	6,086,868	4,716,717	4,664,838	4,531,961
Assessment income	172,250	162,842	201,676	177,136	185,843	186,253	414,771	652,862	150,325
Licenses and permits	1,523,861	1,780,141	1,671,897	1,644,961	1,415,552	1,362,041	1,207,727	1,135,051	1,339,456
Public utility licenses	5,450,458	6,172,511	4,894,278	5,701,276	4,758,606	4,890,845	4,553,878	4,361,026	3,803,453
Intergovernmental	13,685,572	7,602,191	8,280,839	8,490,868	8,387,313	7,520,816	7,519,596	7,909,370	7,283,761
Community programs	1,460,533	1,413,736	1,193,102	1,281,421	1,249,216	1,112,109	1,000,188	960,036	972,018
Parking facilities and meters	1,653,514	1,474,297	-	-	-	-	-	-	-
Fines and forfeitures	1,302,852	1,078,799	1,097,872	1,189,598	929,316	777,766	756,907	764,265	684,168
Investment income	320,728	667,936	659,833	771,380	884,333	665,054	329,421	348,425	429,380
Miscellaneous	346,602	653,957	1,278,934	1,349,506	825,518	596,398	583,531	457,995	659,422
Total Revenues	<u>32,535,727</u>	<u>27,380,990</u>	<u>26,124,483</u>	<u>27,299,218</u>	<u>24,945,960</u>	<u>23,198,150</u>	<u>21,082,736</u>	<u>21,253,868</u>	<u>19,853,944</u>
<b>EXPENDITURES</b>									
General government	4,430,545	4,828,548	4,794,723	4,752,688	4,070,285	3,914,379	3,986,435	3,110,409	3,009,861
Public safety	9,678,202	9,458,242	8,658,593	8,362,366	8,119,616	7,921,971	7,930,225	7,838,638	7,137,008
Streets and highways	4,801,188	4,636,808	3,888,910	3,822,033	3,754,718	3,405,316	3,256,194	2,999,624	2,907,164
Parks and recreation	2,322,392	1,991,742	1,878,493	1,839,134	1,759,570	1,657,278	1,600,093	1,799,563	1,698,757
Community development	314,280	432,432	199,035	173,316	220,788	254,375	191,357	108,161	111,793
Capital outlay	11,477,048	12,094,749	5,004,207	2,585,407	2,918,374	3,930,973	3,106,040	5,745,639	10,224,954
Debt service:									
Principal	3,586,804	2,924,263	2,345,000	8,960,000	2,395,000	2,465,000	2,040,000	1,450,000	1,220,000
Interest and fiscal charges	1,492,390	1,289,215	786,175	894,912	882,260	962,248	892,930	1,231,434	1,133,151
Bond issue costs	-	271,353	56,446	76,239	-	-	139,036	-	11,166
Total Expenditures	<u>38,102,849</u>	<u>37,927,352</u>	<u>27,611,582</u>	<u>31,466,095</u>	<u>24,120,611</u>	<u>24,511,540</u>	<u>23,142,310</u>	<u>24,283,468</u>	<u>27,453,854</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,567,122)</u>	<u>(10,546,362)</u>	<u>(1,487,099)</u>	<u>(4,166,877)</u>	<u>825,349</u>	<u>(1,313,390)</u>	<u>(2,059,574)</u>	<u>(3,029,600)</u>	<u>(7,599,910)</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Bond proceeds	-	15,000,000	-	-	-	-	-	-	9,950,000
Proceeds from capital lease	-	1,020,000	-	-	-	-	-	15,804	-
Special item	-	-	-	-	-	-	-	-	800,000
Sale of capital assets	70,171	228,577	45,790	36,783	45,917	123,688	24,510	15,461	117,699
Issuance of refunding debt	-	-	3,950,000	8,175,000	-	-	12,165,000	-	-
Premium on issuance of debt	-	40,020	134,548	73,266	-	-	-	-	-
Payments to refunding escrow agent	-	-	(4,025,342)	-	-	-	(11,411,136)	-	-
Transfers in	5,630,967	11,580,668	3,073,696	2,303,079	4,796,573	3,488,397	3,852,528	4,570,241	10,149,648
Transfers out	(5,630,967)	(11,580,668)	(2,288,963)	(1,549,079)	(3,672,164)	(2,583,920)	(3,461,952)	(4,430,392)	(10,904,274)
Total Other Financing Sources (Uses)	<u>70,171</u>	<u>16,288,597</u>	<u>889,729</u>	<u>9,039,049</u>	<u>1,170,326</u>	<u>1,028,165</u>	<u>1,168,950</u>	<u>171,114</u>	<u>11,013,073</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ (5,496,951)</u>	<u>5,742,235</u>	<u>(597,370)</u>	<u>4,872,172</u>	<u>1,995,675</u>	<u>(285,225)</u>	<u>(890,624)</u>	<u>(2,858,486)</u>	<u>3,413,163</u>
Debt service as a percentage of noncapital expenditures	18.7 %	15.1	12.5	33.4	15.5	16.7	15.3	14.5	13.7

Note:

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

Source: Basic financial statements

GASB 34 was implemented in 2003.

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

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Railroads And Utilities</b>	<b>Assessed Value</b>	<b>Total Estimated Actual Value</b>	<b>Direct Tax Rate</b>
	<b>Residential Property</b>	<b>Commercial Property</b>					
2011	\$ 472,317	\$ 335,399	\$ 75,385	\$ 2,959	\$ 886,060	\$ 3,769,305	0.692
2010	470,815	335,157	84,470	2,986	893,428	3,787,977	0.673
2009	480,595	347,077	83,620	2,795	914,087	3,873,569	0.689
2008	459,370	346,326	84,556	2,881	893,133	3,762,594	0.691
2007	367,607	307,107	86,612	2,820	764,146	3,163,050	0.779
2006	361,777	307,555	86,774	2,367	758,473	3,132,865	0.796
2005	325,974	300,037	83,904	2,290	712,205	2,912,085	0.652
2004	325,478	298,990	83,640	2,290	710,398	2,905,407	0.652
2003	286,748	297,052	84,026	2,634	670,460	2,697,949	0.656
2002	284,752	292,087	89,103	3,624	669,566	2,690,159	0.644

Notes:

(1) Source: St. Louis County Assessor

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Taxes levied on all property in the City of Clayton										
City of Clayton	0.692	0.673	0.689	0.691	0.779	0.796	0.652	0.652	0.656	0.644
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	0.680	0.663	0.698	0.698	0.708	0.708	0.730	0.720	0.720	0.720
Special School District	0.157	0.938	0.918	0.908	0.824	0.840	0.905	0.833	0.849	0.835
St. Louis Community College	0.995	0.214	0.201	0.200	0.223	0.223	0.237	0.231	0.232	0.230
Metropolitan St. Louis Sewer District (Extension)	0.218	0.000	0.000	0.067	0.069	0.069	0.069	0.069	0.069	0.069
Metropolitan Zoological Park and Museum District	0.079	0.249	0.234	0.233	0.261	0.265	0.276	0.226	0.222	0.222
Sheltered Workshop	0.255	0.074	0.069	0.070	0.082	0.082	0.085	0.085	0.085	0.085
Deer Creek Sewer District	0.079	0.000	0.000	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Black Jack Sewer District	0.081	0.000	0.000	0.060	0.060	0.060	0.060	0.060	0.060	0.060
	<u>3.266</u>	<u>2.841</u>	<u>2.839</u>	<u>3.017</u>	<u>3.096</u>	<u>3.133</u>	<u>3.104</u>	<u>2.966</u>	<u>2.983</u>	<u>2.955</u>
School District (1):										
Clayton School District	<u>3.743</u>	<u>3.628</u>	<u>3.230</u>	<u>3.254</u>	<u>3.716</u>	<u>3.925</u>	<u>3.769</u>	<u>3.622</u>	<u>2.945</u>	<u>2.938</u>
 Total	<u><u>7.009</u></u>	<u><u>6.469</u></u>	<u><u>6.069</u></u>	<u><u>6.271</u></u>	<u><u>6.812</u></u>	<u><u>7.058</u></u>	<u><u>6.873</u></u>	<u><u>6.588</u></u>	<u><u>5.928</u></u>	<u><u>5.893</u></u>

Note:

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

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

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

Taxpayer	2011			2002		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Clayton Corporate Park Mgmt. Co.	\$ 28,712,830	1	3.24 %	\$ 24,146,820	1	3.61 %
KBS Clayton Plaza LLC	22,327,590	2	2.52	-		-
KBS11 Pierre Laclede Center LLC	21,332,300	3	2.41	22,080,000	2	3.30
Duke Realty	13,959,200	4	1.58	-		-
MEPT Shaw Park Plaza LLC	12,279,450	5	1.39	-		-
Clayton Central Investors LLC	11,764,570	6	1.33	-		-
HEF 1 - StL No. 1 LLC	11,354,330	7	1.28	12,507,200	4	1.87
Brown Shoe Company	11,056,110	8	1.25	-		-
8182 Maryland Associates	10,463,780	9	1.18	8,794,590	8	1.31
Forsyth Centre Associates LLC	8,149,920	10	0.92	-		-
EOP Clayton LLC	-		-	13,888,000	3	2.07
The Plaza Office LLC	-		-	11,241,470	5	1.68
Riggs & Company Trustee	-		-	10,924,290	6	1.63
Realty Associates Fund V	-		-	10,400,000	7	1.55
8000 Maryland LLC	-		-	8,448,000	9	1.26
CB Bemiston Tower, Inc.	-		-	7,936,000	10	1.19
<b>Total</b>	<b>\$ 151,400,080</b>		<b>17.10 %</b>	<b>\$ 130,366,370</b>		<b>19.47 %</b>

Notes:

- (1) Total assessed value of the City was \$886,059,776 as of January 1, 2010.
- (2) Total assessed value of the City was \$669,566,033 as of January 1, 2001.

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

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

<b>Fiscal Year</b>	<b>Taxes Levied For The Fiscal Year (2)</b>	<b>Collected Within The Fiscal Year Of The Levy</b>		<b>Delinquent Tax Collected Within The Fiscal Year For Previous Levies</b>	<b>Total Collections To Date (3)(4)</b>	
		<b>Amount</b>	<b>Percent Of Levy</b>		<b>Amount</b>	<b>Percent Of Levy</b>
2011	\$ 6,452,891	\$ 6,319,990	97.9 %	\$ 84,864	\$ 6,404,854	99.3 %
2010	6,255,287	6,162,067	98.5	62,071	6,224,138	99.5
2009	6,664,208	6,592,851	98.9	108,933	6,701,784	100.6
2008	6,566,784	6,458,568	98.4	70,990	6,529,558	99.4
2007	6,206,413	6,123,300	98.7	114,431	6,237,731	100.5
2006	6,251,869	6,119,773	97.9	(148,346)	5,971,427	95.5
2005	4,644,371	4,392,929	94.6	181,332	4,574,261	98.5
2004	4,587,714	4,382,118	95.5	148,628	4,530,746	98.8
2003	4,409,624	4,244,002	96.2	381,852	4,625,854	104.9
2002	4,320,414	3,902,880	90.3	171,868	4,074,748	94.3

Notes:

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

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

Fiscal Year	Governmental Activities						Business-type Activities				Total Primary Government	Percentage Of Personal Income (2)	Per Capita (2)
	Capital Improvement Bonds	Reserve For Debt Service	Net Capital Improvement Bond Debt	General Obligation Bonds	Note Payable	Capital Leases	Capital Improvement Bonds	Reserve For Debt Service	Net Capital Improvement Bond Debt	Note Payable			
2011	\$ 29,405	\$ (2,300)	\$ 27,105	\$ 1,960	\$ 1,292	\$ 893	\$ -	\$ -	\$ -	\$ -	\$ 31,250	2.34 %	\$ 1,960
2010 (7)	31,790	(2,300)	29,490	2,955	1,431	961	-	-	-	-	34,837	3.41	2,186
2009 (6)	16,680	(2,256)	14,424	3,950	-	-	1,835	(266)	1,569	1,576	21,519	2.10	1,350
2008 (5)	18,110	(2,194)	15,916	4,885	-	-	2,040	(266)	1,774	1,716	24,291	2.38	1,524
2007	18,020	(1,331)	16,689	5,760	-	4	2,240	(285)	1,955	1,846	26,254	2.57	1,648
2006	19,575	(1,304)	18,271	6,600	-	8	2,430	(280)	2,150	1,971	29,000	2.84	1,820
2005 (4)	21,230	(1,173)	20,057	7,410	-	12	2,655	(426)	2,229	2,091	31,799	3.11	1,996
2004	21,255	(1,285)	19,970	8,185	-	16	3,245	(423)	2,822	2,152	33,145	3.24	2,080
2003 (3)	21,960	(1,285)	20,675	8,930	-	-	3,380	(425)	2,955	-	32,560	3.55	2,043
2002	9,821	(1,343)	8,478	9,640	-	-	2,699	(435)	2,264	-	20,382	2.22	1,279

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to financial statements.
- (2) See "Demographic and Economic Statistics" table for personal income and population data.
- (3) In fiscal year 2003, the City issued an additional \$9,250,000 in capital improvement bonds for construction of City Hall, Shaw Park Pool, and the Fire Station.
- (4) In fiscal year 2005, capital improvement bonds of \$14,820,000 were issued to refinance the capital improvement bonds issued in fiscal year 1998.
- (5) In fiscal year 2008, capital improvement bonds of \$8,175,000 were issued to refund \$7,375,000 of the Series 2002 capital improvement bonds.
- (6) In fiscal year 2009, general obligation refunding bonds, Series 2009 in the amount of \$3,950,000 were issued to refund \$3,970,000 of the Series 1999 bond issuance.
- (7) In fiscal year 2010, capital improvement bonds of \$15,000,000 were issued to finance the purchase and renovation of the new Police Station. Business-type activities were combined with governmental activities.

Source: Basic financial statements



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

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Percentage Of Actual Taxable Value of Property (2)</u>	<u>Per Capita (3)</u>
2011	\$ 1,960	0.22 %	123
2010	2,955	0.33	185
2009	3,950	0.43	249
2008	4,885	0.55	307
2007	5,760	0.75	36
2006	6,600	0.87	414
2005	7,410	1.04	465
2004	8,185	1.16	514
2003	8,930	1.33	560
2002	9,640	1.44	605

Notes:

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

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

**CITY OF CLAYTON, MISSOURI**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT (1) -**  
**GENERAL OBLIGATION BONDED DEBT**  
**SEPTEMBER 30, 2011**

<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	\$ 26,085,000	3.78 %	\$ 986,013
Clayton School District	102,435,097	86.38	88,483,437
Subtotal	128,520,097		89,469,450
City of Clayton	1,960,000	100.00	1,960,000
Total	<u>\$ 130,480,097</u>		<u>\$ 91,429,450</u>

(1) Sources:

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

**CITY OF CLAYTON, MISSOURI**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS (IN THOUSANDS)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Debt limit (1)	\$ 88,606	89,343	91,409	89,313	76,415	75,847	71,221	71,040	67,046	66,957
Total net debt applicable to debt limit	<u>2,238</u>	<u>2,383</u>	<u>3,092</u>	<u>4,097</u>	<u>4,993</u>	<u>5,859</u>	<u>6,680</u>	<u>7,431</u>	<u>8,137</u>	<u>8,830</u>
Legal Debt Margin	<u>\$ 86,368</u>	<u>86,960</u>	<u>88,317</u>	<u>85,216</u>	<u>71,422</u>	<u>69,988</u>	<u>64,541</u>	<u>63,609</u>	<u>58,909</u>	<u>58,127</u>
Total net debt applicable to the limit as a percentage of debt limit	2.53 %	2.67	3.38	4.59	6.53	7.72	9.38	10.46	12.14	13.19

Note:

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

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

Source: Basic financial statements

**CITY OF CLAYTON, MISSOURI**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

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<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (Thousands Of Dollars)</b>	<b>Median Household Income (2)</b>	<b>Clayton School District Enrollment (3)</b>	<b>Unemployment Rate (4)</b>
2011	15,939	\$ 1,337,920	\$ 83,940	2,455	4.6 %
2010	15,935	1,022,772	64,184	2,509	5.2
2009	15,935	1,022,772	64,184	2,478	5.4
2008	15,935	1,022,772	64,184	2,490	3.5
2007	15,935	1,022,772	64,184	2,479	2.8
2006	15,935	1,022,772	64,184	2,460	2.6
2005	15,935	1,022,772	64,184	2,558	2.5
2004	15,935	1,022,772	64,184	2,548	2.6
2003	15,935	917,250	57,562	2,478	2.8
2002	15,935	917,250	57,562	2,442	2.6

Notes:

- (1) Source: Data for 2002 - 2011 for current population estimate revised census 2000 from U.S. Census Bureau dated December 7, 2001. Source of data for 2011 from 2010 U.S. Census Bureau.
- (2) Source: Sources of data for 2002 - 2003 from 1990 U.S. Census Bureau. Sources of data for 2004 to 2011 from 2000 U.S. Census Bureau.
- (3) Source: Administrative Office - School District of Clayton.
- (4) Source: 2002 through 2011 from Missouri Department of Economic Development (based on 2000 census).

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

<u>Taxpayer</u>	<u>2011</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment(1)</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment(2)</u>
St. Louis County	2,195	1	6.27 %	1,800	1	5.44 %
Enterprise Holdings, Inc.	1,499	2	4.28	1,022	2	3.09
Brown Group	988	3	2.82	454	4	1.37
Centene Corporation	866	4	2.47	-	-	-
Commerce Bank NA	506	5	1.45	436	5	1.32
Clayton School District	450	6	1.29	470	3	1.42
Armstrong Teasdale	412	7	1.18	-	-	-
Ritz Carlton	286	8	0.82	400	6	1.21
Ernst & Young	266	9	0.76	-	-	-
Sheraton Clayton Plaza Hotel	259	10	0.74	179	10	0.54
The Earthgrains Company	-	-	-	375	7	1.13
Clark Refining & Marketing	-	-	-	374	8	1.13
Bank of America	-	-	-	207	9	0.63
<b>Total</b>	<u><u>7,727</u></u>		<u><u>22.08 %</u></u>	<u><u>5,717</u></u>		<u><u>17.28 %</u></u>

Notes:

- (1) Percentage for 2011 based on 35,000 total daytime employees in the Central Business District.
- (2) Percentage for 2001 based on estimate of 33,100 total daytime employees in the Central Business District.

Source: Business License Database from City of Clayton Finance Division, St. Louis County Human Resources Division and the Clayton School District.

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

<b>FUNCTIONS/PROGRAMS</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>General government:</b>										
Elected officials	7	7	7	7	7	7	7	7	7	7
City Clerk (1)	-	-	-	-	-	1	1	1	1	1
City Manager	5	5	5	5	5	4	4	3	3	3
Economic development (2)	-	-	-	-	-	-	-	1	1	1
Human resources	2	2	2	2	2	2	2	2	2	2
Finance	6	7	7	7	7	7	7	6	6	6
Municipal court	2	3	3	3	3	3	3	3	3	3
Information systems	4	3	3	3	3	3	3	3	3	3
Planning and development	10	10	10	10	10	10	10	10	10	10
<b>Police:</b>										
Officers	52	52	52	52	52	52	52	52	53	53
Civilians (3)	7	7	7	7	8	8	8	8	14	15
<b>Fire:</b>										
Firefighters and officers	35	35	35	35	35	35	35	35	32	33
Civilians	1	1	1	1	1	1	1	1	1	1
<b>Public works:</b>										
Engineering (5)	6	6	6	5	5	5	5	5	5	6
Street maintenance	16	16	16	16	16	16	16	16	17	16
Vehicle maintenance	4	4	4	4	5	5	5	5	5	5
Building maintenance	2	2	2	2	3	3	3	3	2	3
Parking maintenance	1	1	1	1	1	1	1	1	1	1
<b>Parks and recreation:</b>										
Administration/recreation (4)	17	17	17	16	15	14	14	14	13	13
Parks maintenance	9	9	9	9	9	9	9	9	9	10
<b>Total</b>	<b>186</b>	<b>187</b>	<b>187</b>	<b>185</b>	<b>187</b>	<b>186</b>	<b>186</b>	<b>185</b>	<b>188</b>	<b>192</b>

**Notes:**

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

Source: City of Clayton Annual Budgets (2002-2011)

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

FUNCTIONS/PROGRAMS	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>Police:</b>									
Arrests	1,217	1,334	1,127	959	1,176	973	848	670	432
Parking violations	2,182	2,046	2,448	2,890	3,729	5,362	4,114	4,526	4,579
Traffic violations	7,061	6,831	7,248	7,053	6,011	7,626	7,402	5,364	5,423
Parking tickets**	37,198	41,366	41,624	44,200	43,427	44,221	50,222	57,738	59,829
<b>Fire:</b>									
Emergency response ambulance	1,524	1,474	1,511	1,648	1,497	1,430	1,370	1,418	1,212
Emergency response - fire	1,639	1,763	1,863	1,739	1,665	1,420	1,460	1,470	1,639
Inspections	787	660	691	717	656	520	767	800	907
<b>Parks and recreation:</b>									
Shaw Park Pool - passes	1,189	1,145	913	1,025	871	651	528	542	533
Shaw Park Ice Rink - passes	53	38	17	15	-	8	16	13	11
Platinum passes	525	402	348	267	152	-	-	-	-
Tennis Court - passes	43	40	13	17	9	8	26	30	26
Pool/Tennis - passes	N/A	N/A	44	56	66	57	69	73	81
Tri passes (pool/rink/tennis)	N/A	N/A	-	4	-	13	12	11	2
Shelter rentals (including picnic pads)	305	282	245	269	306	266	497	391	468
<b>Planning and development:</b>									
Residential permits issued	308	273	219	299	282	304	172	202	173
Estimated cost of construction for residential permits	\$ 22,374,538	16,600,417	15,892,142	26,602,257	33,021,571	43,081,206	29,333,420	20,694,236	33,443,381
Commercial permits issued	153	150	147	183	135	113	274	281	272
Estimated cost of construction for commercial permits	\$ 52,113,313	71,793,104	123,209,999	71,511,966	28,898,204	57,891,052	31,775,928	68,617,644	33,135,438
<b>Finance and administration:</b>									
Business licenses issued	805	816	807	787	791	889	894	893	890
Liquor licenses issued	60	62	56	63	62	63	67	64	62

**Notes:**

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

\*\*Parking tickets not included in parking violations.

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

Sources: City of Clayton Annual Reports (2003 - 2011), various City departments

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

FUNCTIONS/PROGRAMS	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	25	26	26	26	25	25	25	25	25	25
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire hydrants	371	371	371	371	371	371	371	371	371	371
Vehicles:										
Ladder trucks	1	1	1	1	1	1	1	1	1	1
Pumpers	1	1	1	1	1	1	1	1	1	1
Rescue trucks	1	1	-	-	1	1	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Command vehicles	3	3	3	3	3	3	3	3	3	3
Public works:										
Miles of streets - paved (1)	98.7	98.7	99.1	38.0	46.7	46.7	46.7	46.7	46.7	46.7
Miles of alleys (3)	6.5	6.5	19.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Miles of sidewalks (5)	54	54	39	39	39	39	39	39	39	39
Number of street lights	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,190	2,190
Number of traffic signals (4)	24	24	24	28	28	28	28	28	27	27
Parks and recreation:										
Acres of parks	84.4	84.4	84.4	84.4	84.4	84.4	84.4	84.3	84.3	84.3
Number of parks (2)	10	10	10	10	10	10	10	9	9	9
Athletic complex	1	1	1	1	1	1	1	1	1	1
Aquatic center	1	1	1	1	1	1	1	1	1	1

Notes:

- (1) In 2008, survey taken by public works resulted in new figures. Miles include private subdivisions located in and maintained by the City.  
 In 2009, based on lane mile unit of measure (unit is more consistent with standards) where 1 mile of pavement 12 ft. wide equals one lane mile.
- (2) In 2005, added Whitburn Park - size 1/8 acre.
- (3) In 2009, based on lane mile unit of measure (unit is more consistent with standards) where 1 mile of pavement 12 ft. wide equals one lane mile.  
 In 2010, based on lane mile unit of measure where 1 mile of pavement 15 ft. wide equals one lane mile. (15 ft. represents a standard residential alley width).
- (4) In 2009, changed to number of signalized intersections owned and maintained by the City.
- (5) Quantity represents paved linear miles of sidewalk.

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

Source: City of Clayton Annual Reports (2002 - 2011), various City departments