

CITY OF CLAYTON, OHIO ANNUAL FINANCIAL REPORT

*For the Year
Ended
December 31,
2020*

**CITY OF CLAYTON
MONTGOMERY COUNTY, OHIO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT (AFR)

FOR THE YEAR ENDED
DECEMBER 31, 2020

KEVIN SCHWEITZER, CPA, FINANCE DIRECTOR

CITY OF CLAYTON, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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June 23, 2021

Citizens of Clayton
Members of Council
City of Clayton, Ohio

We are pleased to present the seventeenth Annual Financial Report (AFR) for the City of Clayton. This report, for the year ended December 31, 2020, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Clayton (the "City").

State law requires that every general-purpose local government file with the Auditor of State of Ohio and publish the availability of the financial statements within 150 days of the close of each year. The general purpose external financial statements from this report were filed to fulfill that requirement for the year ended December 31, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Clark Schaefer Hackett has issued an unmodified ("clean") opinion on the City of Clayton's financial statements for the year ended December 31, 2020. The Independent Auditors' Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OVERVIEW

Randolph Township was formed in 1802 out of the Northwest Territory. Hipple's Mill, later known as Salem, was platted in 1814 as the unincorporated Village of Salem. In 1940, Salem was briefly changed to West Salem and about one year later it was incorporated as the Village of Clayton (there was already an incorporated Village of Salem). On January 1, 1998, Randolph Township and the Village of Clayton merged to form the current boundary lines of the City of Clayton. In November of that year, as a result of the Village of Clayton having more than 5,000 electors registered in the Village at the 1998 General Election, the Secretary of State proclaimed the Village of Clayton to be a city effective December 31, 1998.

The City of Clayton is the newest city in the Northmont community. It is just minutes from Interstates 70 and 75, major shopping areas, and the Dayton International Airport. The City of Clayton is located in central western Ohio just north of Dayton. It is located within Montgomery County, Ohio approximately midway between Indianapolis and Columbus.

CITY ORGANIZATION AND REPORTING ENTITY

The current charter provides for a Council-Manager form of government. The City Council consists of seven members elected from the community to serve staggered four year terms. Three are elected at-large, three are from wards, and the Mayor is elected at large. As a Council member, the Mayor has the right to vote on all issues before the Council. Council appoints the City Manager. The City Manager appoints all department managers of the City.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the City are not misleading.

The primary government consists of all funds and departments which provide various services including police and fire/EMS protection, sewer services, street maintenance and repair, zoning, and staff to provide support services (i.e., payroll processing and accounts payable). The City Manager has direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves their budget, the issuance of their debt or the levying of their taxes. Currently, the City does not have any component units.

The City participates in a joint venture, the Clay Township-City of Clayton Joint Economic Development District (the "District") with Clay Township. The District was established for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the District. The District will permit the City and the Township to share income tax revenues from the development of business operations within the District. The Miami Valley Regional Planning Commission is a jointly governed organization. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that City resources are efficiently used, that economic growth is properly balanced, and that City economic development is coordinated with that of the State of Ohio and other local governments. The City belongs to the Public Entitles Pool of Ohio, a risk-sharing pool available to Ohio local governments. These organizations are presented in Notes 18, 19 and 20.

Council adopts an annual budget prior to the beginning of the year. Upon the presentation by the City Manager of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget, as it may have been amended, as the City's annual budget effective for the year beginning January 1.

This annual budget serves as the foundation for the City of Clayton's financial planning and control. The budget is prepared by fund, program, personal services and all other objects level for all funds. Department heads may transfer resources within a department as they see fit.

ITEMS OF LOCAL INTEREST

Parks and Recreation

The City contains five parks covering 216.27 acres and provides year-round recreational and educational programs for its citizens. Hardscrabble Park is a 21.1 acre park that provides outdoor playing fields and is the home of the Clayton Hardscrabble Baseball League. Northview Playground is a 6.37 acre park with playground equipment, a picnic shelter and basketball courts. Westbrook Park is a 17.8 acre park with walking trails and tennis courts. Meadowbrook at Clayton golf course is an 18 hole course with a driving range and a full service banquet facility that the City has owned since 2015.

Culture and Education

The City has many nearby educational facilities, churches, cultural resources, parks and playgrounds. Numerous colleges and universities in the surrounding metropolitan area provide excellent opportunities and facilities for higher educational study to the citizens of Clayton.

The city is also located within 15 miles of three outdoor music venues.

The Miami Valley Career-Technology Center offers various areas of study, primarily to provide education in the industrial and commercial field. In addition, an adult education program offers courses in a wide variety of subjects.

Transportation

The Dayton International Airport is located five miles east of the City and offers full commercial air passenger and freight service by many major airlines.

Several motor transport companies are based in the area and, together with those of the adjacent metropolitan areas, provide reliable freight transportation to and from the City.

An extensive network of interstate and State highways, including I-75, I-675, I-70 and State Routes 49, 40 and 48 serve the City and surrounding communities.

ECONOMIC CONDITIONS AND OUTLOOK

The City was looking to move forward after the 2019 Memorial Day tornadoes that hit Clayton and the region which disrupted operations and plans last year. Two months into 2020, we once again had to ignore plans and goals to deal with the COVID-19 pandemic. Then we added social protests in neighboring cities and a turbulent election on top of the pandemic.

The City administration worked from home for a short period, but the frontline departments: Police, Fire and Service, still showed up for work every day to deliver services to the residents. The Golf Department felt the biggest impact from the pandemic with a brief closure of the course, restricted banquet services and adjustments to golf play to abide by the health requirements.

City Council adapted to holding virtual meetings which still allowed citizen input. New processes were initiated, and new technologies utilized. Some things worked well; others needed some adjustments.

Major points of action that occurred in Clayton during 2020 were as follows:

- Approximately \$701,445 of road improvements were completed during the year. The majority of these improvements were in preparation for a state grant in 2021 that will pave all lane miles of State Route 49 that is within the City.
- The stalled development of the Villages of North Clayton was purchased by a new developer which presented their vision of family, multi-family and retail to Council. Model homes and commercial buildings should be under construction in 2021. The developer is well known, and interest could spur other development opportunities.
- The city was under the leadership of a new City Manager. Amanda Zimmerlin started in early March and had to manage her new assignment during the onset and duration of the pandemic.
- Despite the restrictions to golf play due to COVID-19, the golf course saw a record high of rounds played in 2020. The lack of competing activities as well as the closure of two City of Dayton golf courses were contributing factors to the increase play.
- The city entered into a fire services collaborative agreement with two neighboring cities, Englewood, and Union. This agreement will aid in staffing, fire response and equipment requirements. This will also cut expenditures for staffing, personal protection equipment and apparatus.

The City did suffer a decrease in income tax collection as result of the pandemic. In addition to local businesses closing and/or reduced hours and residents who were laid off, the State included in House Bill 197 new income tax requirements for individual working remotely. It treats employees who report to a temporary worksite during the COVID-19 emergency period as working at their principal place of work. Employees working from home during the pandemic are considered working in the location where they would typically be reporting on a regular and ordinary basis. So accordingly, under H.B. 197, employers may continue withholding municipal income taxes based on their employees' principal place of work, rather than where they actually are working during the pandemic. Even though there were obstacles in 2020, several new businesses were started in the City and home sales are occurring at brisk pace and elevated price.

The City did receive \$764,237 in Coronavirus Relief Fund monies to aid with addressing all aspects of the City's operations in dealing with the pandemic. Several projects to obtain Personal Protection Equipment, touchless fixtures and personnel cost were undertaken with these monies.

Even though there were obstacles in 2020, several new businesses were started in the City and home sales are occurring at brisk pace and elevated price.

To further enhance potential economic development opportunities, City Council continues to belong to the Montgomery County ED/GE program. The ED/GE program is a combined economic development/tax-sharing program whose participants include Montgomery County and its townships, villages and cities. The City also participates in the Community Development Block Grant program with the County. The City has received various monies from CDBG funding the past several years.

Despite these challenges, City staff is currently assisting several development companies with potential housing developments in the western area of the City which would attract new residents and increase the income and property tax base.

FINANCIAL PLANNING AND POLICIES

The Finance Department updated the investment policy in 2014. Its primary objectives are safety, liquidity and yield. Policies on Capital Assets, Budgeting, Accounting, Debt, Fund Reserves, and Capital Improvements were also completed.

The City of Clayton contracts with the Central Collection Agency (CCA) to administer the tax ordinances and collect the City income taxes by the authority of those ordinances. The credit given to residents who work outside of the City and pay taxes to those cities was also reduced from one hundred percent to fifty percent for 2016.

The City of Clayton also continues to maintain a Moody's "Aa2" bond rating.

The following items are the goals established by City Council. These goals provide a plan for the City to continue the consistent, reliable service to the citizens, providing a safe and secure community as well as aiding in a solid economic development plan for the present and future. These goals directly affect the long-term financial planning and budgeting and are reviewed throughout the year as to the measure of striving or reaching these goals.

GOALS

A. Maintain Financial Stability

Priorities:

- Broaden the tax base by expanding commercial and retail economic opportunities
- Pursue grants and new revenue sources for essential services
- Only take on debt to fund essential projects that have no other funding source

B. Broaden the economic base to reduce the financial burden and increase urban amenities

Priorities:

- Develop a five-year Economic Development Plan to include commercial and retail development
- Cultivate diverse business, including North Clayton
- Develop a business attraction and retention strategy
- Work with the Joint Economic Development District to generate business for additional City income
- Update the City's economic development statistics
- Contract for a property that can be "shovel ready" for economic development purposes

C. Make Clayton a better place to live (including improving and expanding the infrastructure)

Priorities:

- Improve the appearance of the City
 - Main Street – streets, curbs, gutters and sidewalks
 - Salem Avenue – streets, curbs and gutters
 - Develop a budget to support the priorities
- Develop a Comprehensive Road Revitalization Plan and schedule
- Plan more community engagement activities

MAJOR INITIATIVES

- The emphasis of replacing road, curb and gutter continued in 2020 with all of State Route 49 curb being replaced in preparation of the State of Ohio paving State Route 49 in 2021.

- The City was able to upgrade the Council Chambers Video/Audio system with funds from the CARES Act by installing a new system that allowed streaming to numerous platforms including Zoom which allowed residents to interact with Council meetings during the pandemic and abide by health orders limiting gathering sizes.
- The city continued its cooperation with Northmont City Schools, Miami Valley Career Technical Center as well as neighboring cities in acquiring or borrowing personnel and equipment. This process reduces the need to purchase equipment that is not consistently needed and allows resources to be utilized elsewhere.
- A concentrated effort to improve efficiencies and services at the golf course will receive focus in the fall of 2021 with input from Staff as well as Council.

OTHER INFORMATION

Independent Audit

An audit team from Clark Schaefer Hackett has performed this year's audit. The results of the audit are presented in the Independent Auditors' Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clayton for its Annual Financial Report (AFR) for the year ended December 31, 2019. This was the seventeenth year that the City of Clayton achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized AFR. 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. We believe that our current AFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. We would also like to express appreciation to the Montgomery County Auditor's office for their continued effort in helping gather the information presented in the report. Finally, we would like to express appreciation to Julian & Grube, Inc. for their guidance and assistance in preparing this report.

Respectively Submitted,


Amanda Zimmelin
City Manager


Kevin A. Schweitzer, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Clayton
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

City of Clayton, Ohio

Principal Officials
December 31, 2020

Elected

Mayor..... Mike Stevens
Vice-Mayor..... Tim Gorman
Council..... Dennis Lieberman
Council..... Brendan Bachman
Council..... Kenneth C. Henning
Council..... Greg Merkle
Council..... Tina Kelly

Appointed

City Manager Amanda Zimmerlin
Director of Finance Kevin A. Schweitzer, CPA, CGFM
Clerk of Council Barbara Seim
Law Director Martina Dillon
Director of Economic Development Jack Kuntz
Chief of Police Matt Hamlin
Chief of Fire Brian Garver

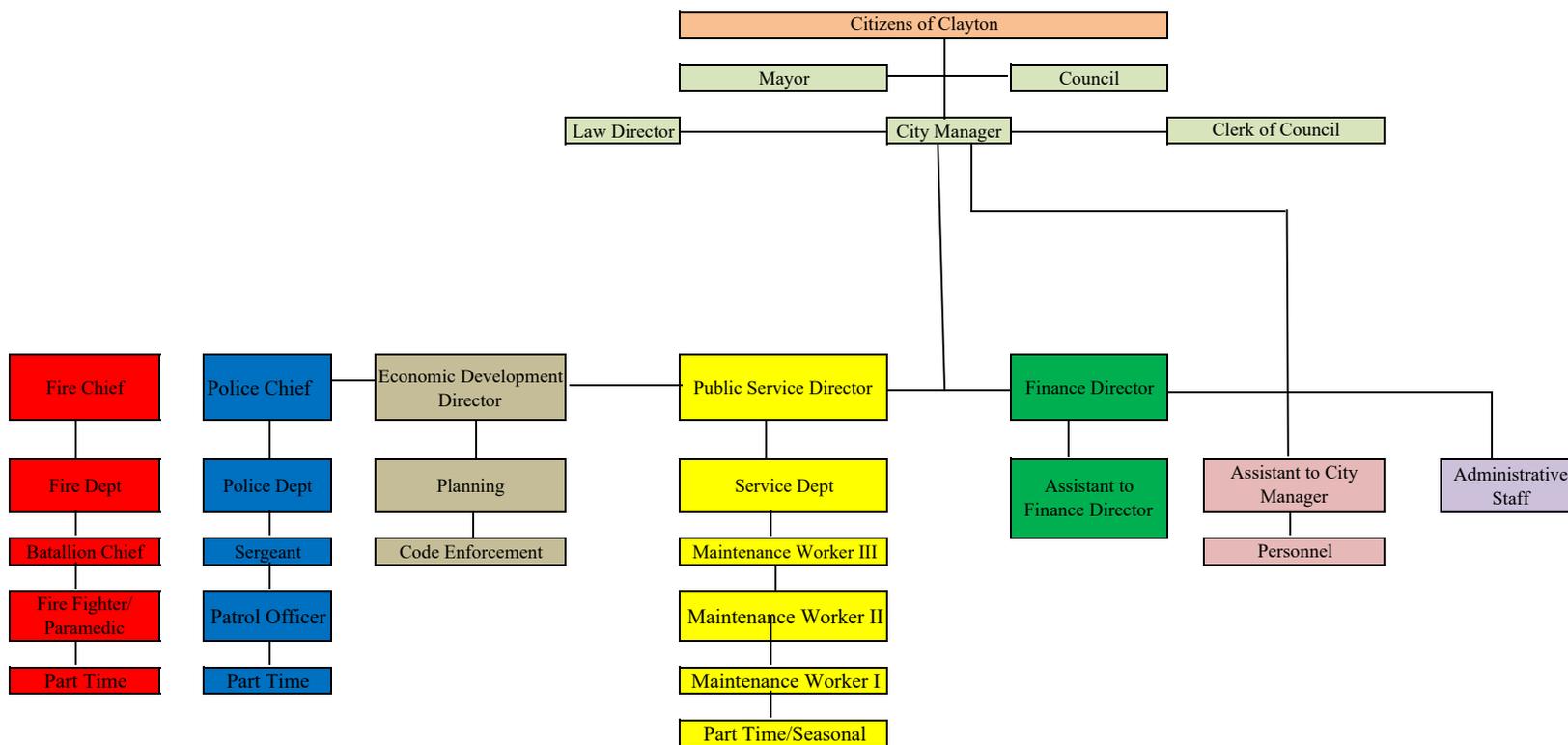
CITY OF CLAYTON ORGANIZATIONAL CHART

ADMINISTRATIVE OFFICES MISSION

The administration offices of the City of Clayton will have high standards of excellence in delivering City services. Tending to public health, safety, morals, comfort, general welfare, and supporting and guiding future City developments. Undertaking this mission to promote economic prosperity and enhanced quality of life to make a difference in our community for future generations.

SERVICE DEPARTMENT MISSION

The Service Department will strive to provide the highest quality service possible to the City of Clayton. We will strive to provide the highest quality service for all seasonal activities and general maintenance of both facilities and equipment.



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INDEPENDENT AUDITORS' REPORT

City Council
City of Clayton, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Ohio, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Police, Fire, and Street Department Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the City's proportionate share of the net pension and OPEB liabilities, and the schedules of the City's pension and OPEB contributions, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining financial statements, individual fund schedules, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021 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. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 23, 2021

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

The management's discussion and analysis of the City of Clayton's (the "City") financial performance provides an overall review of the City's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The total net position of the City increased \$825,920. Net position of governmental activities increased \$800,522 or 4.62% from 2019's net position, and net position of business-type activities increased \$25,398 or 8.10% from 2019's net position.
- General revenues accounted for \$8,650,840 or 68.42% of total governmental activities revenue. Program specific revenues accounted for \$3,993,121 or 31.58% of total governmental activities revenue.
- The City had \$11,642,247 in expenses related to governmental activities; \$3,993,121 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$7,649,126 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$8,650,840.
- The general fund had revenues and other financing sources of \$4,761,425 in 2020. Excluding transfers, this represents a decrease of \$1,241,290 from 2019 revenues. The expenditures and other financing uses of the general fund, which totaled \$4,504,069 in 2020, decreased \$1,183,649 from 2019. Expenditures excluding transfers decreased \$776,914. The net increase in fund balance for the general fund was \$257,356 or 5.01% compared with the 2019 balance.
- The police fund had revenues and other financing sources of \$2,379,071 in 2020. This represents an increase of \$187,939 from 2019 revenues and other sources. The expenditures of the police fund, which totaled \$2,051,914 in 2020, decreased \$174,181 from 2019. The net increase in fund balance for the police fund was \$327,157, resulting in a fund balance of \$373,920.
- The fire fund had revenues and other financing sources of \$1,513,843 in 2020. This represents an increase of \$97,931 from 2019 revenues and other financing sources. The expenditures of the fire fund, which totaled \$1,251,060 in 2020, decreased \$178,155 from 2019. The net increase in the fund balance for the fire fund was \$262,783 or 228.36%.
- The street fund had revenues and other financing sources of \$1,322,305 in 2020. This represents a decrease of \$25,320 from 2019 revenues and other financing sources. The expenditures of the street fund, which totaled \$1,150,427 in 2020, decreased \$58,539 from 2019. The net increase in the fund balance for the street fund was \$171,878 or 49.75%.
- The bond retirement fund had revenues and other financing sources of \$838,626 in 2020. The expenditures and other financing uses of the bond retirement fund totaled \$848,235 in 2020. The net decrease in the fund balance for the bond retirement fund was \$9,609.
- The capital improvement fund had revenues and other financing sources of \$1,472,631 in 2020. The expenditures of the capital improvement fund totaled \$1,477,423 in 2020. The net decrease in the fund balance for the capital improvement fund was \$4,792 or 0.67%. Utilization of a prior year bond proceeds for capital improvements caused the decrease.
- Net position for the business-type activities, which is made up of the sewer operating department, increased in 2020 by \$25,398.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

- In the general fund, the actual revenues and other financing sources came in \$573,828 more than they were in the final budget and actual expenditures and other financing uses were \$1,489,924 less than the amount in the final budget. Final budgeted revenues and other financing sources were \$101,085 less than the original budgeted revenues and other financing sources. Budgeted expenditures and other financing uses increased \$15,107 from the original to the final budget.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to these statements. These statements are organized so the reader can understand the City as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the City as a whole, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, the view of the City as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. This change in net position is important because it tells the reader that, for the City as a whole, the financial position of the City has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and other factors.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

Governmental activities - Most of the City's programs and services are reported here including police, fire, street department, capital improvements and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's sewer operating department is reported here.

The City's statement of net position and statement of activities can be found on pages 17-19 of this report.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page 11.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major funds and nonmajor funds. The City's major governmental funds are the general fund, police fund, fire fund, street fund, bond retirement fund and capital improvement fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages 20-30 of this report.

Proprietary Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer function. City's enterprise funds considered to be major funds include the sewer operating fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City reports no internal service funds. The basic proprietary fund financial statements can be found on pages 31-35 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statement can be found on page 36-37 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These notes to the basic financial statements can be found on pages 38-87 of this report.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension and OPEB liabilities. The required supplementary information can be found on pages 90-105 of this report.

Government-Wide Financial Analysis

The statement of net position provides the perspective of the City as a whole. The table on the following page provides a summary of the City's net position for 2020 compared to 2019.

	2020		2019		Net Position	
	2020	2019	2020	2019	2020	2019
	Governmental	Governmental	Business-type	Business-type	Total	Total
	Activities	Activities	Activities	Activities		
Assets						
Current and other assets	\$ 17,056,126	\$ 15,956,013	\$ 25,730	\$ 25,730	\$ 17,081,856	\$ 15,981,743
Capital assets, net	<u>21,748,089</u>	<u>22,296,349</u>	<u>2,566,186</u>	<u>2,656,397</u>	<u>24,314,275</u>	<u>24,952,746</u>
Total assets	<u>38,804,215</u>	<u>38,252,362</u>	<u>2,591,916</u>	<u>2,682,127</u>	<u>41,396,131</u>	<u>40,934,489</u>
Deferred outflows	<u>3,114,244</u>	<u>4,411,680</u>	<u>-</u>	<u>-</u>	<u>3,114,244</u>	<u>4,411,680</u>
Liabilities						
Current liabilities	161,236	408,368	-	7,781	161,236	416,149
Long-term liabilities:						
Due within one year	1,203,218	1,168,536	112,184	107,828	1,315,402	1,276,364
Net pension liability	7,350,752	9,016,010	-	-	7,350,752	9,016,010
Net OPEB liability	2,651,286	2,423,552	-	-	2,651,286	2,423,552
Other liabilities	<u>7,711,911</u>	<u>8,752,925</u>	<u>2,140,823</u>	<u>2,253,007</u>	<u>9,852,734</u>	<u>11,005,932</u>
Total liabilities	<u>19,078,403</u>	<u>21,769,391</u>	<u>2,253,007</u>	<u>2,368,616</u>	<u>21,331,410</u>	<u>24,138,007</u>
Deferred inflows	<u>4,705,204</u>	<u>3,560,321</u>	<u>-</u>	<u>-</u>	<u>4,705,204</u>	<u>3,560,321</u>
Net Position						
Net investment in capital assets	13,478,573	13,102,615	313,179	295,562	13,791,752	13,398,177
Restricted	4,765,875	5,126,149	-	-	4,765,875	5,126,149
Unrestricted (deficit)	<u>(109,596)</u>	<u>(894,434)</u>	<u>25,730</u>	<u>17,949</u>	<u>(83,866)</u>	<u>(876,485)</u>
Total net position	<u>\$ 18,134,852</u>	<u>\$ 17,334,330</u>	<u>\$ 338,909</u>	<u>\$ 313,511</u>	<u>\$ 18,473,761</u>	<u>\$ 17,647,841</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$18,473,761. At year-end, net position was \$18,134,852 and \$338,909 for the governmental activities and the business-type activities, respectively.

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Capital assets, net of related debt, reported on the government-wide statements represent the largest portion of the City's net position. At year-end, capital assets, net represented 58.74% of total assets. Capital assets include land, buildings, improvements other than buildings, furniture, fixtures and equipment, vehicles, and infrastructure. The City's net investment in capital assets at December 31, 2020, was \$13,478,573 and \$313,179 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending.

A portion of the City's net position, \$4,765,875 represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit of \$(109,596).

The table below shows the changes in net position for years 2020 and 2019.

	Change in Net Position					
	2020 Governmental Activities	2019 Governmental Activities	2020 Business-Type Activities	2019 Business-Type Activities	2020 Total	2019 Total
Revenues						
Program revenues:						
Charges for services	\$ 1,711,395	\$ 1,911,236	\$ -	\$ -	\$ 1,711,395	\$ 1,911,236
Operating grants and contributions	2,127,404	906,114	-	-	2,127,404	906,114
Capital grants and contributions	<u>154,322</u>	<u>261,405</u>	<u>-</u>	<u>-</u>	<u>154,322</u>	<u>261,405</u>
Total program revenues	<u>3,993,121</u>	<u>3,078,755</u>	<u>-</u>	<u>-</u>	<u>3,993,121</u>	<u>3,078,755</u>
General revenues:						
Property taxes	2,430,603	2,393,970	-	-	2,430,603	2,393,970
Other local taxes	352,218	339,963	-	-	352,218	339,963
Unrestricted grants and entitlements	761,671	583,312	-	-	761,671	583,312
Payment in lieu of taxes	479,990	497,829	-	-	479,990	497,829
Municipal income taxes	4,406,656	4,875,365	-	-	4,406,656	4,875,365
Investment earnings	149,948	447,639	-	-	149,948	447,639
Investment in joint venture	-	12,715	-	-	-	12,715
Miscellaneous	<u>69,754</u>	<u>270,969</u>	<u>-</u>	<u>26,517</u>	<u>69,754</u>	<u>297,486</u>
Total general revenues	<u>8,650,840</u>	<u>9,421,762</u>	<u>-</u>	<u>26,517</u>	<u>8,650,840</u>	<u>9,448,279</u>
Total revenues	<u>12,643,961</u>	<u>12,500,517</u>	<u>-</u>	<u>26,517</u>	<u>12,643,961</u>	<u>12,527,034</u>
Expenses:						
General government	3,215,976	3,373,787	-	-	3,215,976	3,373,787
Security of persons and property	4,467,551	2,108,856	-	-	4,467,551	2,108,856
Public health and welfare	780,866	3,570	-	-	780,866	3,570
Transportation	1,995,699	2,671,943	-	-	1,995,699	2,671,943
Leisure time activities	898,166	1,113,517	-	-	898,166	1,113,517
Interest and fiscal charges	283,989	306,772	-	-	283,989	306,772
Water	-	-	-	22,182	-	22,182
Sewer	-	-	175,794	187,415	175,794	187,415
Total expenses	<u>11,642,247</u>	<u>9,578,445</u>	<u>175,794</u>	<u>209,597</u>	<u>11,818,041</u>	<u>9,788,042</u>
Change in net position before transfers	1,001,714	2,922,072	(175,794)	(183,080)	825,920	2,738,992
Transfers	<u>(201,192)</u>	<u>(78,070)</u>	<u>201,192</u>	<u>78,070</u>	<u>-</u>	<u>-</u>
Change in net position	800,522	2,844,002	25,398	(105,010)	825,920	2,738,992
Net position						
at beginning of year	<u>17,334,330</u>	<u>14,490,328</u>	<u>313,511</u>	<u>418,521</u>	<u>17,647,841</u>	<u>14,908,849</u>
Net position at end of year	<u>\$ 18,134,852</u>	<u>\$ 17,334,330</u>	<u>\$ 338,909</u>	<u>\$ 313,511</u>	<u>\$ 18,473,761</u>	<u>\$ 17,647,841</u>

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Governmental Activities

Governmental activities net position increased 4.62% or \$800,522 in 2020.

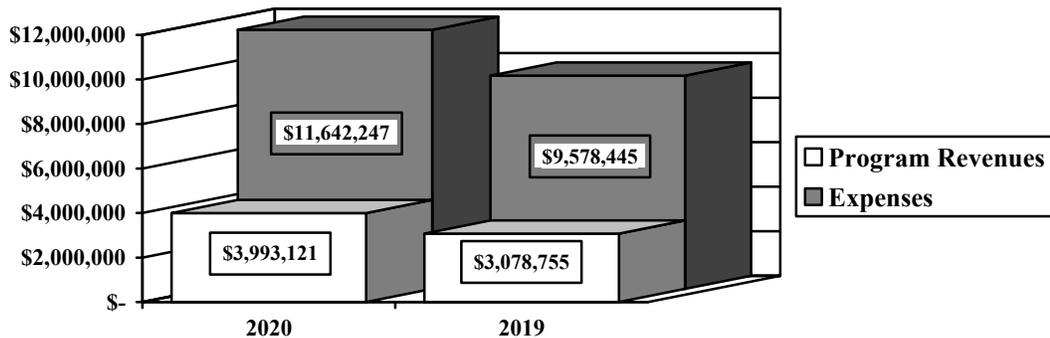
Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$4,467,551 of the total governmental expenses of the City. These expenses were partially funded by \$704,214 in direct charges to users of the services and \$438,454 in operating grants and contributions. Transportation expenses totaled \$1,995,699. Transportation expenses were partially funded by \$90,814 in direct charges to users of the services and \$920,908 in operating grants and contributions. General government expenses totaled \$3,215,976. General government expenses were partially funded by \$305,568 in direct charges to users of the services and \$154,322 in capital grants and contributions.

The state and federal government contributed to the City a total of \$2,127,404 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$8,650,840 and amounted to 68.42% of total governmental revenues. These revenues primarily consist of property taxes, other local taxes and income tax revenue of \$7,189,477. Unrestricted grants and entitlements of \$761,671, which includes local government funds, is the other primary source of general revenues.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities - Program Revenues vs. Total Expenses



CITY OF CLAYTON, OHIO

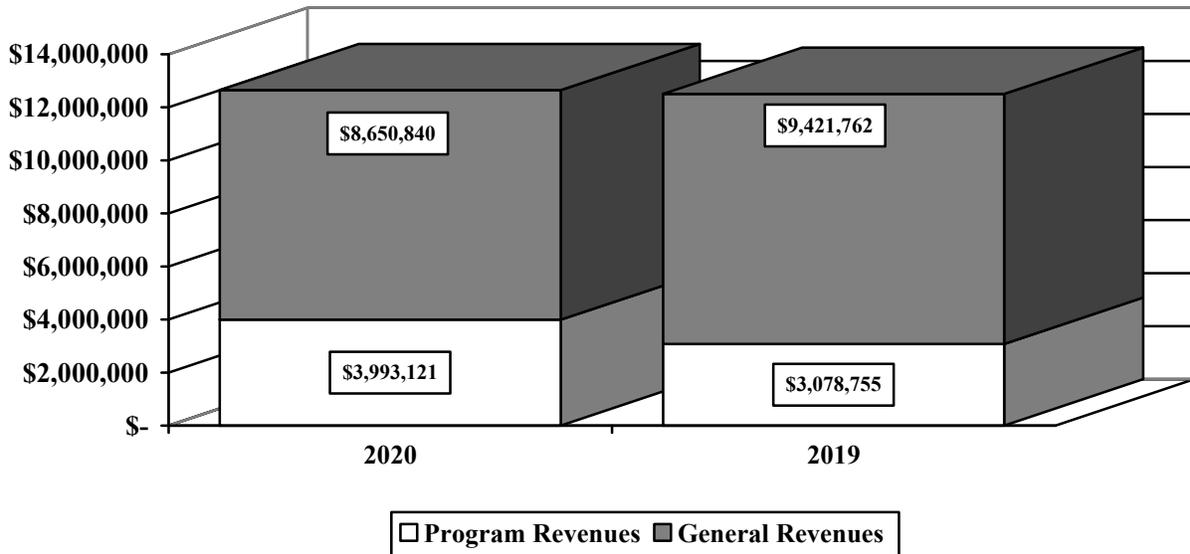
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Governmental Activities

	Total Cost of Services <u>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2020</u>	Net Cost of Services <u>2019</u>
Program Expenses:				
General government	\$ 3,215,976	\$ 3,373,787	\$ 2,756,086	\$ 2,252,934
Security of persons and property	4,467,551	2,108,856	3,324,883	1,588,663
Public health and welfare	780,866	3,570	(5,326)	(7,830)
Transportation	1,995,699	2,671,943	983,977	1,848,108
Leisure time activity	898,166	1,113,517	305,517	511,043
Interest and Fiscal Charges	<u>283,989</u>	<u>306,772</u>	<u>283,989</u>	<u>306,772</u>
Total Expenses	<u>\$ 11,642,247</u>	<u>\$ 9,578,445</u>	<u>\$ 7,649,126</u>	<u>\$ 6,499,690</u>

The dependence upon general revenues for governmental activities is apparent, with 65.70% of expenses supported through taxes and other general revenues.

Governmental Activities - General and Program Revenues



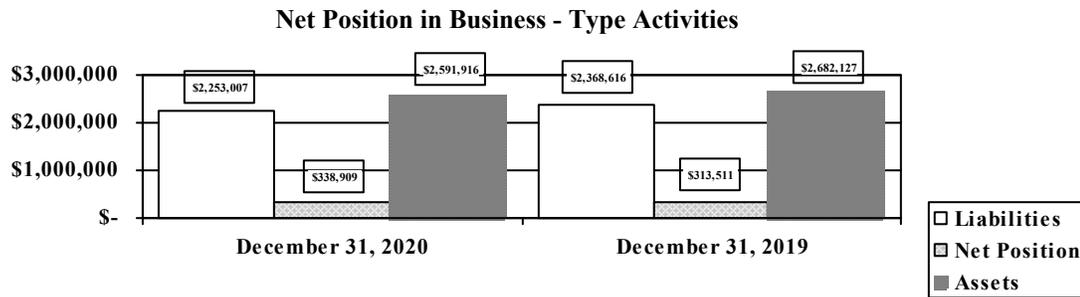
CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Business-Type Activities

Business-type activities include the sewer operating department. These programs had expenses of \$175,794, and transfers in from governmental activities of \$201,192 for 2020.

The graph below shows the business-type activities assets, liabilities and net position at year-end 2020 and 2019.



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds (as presented on the balance sheet on page 20-21) reported a combined fund balance of \$9,916,104 which is \$1,165,702 above last year's balance of \$8,750,402. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2020 for all major and nonmajor governmental funds.

	Fund Balances 12/31/20	Fund Balances 12/31/19	Increase (Decrease)
Major Funds:			
General	\$ 5,396,736	\$ 5,139,380	\$ 257,356
Police	373,920	46,763	327,157
Fire	377,857	115,074	262,783
Street	517,389	345,511	171,878
Bond retirement	-	9,609	(9,609)
Capital improvement	705,973	710,765	(4,792)
Other nonmajor governmental funds	2,544,229	2,383,300	160,929
Total	\$ 9,916,104	\$ 8,750,402	\$ 1,165,702

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

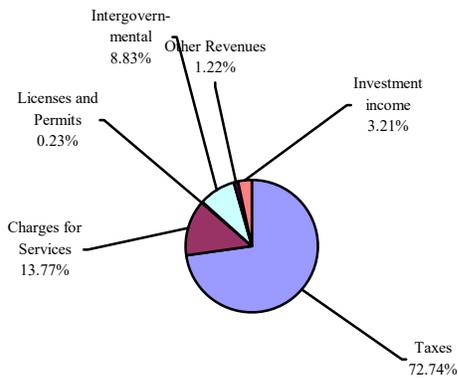
General Fund

The City's general fund balance increased \$257,356. The table that follows assists in illustrating the revenues of the general fund.

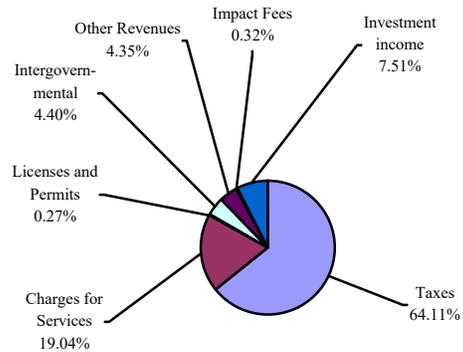
	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 3,426,380	\$ 3,816,507	(10.22) %
Charges for services	648,750	1,133,045	(42.74) %
Licenses and permits	11,069	16,099	(31.24) %
Change in fair market value	(73,616)	132,323	(155.63) %
Investment income	224,693	314,368	(28.53) %
Impact fees	-	18,942	(100.00) %
Intergovernmental	415,993	261,585	59.03 %
Other	<u>57,253</u>	<u>258,943</u>	(77.89) %
Total	<u>\$ 4,710,522</u>	<u>\$ 5,951,812</u>	(20.86) %

Tax revenue represents 72.74% of all general fund revenue. The decrease in revenues in the general fund was primarily due to a decrease in income taxes and charges for services as well as a decrease in the fair market value of investments as a result of the COVID-19 pandemic.

Revenues - 2020



Revenues - 2019



The table that follows assists in illustrating the expenditures of the general fund.

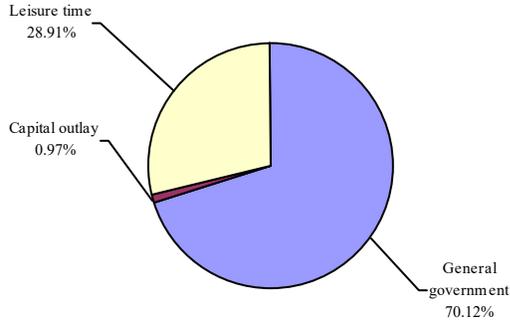
	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 1,815,821	\$ 2,437,487	(25.50) %
Leisure time activities	748,746	904,048	(17.18) %
Capital outlay	<u>25,007</u>	<u>24,953</u>	0.22 %
Total	<u>\$ 2,589,574</u>	<u>\$ 3,366,488</u>	(23.08) %

Expenditures remained relatively stable with a decrease of 23.08% from 2019. The largest expenditure line item, general government, decreased 25.50%. This decrease was primarily due to a decrease in contract services expense.

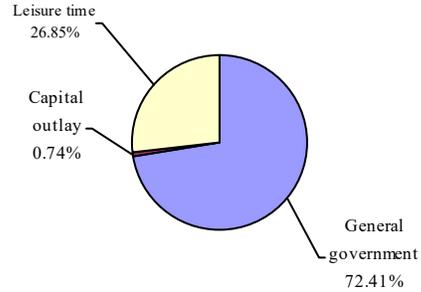
CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Expenditures - 2020



Expenditures - 2019



Police Fund

The police fund had revenues and other financing sources of \$2,379,071 in 2020. This represents an increase of \$187,939 from 2019 revenues and other sources. The expenditures of the police fund, which totaled \$2,051,914 in 2020, decreased \$174,181 from 2019. The net increase in fund balance for the police fund was \$327,157.

Fire Fund

The fire fund had revenues and other financing sources of \$1,513,843 in 2020. This represents an increase of \$97,931 from 2019 revenues and other financing sources. The expenditures of the fire fund, which totaled \$1,251,060 in 2020, decreased \$178,155 from 2019. The net increase in the fund balance for the fire fund was \$262,783 or 228.36%.

Street Fund

The street fund had revenues and other financing sources of \$1,322,305 in 2020. This represents a decrease of \$25,320 from 2019 revenues and other financing sources. The expenditures of the street fund, which totaled \$1,150,427 in 2020, decreased \$58,539 from 2019. The net increase in the fund balance for the street fund was \$171,878 or 49.75%.

Bond Retirement Fund

The bond retirement fund had revenues and other financing sources of \$838,626 in 2020. The expenditures and other financing uses of the bond retirement fund totaled \$848,235 in 2020. The net decrease in the fund balance for the bond retirement fund was \$9,609.

Capital Improvement Fund

The capital improvement fund had revenues and other financing sources of \$1,472,631 in 2020. The expenditures of the capital improvement fund totaled \$1,477,423 in 2020. The net decrease in the fund balance for the capital improvement fund was \$4,792 or (0.67)%. Utilization of a prior year bond proceeds for capital improvements caused the decrease.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Budgeting Highlights

The City's budgeting process is prescribed by the Ohio Revised Code (ORC), as well as the City of Clayton Charter and Administrative Code. Essentially the budget is the City's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the City's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly.

Budgetary information is presented for the general fund, fire fund, police fund, and street fund. In the general fund, the actual revenues and other financing sources came in \$573,828 more than they were in the final budget and actual expenditures and other financing uses were \$1,489,924 less than the amount in the final budget. Final budgeted revenues and other financing sources were \$101,085 less than the original budgeted revenues and other financing sources. Budgeted expenditures and other financing uses increased \$15,107 from the original to the final budget.

The variance between actual revenues and other financing sources compared to final budget was a result of reducing income taxes anticipated to be collected due to uncertainty of employment status and business shutdowns due to the COVID 19 pandemic, but the City saw a collection of income taxes better than anticipated. The Coronavirus Aid, Relief and Economic Security (CARES) Act provided monies to offset expenditures as well as aid in revenue reductions during the pandemic. CARES monies were able to be utilized for police and fire payroll expenses which required less transfers from the General fund to the respective funds. This resulted in a favorable variance between final budget and actual expenditures and other financing uses. The differences between original and final budget with respect to revenues is from the reduction in estimated income tax receipts. The additional expenditures facilitated by CARES monies aided in final budgeted expenditures exceeding the original budget amount.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The only difference between the amounts reported as business-type activities and the amounts reported in the proprietary fund statements is related to interfund activity. The only interfund activity reported in the government wide statements are those between business-type activities and governmental activities (reported as internal balances and transfers) whereas interfund amounts between various enterprise funds are reported in the proprietary fund statements.

The sewer operating fund had an increase in net position of \$25,398. The sewer fund receives impact fees and operating transfers to pay an outstanding OWDA loan associated with sewer line construction. In addition, the City transferred \$201,192 to the fund to support operations.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2020, the City had \$24,314,275 (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment, vehicles, and infrastructure. Of this total, \$21,748,089 was reported in governmental activities and \$2,566,186 was reported in business-type activities. See Note 10 in the basic financial statements for additional capital asset disclosure. The following table shows 2020 balances compared to 2019:

**Capital Assets at December 31
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 5,597,025	\$ 5,597,025	\$ -	\$ -	\$ 5,597,025	\$ 5,597,025
Improvements	443,719	433,233	-	-	443,719	433,233
Buildings	1,371,185	1,477,887	-	-	1,371,185	1,477,887
Furniture	1,062,513	1,137,116	-	-	1,062,513	1,137,116
Vehicles	2,662,439	2,855,740	-	-	2,662,439	2,855,740
Infrastructure	<u>10,611,208</u>	<u>10,795,348</u>	<u>2,566,186</u>	<u>2,656,397</u>	<u>13,177,394</u>	<u>13,451,745</u>
Totals	<u>\$ 21,748,089</u>	<u>\$ 22,296,349</u>	<u>\$ 2,566,186</u>	<u>\$ 2,656,397</u>	<u>\$ 24,314,275</u>	<u>\$ 24,952,746</u>

The City's largest general capital asset category is infrastructure which includes bridges, thoroughfares, curbs, gutters, sidewalks, storm sewers, traffic signals and street signs. These items are immovable and of value only to the City, however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 48.79% of the City's total governmental capital assets.

The City's only business-type capital asset category is infrastructure which primarily includes sewer lines. These items play a vital role in the income producing ability of the business-type activities.

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2020 and 2019:

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 7,717,355	\$ 8,413,400
Capital lease obligation	<u>780,207</u>	<u>1,083,639</u>
Total long-term obligations	<u>\$ 8,497,562</u>	<u>\$ 9,497,039</u>
	<u>Business-type Activities</u>	
	<u>2020</u>	<u>2019</u>
OWDA loans	\$ 2,253,007	\$ 2,360,835
Total long-term obligations	<u>\$ 2,253,007</u>	<u>\$ 2,360,835</u>

See Note 15 to the basic financial statements for detail on the City's long-term obligations.

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Current Financial Issues

The outbreak of COVID-19 altered the conduct of businesses and individuals in a manner that may have significant lasting negative effects on economies. With State government mandated stay at home orders, restrictions on activities and business operations, revenue sources such as income taxes, property taxes and charges for services saw reductions. The length of these orders was unknown, causing the City to reduce expenses in certain areas while costs to combat COVID-19 that were unbudgeted, increased. The City did receive monies from the State of Ohio through the Coronavirus Aid, Relief and Economic Security Act (CARES Act). This influx of revenue did help cover the unexpected costs as well as some planned expenses, but the City still had lost revenues. These conditions still exist to some extent as the City continues to deal with the new realities of operations during COVID-19.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Kevin A. Schweitzer, CPA, Finance Director, City of Clayton, P.O. Box 280, Clayton, Ohio 45315.

CITY OF CLAYTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 9,265,173	\$ 25,730	\$ 9,290,903
Receivables:			
Income taxes	1,559,608	-	1,559,608
Real and other taxes	2,430,005	-	2,430,005
Accounts	493,922	-	493,922
Payment in lieu of taxes receivable	484,165	-	484,165
Special assessments	1,512,398	-	1,512,398
Accrued interest	1,581	-	1,581
Due from other governments	703,356	-	703,356
Inventory held for resale	2,882	-	2,882
Materials and supplies inventory	153,983	-	153,983
Prepayments	167,392	-	167,392
Investment in joint venture	93,104	-	93,104
Land held for resale	123,489	-	123,489
Net pension asset	65,068	-	65,068
Capital assets:			
Land and construction in progress	5,597,025	-	5,597,025
Depreciable capital assets, net	16,151,064	2,566,186	18,717,250
Total capital assets, net	<u>21,748,089</u>	<u>2,566,186</u>	<u>24,314,275</u>
Total assets	<u>38,804,215</u>	<u>2,591,916</u>	<u>41,396,131</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	228,046	-	228,046
OPEB	1,143,414	-	1,143,414
Pension	1,742,784	-	1,742,784
Total deferred outflows of resources	<u>3,114,244</u>	<u>-</u>	<u>3,114,244</u>
Liabilities:			
Accounts payable	22,375	-	22,375
Accrued wages and benefits payable	49,470	-	49,470
Due to other governments	71,844	-	71,844
Accrued interest payable	17,547	-	17,547
Long-term liabilities:			
Due within one year	1,203,218	112,184	1,315,402
Due greater than one year:			
Net pension liability	7,350,752	-	7,350,752
Net OPEB liability	2,651,286	-	2,651,286
Other amounts due in more than one year	7,711,911	2,140,823	9,852,734
Total liabilities	<u>19,078,403</u>	<u>2,253,007</u>	<u>21,331,410</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year . . .	2,294,000	-	2,294,000
Payment in lieu of taxes	471,350	-	471,350
OPEB	625,871	-	625,871
Pension	1,313,983	-	1,313,983
Total deferred inflows of resources	<u>4,705,204</u>	<u>-</u>	<u>4,705,204</u>
Net position:			
Net investment in capital assets	13,478,573	313,179	13,791,752
Restricted for:			
Debt service	1,457,436	-	1,457,436
Road improvements	224,929	-	224,929
Capital projects	1,154,646	-	1,154,646
Cemetery operations	67,426	-	67,426
Other purposes	4,230	-	4,230
Drug and alcohol enforcement	25,796	-	25,796
Street lighting	79,007	-	79,007
Economic development	1,752,405	-	1,752,405
Unrestricted (deficit)	<u>(109,596)</u>	<u>25,730</u>	<u>(83,866)</u>
Total net position	<u>\$ 18,134,852</u>	<u>\$ 338,909</u>	<u>\$ 18,473,761</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government.	\$ 3,215,976	\$ 305,568	\$ -	\$ 154,322
Security of persons and property . . .	4,467,551	704,214	438,454	-
Public health and welfare	780,866	18,150	768,042	-
Transportation.	1,995,699	90,814	920,908	-
Leisure time activity.	898,166	592,649	-	-
Interest and fiscal charges.	283,989	-	-	-
Total governmental activities	<u>11,642,247</u>	<u>1,711,395</u>	<u>2,127,404</u>	<u>154,322</u>
Business-type activities:				
Sewer Department.	175,794	-	-	-
Total business-type activities	<u>175,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 11,818,041</u>	<u>\$ 1,711,395</u>	<u>\$ 2,127,404</u>	<u>\$ 154,322</u>

General revenues:

Property taxes levied for:

General purposes

Police.

Fire.

EMS.

Other Local Taxes.

Income taxes levied for:

General purposes

Capital outlay

Payments in lieu of taxes

Grants and entitlements not restricted to specific programs

Investment earnings

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers.

Change in net position

Net position at beginning of year.

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**Net (Expense) Revenue
and Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (2,756,086)	\$ -	\$ (2,756,086)
(3,324,883)	-	(3,324,883)
5,326	-	5,326
(983,977)	-	(983,977)
(305,517)	-	(305,517)
(283,989)	-	(283,989)
<u>(7,649,126)</u>	<u>-</u>	<u>(7,649,126)</u>
-	(175,794)	(175,794)
-	(175,794)	(175,794)
<u>(7,649,126)</u>	<u>(175,794)</u>	<u>(7,824,920)</u>
350,501	-	350,501
1,167,382	-	1,167,382
726,032	-	726,032
186,688	-	186,688
352,218	-	352,218
2,937,953	-	2,937,953
1,468,703	-	1,468,703
479,990	-	479,990
761,671	-	761,671
149,948	-	149,948
69,754	-	69,754
<u>8,650,840</u>	<u>-</u>	<u>8,650,840</u>
(201,192)	201,192	-
<u>8,449,648</u>	<u>201,192</u>	<u>8,650,840</u>
800,522	25,398	825,920
<u>17,334,330</u>	<u>313,511</u>	<u>17,647,841</u>
<u>\$ 18,134,852</u>	<u>\$ 338,909</u>	<u>\$ 18,473,761</u>

CITY OF CLAYTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	Police Fund	Fire Fund	Street Fund
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 5,175,297	\$ 372,978	\$ 375,646	\$ 396,227
Receivables:				
Income taxes.	1,039,798	-	-	-
Real and other taxes	422,947	1,127,604	699,648	-
Accounts.	122,591	-	-	97,646
Payments in lieu of taxes.	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	-	-	-	607
Due from other governments.	98,433	114,338	63,577	354,372
Inventory held for resale.	2,882	-	-	-
Materials and supplies inventory.	-	-	-	48,253
Prepayments	73,453	26,082	34,087	30,229
Land held for resale.	-	-	-	-
Total assets	<u>\$ 6,935,401</u>	<u>\$ 1,641,002</u>	<u>\$ 1,172,958</u>	<u>\$ 927,334</u>
Liabilities:				
Accounts payable.	\$ 2,794	\$ 3,294	\$ 4,878	\$ 4,932
Accrued wages and benefits payable	10,379	16,420	13,015	6,842
Due to other governments	14,408	23,819	13,983	7,614
Total liabilities	<u>27,581</u>	<u>43,533</u>	<u>31,876</u>	<u>19,388</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year. . .	359,472	1,086,094	674,916	-
Delinquent property tax revenue not available. .	13,608	41,510	24,732	-
Accrued interest not available	20,097	-	-	438
Special assessments revenue not available. . . .	-	-	-	-
Miscellaneous revenue not available.	139,519	450	-	97,646
Income tax revenue not available	897,524	-	-	-
Intergovernmental revenue not available	80,864	95,495	63,577	292,473
Payment in lieu of taxes levied for the next fiscal year.	-	-	-	-
Delinquent payment in lieu of tax revenue not available.	-	-	-	-
Total deferred inflows of resources	<u>1,511,084</u>	<u>1,223,549</u>	<u>763,225</u>	<u>390,557</u>
Fund balances:				
Nonspendable	73,453	26,082	34,087	78,482
Restricted.	-	347,838	343,770	438,907
Committed	3,883	-	-	-
Assigned	1,875,583	-	-	-
Unassigned	3,443,817	-	-	-
Total fund balances	<u>5,396,736</u>	<u>373,920</u>	<u>377,857</u>	<u>517,389</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,935,401</u>	<u>\$ 1,641,002</u>	<u>\$ 1,172,958</u>	<u>\$ 927,334</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 634,836	\$ 2,310,189	\$ 9,265,173
-	519,810	-	1,559,608
-	-	179,806	2,430,005
-	-	273,685	493,922
-	-	484,165	484,165
1,474,983	-	37,415	1,512,398
-	-	974	1,581
-	-	72,636	703,356
-	-	-	2,882
-	-	105,730	153,983
-	-	3,541	167,392
-	-	123,489	123,489
<u>\$ 1,474,983</u>	<u>\$ 1,154,646</u>	<u>\$ 3,591,630</u>	<u>\$ 16,897,954</u>
\$ -	\$ -	\$ 6,477	\$ 22,375
-	-	2,814	49,470
-	-	12,020	71,844
-	-	21,311	143,689
-	-	173,518	2,294,000
-	-	6,288	86,138
-	-	705	21,240
1,474,983	-	37,415	1,512,398
-	-	267,363	504,978
-	448,673	-	1,346,197
-	-	56,636	589,045
-	-	471,350	471,350
-	-	12,815	12,815
<u>1,474,983</u>	<u>448,673</u>	<u>1,026,090</u>	<u>6,838,161</u>
-	-	109,271	321,375
-	705,973	2,431,128	4,267,616
-	-	-	3,883
-	-	3,830	1,879,413
-	-	-	3,443,817
-	705,973	2,544,229	9,916,104
<u>\$ 1,474,983</u>	<u>\$ 1,154,646</u>	<u>\$ 3,591,630</u>	<u>\$ 16,897,954</u>

CITY OF CLAYTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total governmental fund balances	\$	9,916,104
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		21,748,089
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Income taxes receivable	\$ 1,346,197	
Real and other taxes receivable	98,953	
Accounts receivable	459,094	
Intergovernmental receivable	634,929	
Special assessments receivable	1,512,398	
Accrued interest receivable	21,240	
Total	4,072,811	4,072,811
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(17,547)
The investment in joint venture represents the City's equity interest in the Joint Economic Development District. The equity interest is not a financial resource and therefore not presented in the funds.		93,104
Unamortized deferred amounts on refundings are not recognized in the governmental funds.		228,046
Unamortized premiums on bond issuances are not recognized in the funds.		(352,355)
The net pension asset and net pension liability are not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds.		
Net pension asset	65,068	
Deferred outflows of resources	1,742,784	
Deferred inflows of resources	(1,313,983)	
Net pension liability	(7,350,752)	
Total	(6,856,883)	(6,856,883)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows of resources	1,143,414	
Deferred inflows of resources	(625,871)	
Net OPEB liability	(2,651,286)	
Total	(2,133,743)	(2,133,743)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	(417,567)	
Lease purchase agreements	(780,207)	
General obligation bonds payable	(7,365,000)	
Total	(8,562,774)	(8,562,774)
Net position of governmental activities	\$	18,134,852

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF CLAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Street Fund</u>
Revenues:				
Income taxes	\$ 2,886,845	\$ -	\$ -	\$ -
Real and other taxes.	343,880	1,148,878	714,520	-
Other local taxes.	195,655	-	-	-
Payments in lieu of taxes.	-	-	-	-
Charges for services.	648,750	94,117	-	84,212
Licenses and permits	11,069	-	-	-
Fines and forfeitures	-	15,701	1,069	-
Intergovernmental.	415,993	382,172	280,090	913,791
Special assessments	-	-	-	-
Investment income.	224,693	-	-	7,702
Contributions and donations.	-	-	-	500
Change in fair market value of investments.	(73,616)	-	-	(5,818)
Other	57,253	4,732	634	6,602
Total revenues	<u>4,710,522</u>	<u>1,645,600</u>	<u>996,313</u>	<u>1,006,989</u>
Expenditures:				
Current:				
General government	1,815,821	-	-	-
Security of persons and property	-	2,030,105	1,247,160	-
Public health and welfare.	-	-	-	-
Transportation	-	-	-	1,144,192
Leisure time activity	748,746	-	-	-
Capital outlay	25,007	21,809	3,900	6,235
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
Accreted interest on capital appreciation bonds.	-	-	-	-
Total expenditures	<u>2,589,574</u>	<u>2,051,914</u>	<u>1,251,060</u>	<u>1,150,427</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>2,120,948</u>	<u>(406,314)</u>	<u>(254,747)</u>	<u>(143,438)</u>
Other financing sources (uses):				
Sale of capital assets.	-	-	-	-
Transfers in	50,903	733,471	517,530	315,316
Transfers out.	(1,914,495)	-	-	-
Total other financing sources (uses)	<u>(1,863,592)</u>	<u>733,471</u>	<u>517,530</u>	<u>315,316</u>
Net change in fund balances	257,356	327,157	262,783	171,878
Fund balances at beginning of year.	<u>5,139,380</u>	<u>46,763</u>	<u>115,074</u>	<u>345,511</u>
Fund balances at end of year	<u>\$ 5,396,736</u>	<u>\$ 373,920</u>	<u>\$ 377,857</u>	<u>\$ 517,389</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,443,183	\$ -	\$ 4,330,028
-	-	183,776	2,391,054
-	-	98,055	293,710
-	-	471,351	471,351
-	-	390,568	1,217,647
-	-	-	11,069
-	-	5,074	21,844
-	-	1,256,090	3,248,136
321,181	-	45,578	366,759
-	-	12,232	244,627
-	-	2,000	2,500
-	-	(5,088)	(84,522)
-	21,127	13,880	104,228
<u>321,181</u>	<u>1,464,310</u>	<u>2,473,516</u>	<u>12,618,431</u>
15,984	868,483	244,578	2,944,866
-	-	600,979	3,878,244
-	-	780,866	780,866
-	-	159,712	1,303,904
-	-	-	748,746
-	151,295	136,677	344,923
514,500	319,591	80,500	914,591
180,941	79,213	24,723	284,877
-	58,841	-	58,841
<u>711,425</u>	<u>1,477,423</u>	<u>2,028,035</u>	<u>11,259,858</u>
<u>(390,244)</u>	<u>(13,113)</u>	<u>445,481</u>	<u>1,358,573</u>
-	8,321	-	8,321
517,445	-	-	2,134,665
<u>(136,810)</u>	<u>-</u>	<u>(284,552)</u>	<u>(2,335,857)</u>
<u>380,635</u>	<u>8,321</u>	<u>(284,552)</u>	<u>(192,871)</u>
(9,609)	(4,792)	160,929	1,165,702
9,609	710,765	2,383,300	8,750,402
<u>\$ -</u>	<u>\$ 705,973</u>	<u>\$ 2,544,229</u>	<u>\$ 9,916,104</u>

CITY OF CLAYTON, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balances - total governmental funds	\$	1,165,702
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 1,130,790	
Current year depreciation	<u>(1,679,050)</u>	
Total		(548,260)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	76,628	
Real and other taxes	48,188	
Intergovernmental revenues	(88,202)	
Special assessments	(71,074)	
Investment income	(538)	
Other	52,207	
Total		17,209
Repayment of bond principal and matured accreted interest is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		973,432
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	700,097	
OPEB	<u>11,407</u>	
Total		711,504
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expenses or reductions in expenses in the statement of activities.		
Pension	(1,171,885)	
OPEB	<u>(352,632)</u>	
Total		(1,524,517)
The City's share of the expense of the Joint Economic Development District is presented as a deduction to the equity interest in the statement of activities.		
		(2,291)
In the statement of activities, interest is accrued on outstanding bonds and loans, whereas in governmental funds, an interest expenditure is reported when due.		
Decrease in accrued interest payable	1,938	
Accreted interest on capital appreciation bonds	(10,677)	
Amortization of deferred amounts on refunding	(27,095)	
Amortization of bond premiums	<u>36,722</u>	
Total		888
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		6,855
Change in net position of governmental activities	<u>\$</u>	<u>800,522</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Municipal income taxes	\$ 2,625,520	\$ 2,565,091	\$ 2,979,942	\$ 414,851
Property taxes	303,880	296,886	344,901	48,015
Charges for services	574,241	561,024	651,758	90,734
Licenses and permits	9,752	9,528	11,069	1,541
Intergovernmental	369,053	360,559	418,872	58,313
Investment income	304,814	297,798	225,832	(71,966)
Other local tax	172,385	168,417	195,655	27,238
Other	32,287	31,544	36,646	5,102
Total revenues	<u>4,391,932</u>	<u>4,290,847</u>	<u>4,864,675</u>	<u>573,828</u>
Expenditures:				
Current:				
General government	2,190,840	2,201,514	1,807,736	393,778
Leisure time activity	873,844	878,100	721,037	157,063
Capital outlay	36,432	36,609	30,061	6,548
Debt service:				
Principal retirement	59,256	59,256	59,226	30
Total expenditures	<u>3,160,372</u>	<u>3,175,479</u>	<u>2,618,060</u>	<u>557,419</u>
Excess of revenues over expenditures	<u>1,231,560</u>	<u>1,115,368</u>	<u>2,246,615</u>	<u>1,131,247</u>
Other financing sources (uses):				
Transfers in	21,553	21,553	21,553	-
Transfers out	(2,847,000)	(2,847,000)	(1,914,495)	932,505
Total other financing sources uses	<u>(2,825,447)</u>	<u>(2,825,447)</u>	<u>(1,892,942)</u>	<u>932,505</u>
Net change in fund balances	(1,593,887)	(1,710,079)	353,673	2,063,752
Fund balances at beginning of year	4,720,660	4,720,660	4,720,660	-
Prior year encumbrances appropriated	124,698	124,698	124,698	-
Fund balance at end of year	<u>\$ 3,251,471</u>	<u>\$ 3,135,279</u>	<u>\$ 5,199,031</u>	<u>\$ 2,063,752</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 POLICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 1,093,892	\$ 1,099,869	\$ 1,148,878	\$ 49,009
Charges for services	74,425	74,832	78,166	3,334
Fines and forfeitures	13,874	13,949	14,571	622
Intergovernmental	363,881	365,869	382,172	16,303
Other	4,506	4,530	4,732	202
Total revenues	<u>1,550,578</u>	<u>1,559,049</u>	<u>1,628,519</u>	<u>69,470</u>
Expenditures:				
Current:				
Security of persons and property	2,399,341	2,399,589	2,092,387	307,202
Capital outlay	25,008	25,011	21,809	3,202
Total expenditures	<u>2,424,349</u>	<u>2,424,600</u>	<u>2,114,196</u>	<u>310,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(873,771)</u>	<u>(865,551)</u>	<u>(485,677)</u>	<u>379,874</u>
Other financing sources:				
Transfers in	858,471	858,471	733,471	(125,000)
Total other financing sources	<u>858,471</u>	<u>858,471</u>	<u>733,471</u>	<u>(125,000)</u>
Net change in fund balances	(15,300)	(7,080)	247,794	254,874
Fund balances at beginning of year	101,603	101,603	101,603	-
Prior year encumbrances appropriated . . .	15,524	15,524	15,524	-
Fund balance at end of year	<u>\$ 101,827</u>	<u>\$ 110,047</u>	<u>\$ 364,921</u>	<u>\$ 254,874</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FIRE FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 635,616	\$ 660,722	\$ 714,520	\$ 53,798
Fines and forfeitures	951	989	1,069	80
Intergovernmental.	249,160	259,002	280,090	21,088
Other	564	586	634	48
Total revenues	<u>886,291</u>	<u>921,299</u>	<u>996,313</u>	<u>75,014</u>
Expenditures:				
Current:				
Security of persons and property	1,740,968	1,795,416	1,338,631	456,785
Capital outlay	10,274	10,596	7,900	2,696
Total expenditures	<u>1,751,242</u>	<u>1,806,012</u>	<u>1,346,531</u>	<u>459,481</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(864,951)</u>	<u>(884,713)</u>	<u>(350,218)</u>	<u>534,495</u>
Other financing sources:				
Transfers in	<u>762,530</u>	<u>762,530</u>	<u>517,530</u>	<u>(245,000)</u>
Total other financing sources.	<u>762,530</u>	<u>762,530</u>	<u>517,530</u>	<u>(245,000)</u>
Net change in fund balances	(102,421)	(122,183)	167,312	289,495
Fund balances at beginning of year	115,724	115,724	115,724	-
Prior year encumbrances appropriated . . .	47,513	47,513	47,513	-
Fund balance at end of year	<u>\$ 60,816</u>	<u>\$ 41,054</u>	<u>\$ 330,549</u>	<u>\$ 289,495</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET DEPARTMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 25,700	\$ 25,700	\$ 84,212	\$ 58,512
Intergovernmental	709,509	867,775	920,965	53,190
Investment income	500	500	7,555	7,055
Contributions and donations	-	-	500	500
Other	-	-	6,602	6,602
Total revenues	<u>735,709</u>	<u>893,975</u>	<u>1,019,834</u>	<u>125,859</u>
Expenditures:				
Current:				
Transportation	1,686,513	1,770,234	1,272,367	497,867
Capital outlay	24,480	24,480	17,595	6,885
Total expenditures	<u>1,710,993</u>	<u>1,794,714</u>	<u>1,289,962</u>	<u>504,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(975,284)</u>	<u>(900,739)</u>	<u>(270,128)</u>	<u>630,611</u>
Other financing sources (uses):				
Transfers in	833,266	833,266	315,316	(517,950)
Total other financing sources (uses)	<u>833,266</u>	<u>833,266</u>	<u>315,316</u>	<u>(517,950)</u>
Net change in fund balances	(142,018)	(67,473)	45,188	112,661
Fund balances at beginning of year	222,421	222,421	222,421	-
Prior year encumbrances appropriated	59,067	59,067	59,067	-
Fund balance at end of year	<u>\$ 139,470</u>	<u>\$ 214,015</u>	<u>\$ 326,676</u>	<u>\$ 112,661</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 DECEMBER 31, 2020

	Business-type Activities Enterprise Fund Sewer Operating Fund
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents . . .	25,730
Total current assets	25,730
Noncurrent assets:	
Capital assets:	
Depreciable capital assets, net.	2,566,186
Total capital assets, net.	2,566,186
Total noncurrent assets	2,566,186
Total assets	2,591,916
Liabilities:	
Current liabilities:	
OWDA loans payable	112,184
Total current liabilities	112,184
Long-term liabilities:	
OWDA loans payable	2,140,823
Total long-term liabilities	2,140,823
Total liabilities	2,253,007
Net position:	
Net investment in capital assets.	313,179
Unrestricted.	25,730
Total net position.	\$ 338,909

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Fund
	Sewer Operating Fund
Operating expenses:	
Depreciation.	90,211
Total operating expenses.	90,211
 Operating loss.	 (90,211)
Nonoperating expenses:	
Interest and fiscal charges	(85,583)
Total nonoperating expenses.	(85,583)
 Loss before transfers.	 (175,794)
 Transfer in	 201,192
 Change in net position	 25,398
 Net position at beginning of year.	 313,511
 Net position at end of year	 \$ 338,909

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF CLAYTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Fund
	Sewer Operating Fund
	<hr/>
Cash flows from noncapital financing activities:	
Cash received from transfers in	201,192
	<hr/>
Net cash provided by noncapital financing activities.	201,192
	<hr/>
Cash flows from capital and related financing activities:	
Principal retirement on OWDA loans	(107,828)
Interest and fiscal charges	(93,364)
	<hr/>
Net cash used in capital and related financing activities.	(201,192)
	<hr/>
Net increase (decrease) in cash and cash equivalents	-
	<hr/>
Cash and cash equivalents at beginning of year . . .	25,730
	<hr/>
Cash and cash equivalents at end of year	\$ 25,730
	<hr/> <hr/>

CITY OF CLAYTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds	
		<u>Sewer Operating Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$	(90,211)
Adjustments:		
Depreciation.		<u>90,211</u>
Net cash provided by (used in) operating activities	\$	<u><u>-</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Private-Purpose Trust	Custodial
Assets:		
Equity in pooled cash and cash equivalents.	\$ 11,927	\$ -
Receivables (net of allowances for uncollectibles):		
Income taxes	-	9,702
Accounts	-	9,460
Total assets	11,927	19,162
Net position:		
Restricted for individuals, organizations and other governments .	11,927	19,162
Total net position	\$ 11,927	\$ 19,162

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Private-Purpose Trust	Custodial
Additions:		
Licenses, permits and fees for other governments	\$ -	\$ 20,100
Special assessments collections for other governments	-	23,571
Earnings on investments	76	-
Income tax collections for other governments.	-	131,614
Total additions	76	175,285
Deductions:		
Distributions as fiscal agent	-	182,950
Total deductions	-	182,950
Net change in fiduciary net position	76	(7,665)
Net position beginning of year.	11,851	26,827
Net position end of year.	\$ 11,927	\$ 19,162

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - DESCRIPTION OF THE CITY

The City of Clayton (the "City") was formed January 1, 1998, as a result of a merger approved by the voters of Randolph Township and the Village of Clayton in an election held November 1997. Randolph Township was founded in 1802 from the original Elizabeth Township. The Village of Clayton was incorporated in 1942. The newly merged City continued as a statutory village until the 1998 General Election when Clayton became a city. The voters of the City approved a charter in May 1999 under which the City continues to operate.

The City charter calls for a Council-Manager form of government. The Council consists of seven members: a Mayor, three at-large Council members and three ward representatives. The City elects the three ward representatives in one election cycle, with the Mayor and the at-large members elected two years later. They serve as the legislative body and are governed by the provisions of the charter. All council members, including the Mayor, are elected to four year terms.

The Council, by majority vote, appoints the City Manager who serves as chief executive officer. The City Manager is responsible for appointing and removing all other full and part-time City employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, and activities that are not legally separate from the City. They comprise the City's legal entity which provides various services including police, fire, emergency medical, planning and zoning, street construction, maintenance and repair, administrative services, water services, sewer services, and golf course. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the organization's budget, the issuance of its debt or the levying of its taxes. The City has no component units.

The City participates in the Clay Township-City of Clayton Joint Economic Development District (the "District") with Clay Township, which is defined as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement, and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. This organization is presented in Note 18 to the Basic Financial Statements.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The City participates in two jointly governed organizations, the Miami Valley Regional Planning Commission and the Economic Development/Government Equity Program. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 19 to the Basic Financial Statements.

The City participates in one risk sharing pool, the Public Entities Pool of Ohio. This organization is presented in Notes 17 and 20 to the Basic Financial Statements.

B. Basis of Presentation

The City's Basic Financial Statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements - The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary Funds are reported by type.

C. Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Governmental Funds - Governmental funds are those through which most governmental functions are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflow of resources and liabilities and deferred inflow of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund - The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Police Fund - The Police Fund is used to account for and report revenues received from a City-wide voted property tax levy and fines and forfeitures that are restricted to expenditures of the police department.

Fire Fund - The Fire Fund is used to account for and report revenues received from a City-wide voted property tax levy restricted to expenditures of the fire department.

Street Fund - The Street Fund is used to account for the revenues collected for all transactions relating to street maintenance and construction.

Bond Retirement Fund - The Bond Retirement Fund is used to account for the revenues collected for payment of general obligation debt principal, interest and related costs.

Capital Improvement Fund - The Capital Improvement Fund is used to account for and report the portion of the voted municipal income tax, restricted for improving, constructing, maintaining, and purchasing those items necessary to enhance the operation of the City.

The nonmajor governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned for a particular purpose.

Proprietary Funds - Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds is one enterprise fund.

Enterprise funds - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the City's major enterprise fund:

Sewer Operating Fund - This fund is used to account for and report resources used for sewer expansion debt from user charges for sewer services provided to certain residents and businesses within the City.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The three types of trust funds are to be used to report resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City's only trust fund is a private purpose trust fund which accounts for a bequest to aid needy families who experience a fire or other calamity. The City has two custodial funds. One accounts for collecting and distributing the Clay Township-City of Clayton Joint Economic Development District income taxes for which the City is fiscal agent. The other custodial fund accounts for association fees received from various homeowners within the North Clayton development which are then distributed to the North Clayton Development Association.

D. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred inflows and outflows of resources associated with the operation of the City are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total Net Position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities, and current deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets, deferred inflows, liabilities, and deferred outflow of resources associated with the operation of these funds are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (e.g., revenues) and decreases (e.g., expenses) in total Net Position. The Statement of Cash Flows provides information about how the City finances and meets the cash flow needs of its enterprise activities.

The Private Purpose Trust Fund and custodial funds are reported using the economic resources measurement focus.

E. Basis of Accounting

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

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined and “available” means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, available means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, other local taxes, payment in lieu of taxes, municipal income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from municipal income taxes is recognized in the year in which the income is earned. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: municipal income taxes, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance) fines and forfeitures, accrued interest, and grants.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, see Notes 11 and 12 for deferred outflows of resources related the City’s net pension asset/liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the City, see Notes 11 and 12 for deferred inflows of resources related to the City’s net pension asset/liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

F. Pensions/Other Postemployment Benefits (OPEB)

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

G. Cash and Cash Equivalents

To improve cash management, cash received by the City is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During 2020 the City's investments included Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association REMIC Trust Bonds, Federal National Mortgage Association Bonds, U.S. Government money market and Negotiable Certificates of Deposit.

Interest income and gains or losses on investments are distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue and gains or losses on investments credited to the General Fund during 2020 amounted to \$224,693 of which \$86,395 was assigned from other City funds. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

I. Capital Assets

General capital assets are capital assets that are associated with and generally rise from governmental activities. They usually result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are capitalized at cost (or estimated historical cost, which is determined by indexing the current replacement cost back to the year of acquisition) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values on the date received. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation is computed equally, each year of the asset's life starting the year after acquisition using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings	30 - 40 Years
Improvements Other Than Buildings	10 Years
Vehicles	5 - 25 Years
Furniture, Fixtures and Equipment	2 - 20 Years
Infrastructure	10 - 60 Years

The City's infrastructure system consists of streets, curbs, gutters, sidewalks, street lights, and water and sewer lines. General infrastructure assets acquired prior to January 1, 2004 are not reported in the Basic Financial Statements. General infrastructure assets include all streets and other infrastructure assets acquired subsequent to January 1, 2004.

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "Interfund Receivable/Payable." Long-term interfund loan receivables, reported as "Advances to Other Funds" or "Advances from Other Funds," are classified as nonspendable fund balance, which indicates that they are not in spendable form even though it is a component of net current assets. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and net pension liability that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds, notes, and capital leases are recognized as liabilities on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

L. Compensated Absences

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after 10 years of service with the City.

M. Bond Premiums and Compounded Interest on Capital Appreciation Bonds

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the bonds were issued. Accretion on the capital appreciation bonds is not reported. Interest on the capital appreciation bonds is recorded as an expenditure when the debt becomes due.

N. Net Position

Net Position represents the difference between assets and deferred outflows of resources compared to liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

O. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. The nonspendable fund balances for the City includes prepaid items and materials and supplies inventory.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Restricted - The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party - such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the amount that assigned for capital asset replacement. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City charter or ordinance. The future appropriations amount assigned in the General Fund represents 2021 appropriations that exceed estimated resources. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The City has not adopted a formal fund balance policy.

P. Internal Activity

Transfers within governmental activities are eliminated on the government-wide financial statements.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the City, these revenues are charges for services, tap-in fees, and impact fees for sewer services. Operating expenses are the necessary costs incurred to provide the services that are the primary activities of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

R. Estimates

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

S. Fair Value Measurements

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

T. Materials and Supplies Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed at the time consumed. Inventory consists of expendable supplies.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds.

U. Budgetary Process

All funds, other than the custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of budgetary control has been established by Council at the fund, program, personal services and all other objects level for all funds.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2020, the City has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, and results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) for the General, Police, Fire and Street Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Unrecorded cash represents amounts received, but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.
5. Cash is held by the custodial fund on behalf of the City on a budget basis and allocated and reported on the balance sheet (GAAP basis) in the appropriate City funds.
6. Investments are reported at fair value (GAAP basis) rather than cost (budget basis).
7. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance

	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Street Fund</u>
Budget basis	\$ 353,673	\$ 247,794	\$ 167,312	\$ 45,188
Net adjustment for revenue accruals	(174,579)	17,081	-	(12,845)
Net adjustment for expenditure accruals	58,234	54,225	50,374	63,637
Net adjustment for other sources/uses	(7,570)	-	-	-
Funds budgeted elsewhere	(19,109)	-	-	-
Adjustment for encumbrances	<u>46,707</u>	<u>8,057</u>	<u>45,097</u>	<u>75,898</u>
GAAP basis	<u>\$ 257,356</u>	<u>\$ 327,157</u>	<u>\$ 262,783</u>	<u>\$ 171,878</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the City are classified by State statute into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Interim monies held by the City can be deposited or invested in the following securities:

1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

The City may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and,
3. Obligations of the City.

Deposits with Financial Institutions

As of December 31, 2020, \$1,861,489 of the City’s bank balance of \$2,361,489 was exposed to custodial risk as discussed below, while \$500,000 was covered by the FDIC.

Investments

As of December 31, 2020, the City had the following investments:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair Value:</i>						
Negotiable CD's	\$ 6,110,348	\$ 725,816	\$ 1,035,285	\$ 1,830,558	\$ 1,000,463	\$ 1,518,226
FNMA REMIC	19,674	-	-	-	-	19,674
FNMA	889,470	-	-	-	-	889,470
US Government Money Market	1,322	1,322	-	-	-	-
Total	\$ 7,020,814	\$ 727,138	\$ 1,035,285	\$ 1,830,558	\$ 1,000,463	\$ 2,427,370

The City’s investments in federal agency securities are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs). The weighted average maturity of investments is 3.52 years.

Credit Risk

The federal agency securities carry a rating of AA+ and Aaa by Standard & Poor’s and Moody, respectively. The City’s investment policy is designed to minimize credit risk by limiting investments to US Treasury Obligations, US federal agency securities, Certificates of deposit maturing not more than one year from deposit date, negotiable certificates of deposit, no load money market mutual funds consisting exclusively of US Treasury obligations and US federal agency securities, Star Ohio, Bankers acceptances that are eligible for purchase by the Federal Reserve System that mature no later than 180 days after purchase and commercial paper that is rated in the highest tier by at least two nationally recognized rating agencies. The aggregate value of the commercial paper can not exceed ten percent of the aggregate outstanding commercial paper of the corporation or mature no later than one hundred and eight days after purchase and can’t exceed twenty five percent of interim monies.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

The City’s investment policy also requires the use of pre-qualifying financial institutions, broker/dealers, intermediaries and advisors in accordance with guidelines specified in the policy. In addition, the policy requires the diversification of the portfolio so that the impact of potential losses from any one individual issuer will be minimized.

Interest Rate Risk

As a means of limiting its exposure to fair value losses caused by rising interest rates, the City’s investment policy requires that the investment portfolio remain sufficiently liquid to enable the City to meet all operating requirements by investing in an adequate amount of short-term investments in the portfolio to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City’s and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the City’s financial institutions were approved for a reduced collateral rate through the OPCS.

Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the City to a successful claim by the FDIC.

Concentration of Credit Risk

The City has no policy placing a limit on the amount it may invest in any one financial institution.

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Negotiable CD's	\$ 6,110,348	87.03
FNMA REMIC	19,674	0.28
FNMA	889,470	12.67
US Government Money Market	<u>1,322</u>	<u>0.02</u>
Total	<u>\$ 7,020,814</u>	<u>100.00</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Reconciliation of Cash to the Statement of Net Position

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of December 31, 2020:

<u>Cash per note</u>	
Carrying amount of deposits	\$ 2,282,016
Investments	7,020,814
Total	<u>\$ 9,302,830</u>
 <u>Cash per statement of net position</u>	
Governmental activities	\$ 9,265,173
Business type activities	25,730
Private-purpose trust funds	11,927
Total	<u>\$ 9,302,830</u>

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County collects property taxes on behalf of all taxing districts in the County, including the City of Clayton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2020 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflow of resources since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes has been offset by deferred inflow of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 - PROPERTY TAXES - (Continued)

The full tax rate for all City operations for the year ended December 31, 2020 was \$13.78 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2020 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 229,781,920
Commercial/industrial	13,951,820
<u>Public utility</u>	
Personal	<u>8,193,980</u>
Total assessed value	<u>\$ 251,927,720</u>

NOTE 7 - MUNICIPAL INCOME TAX

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions, other compensation and net profits earned within the City as well as on incomes of residents earned outside the City.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are distributed to the General Fund and the Capital Improvement Fund as required by a City ordinance.

NOTE 8 - TAX ABATEMENTS

The City was part of one Enterprise Zone (EZ) tax abatement agreement with a local business. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation or job retention. These tax abatements reduce assessed value by a percentage agreed upon by all parties that authorize these types of agreements. The City's share of taxes forgone for this agreement in 2020 totaled \$135,621.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2020, consisted of property taxes, other local taxes, municipal income taxes, payment in lieu of taxes, interfund, accounts, special assessments, interest, and amounts due from other governments arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, payment in lieu of taxes, and special assessments. Property, income, and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Total special assessments for Street Lights Fund amount to \$37,415. The City has \$186,576 of delinquent special assessments at December 31, 2020. There are \$1,474,983 in special assessments for sidewalks and curbs that will be collected over the next ten years.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 9 - RECEIVABLES - (Continued)

A summary of the principal items of amounts due from other governments follows:

<u>Governmental activities:</u>	<u>Amount</u>
Local Government	\$ 69,027
Homestead Exemption and Rollbacks	200,937
Gasoline Tax	351,170
Motor Vehicle Tax	46,208
Permissive Tax	8,110
Grants	2,846
Charges for services	<u>25,058</u>
Total Due from Other Governments	<u>\$ 703,356</u>

Payment in Lieu of Taxes Receivable

The City granted real property tax exemptions to landowners for improvements made to their properties. The City requires the owners to make an annual payment to the City in lieu of taxes in the amount that would be payable on the increase in the value of the property if not for the exemption. The City then uses these monies to pay for public infrastructure improvements benefiting the owners. Additional payments are made to the School District since it is impacted by the tax exemption for a period of up to 30 years. The City accrues a receivable for the amounts measurable at December 31, 2020. The City is not able to measure the receivable for all future payments because the payments are based upon projected tax collections.

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CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance 12/31/2019	Additions	Deductions	Balance 12/31/2020
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 5,597,025	\$ -	\$ -	\$ 5,597,025
Total capital assets, not being depreciated	5,597,025	-	-	5,597,025
Capital assets, being depreciated:				
Buildings	3,203,804	-	-	3,203,804
Improvements Other Than Buildings	585,414	60,584	-	645,998
Vehicles	4,961,126	118,516	(130,000)	4,949,642
Furniture, Fixtures and Equipment	2,432,705	111,294	-	2,543,999
Infrastructure	17,217,031	840,396	-	18,057,427
Total capital assets, being depreciated	28,400,080	1,130,790	(130,000)	29,400,870
Less accumulated depreciation:				
Buildings	(1,725,917)	(106,702)	-	(1,832,619)
Improvements Other Than Buildings	(152,181)	(50,098)	-	(202,279)
Vehicles	(2,105,386)	(311,817)	130,000	(2,287,203)
Furniture, Fixtures and Equipment	(1,295,589)	(185,897)	-	(1,481,486)
Infrastructure	(6,421,683)	(1,024,536)	-	(7,446,219)
Total accumulated depreciation	(11,700,756)	(1,679,050)	130,000	(13,249,806)
Total capital assets, being depreciated, net	16,699,324	(548,260)	-	16,151,064
Governmental activities capital assets, net	\$ 22,296,349	\$ (548,260)	\$ -	\$ 21,748,089

Depreciation expense was charged to governmental functions as follows:

General government	\$ 370,311
Leisure time activities	96,982
Security of persons and property	187,222
Transportation	1,024,535
Total depreciation expense	<u>\$ 1,679,050</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 - CAPITAL ASSETS - (Continued)

Capital asset activity of the business-type activities for the year ended December 31, 2020, was as follows:

	Balance		Balance
	12/31/19	Additions	12/31/20
Business-type activities			
Capital assets, being depreciated:			
Infrastructure	\$ 3,653,193	\$ -	\$ 3,653,193
Total capital assets, being depreciated	3,653,193	-	3,653,193
Less accumulated depreciation:			
Infrastructure	(996,796)	(90,211)	(1,087,007)
Total accumulated depreciation	(996,796)	(90,211)	(1,087,007)
Total capital assets, being depreciated, net	2,656,397	(90,211)	2,566,186
Business-type activities capital assets, net	\$ 2,656,397	\$ (90,211)	\$ 2,566,186

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability/asset and the net OPEB liability represent the City’s proportionate share of each pension/OPEB plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan’s fiduciary net position. The net pension/OPEB liability/asset calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost-of-living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City’s obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the City does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 12 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final Average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member’s contributions plus or minus the investment gains or losses resulting from the member’s investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members’ contributions, vested employer contributions and investment gains or losses resulting from the members’ investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits **	0.0 %
Total Employer	14.0 %
Employee	10.0 %

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City’s contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$284,612 for 2020. Of this amount, \$23,461 is reported as due to other governments/.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member’s average annual salary. The following discussion of the pension formula relates to normal service retirement.

For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3.00% of their base pension or disability benefit.

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CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$415,485 for 2020. Of this amount, \$41,962 is reported as due to other governments.

Net Pension Liabilities/Assets, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability and net pension asset for the OPERS were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.01345000%	0.03385200%	0.01288200%	0.06532600%	
Proportion of the net pension liability/asset current measurement date	<u>0.01380000%</u>	<u>0.03096100%</u>	<u>0.01342600%</u>	<u>0.06862710%</u>	
Change in proportionate share	<u>0.00035000%</u>	<u>-0.00289100%</u>	<u>0.00054400%</u>	<u>0.00330110%</u>	
Proportionate share of the net pension liability	\$ 2,727,664	\$ -	\$ -	\$ 4,623,088	\$ 7,350,752
Proportionate share of the net pension asset	-	(64,561)	(507)	-	(65,068)
Pension expense	443,193	7,397	(299)	721,594	1,171,885

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 1,697	\$ 175,000	\$ 176,697
Changes of assumptions	145,689	6,655	84	113,485	265,913
Changes in employer's proportionate percentage/difference between employer contributions	48,842	-	-	551,235	600,077
Contributions subsequent to the measurement date	263,260	17,205	4,147	415,485	700,097
Total deferred outflows of resources	\$ 457,791	\$ 23,860	\$ 5,928	\$ 1,255,205	\$ 1,742,784

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 34,488	\$ 15,156	\$ -	\$ 238,429	\$ 288,073
Net difference between projected and actual earnings on pension plan investments	544,104	8,375	161	223,332	775,972
Changes in employer's proportionate percentage/difference between employer contributions	50,790	-	-	199,148	249,938
Total deferred inflows of resources	\$ 629,382	\$ 23,531	\$ 161	\$ 660,909	\$ 1,313,983

\$700,097 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2021.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2021	\$ (83,056)	\$ (4,114)	\$ 201	\$ 48,120	\$ (38,849)
2022	(158,280)	(3,958)	202	89,410	(72,626)
2023	22,530	(1,623)	240	195,096	216,243
2024	(216,045)	(4,684)	183	(146,860)	(367,406)
2025	-	(879)	212	(6,955)	(7,622)
Thereafter	-	(1,618)	582	-	(1,036)
Total	\$ (434,851)	\$ (16,876)	\$ 1,620	\$ 178,811	\$ (271,296)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 4,498,800	\$ 2,727,664	\$ 1,135,464
Combined Plan	(39,011)	(64,561)	(82,975)
Member-Directed Plan	(269)	(507)	(671)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below.

Valuation date	1/1/19 with actuarial liabilities rolled forward to 12/31/19
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of
	inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 6,407,439	\$ 4,623,088	\$ 3,130,655

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

See Note 11 for a description of the net OPEB liability.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS’ Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$1,659 for 2020. Of this amount, \$137 is reported as due to other governments.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees’ primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City’s contractually required contribution to OP&F was \$9,748 for 2020. Of this amount, \$985 is reported as due to other governments.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F’s total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City’s proportion of the net OPEB liability was based on the City’s share of contributions to the retirement plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	OPERS	OP&F	Total
Proportion of the net OPEB liability			
prior measurement date	0.01402600%	0.06532600%	
Proportion of the net OPEB liability			
current measurement date	<u>0.01428700%</u>	<u>0.06862710%</u>	
Change in proportionate share	<u>0.00026100%</u>	<u>0.00330110%</u>	
Proportionate share of the net OPEB liability	\$ 1,973,406	\$ 677,880	\$ 2,651,286
OPEB expense	\$ 214,805	\$ 137,827	\$ 352,632

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 52	\$ -	\$ 52
Changes of assumptions	312,369	396,317	708,686
Changes in employer's proportionate percentage/difference between employer contributions	25,962	397,307	423,269
Contributions subsequent to the measurement date	1,659	9,748	11,407
Total deferred outflows of resources	<u>\$ 340,042</u>	<u>\$ 803,372</u>	<u>\$ 1,143,414</u>
	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 180,477	\$ 72,900	\$ 253,377
Net difference between projected and actual earnings on OPEB plan investments	100,486	31,193	131,679
Changes of assumptions	-	144,466	144,466
Changes in employer's proportionate percentage/difference between employer contributions	35,785	60,564	96,349
Total deferred inflows of resources	<u>\$ 316,748</u>	<u>\$ 309,123</u>	<u>\$ 625,871</u>

\$11,407 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	OPERS	OP&F	Total
2021	\$ 33,704	\$ 95,200	\$ 128,904
2022	30,791	95,202	125,993
2023	78	101,598	101,676
2024	(42,936)	91,511	48,575
2025	(2)	82,755	82,753
Thereafter	-	18,235	18,235
Total	\$ 21,635	\$ 484,501	\$ 506,136

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.50% initial, 3.50% ultimate in 2030
Prior Measurement date	10.00%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.70% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	100.00 %	4.55 %

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 2,582,518	\$ 1,973,406	\$ 1,485,705

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	1% Decrease	Current Health Care Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB liability	\$ 1,915,172	\$ 1,973,406	\$ 2,030,897

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. For 2018, the total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.56% for 2019 and 4.66% for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%), or one percentage point higher (4.56%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 840,527	\$ 677,880	\$ 542,731

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Compensated Absences

City employees earn universal leave at varying rates based upon length of service up to a maximum of 320 hours. Upon departure from City employment, an employee (or their estate) will be paid one hour of pay for each four hours of their accumulated universal leave up to a payment of 320 hours, based on the union agreements and the City's personnel policy.

City employees are allowed to place any hours over 320 hours into an extended universal leave balance. In the case of retirement, employees with 10 years of service with the City will be paid one hour of pay for each four hours of their accumulated extended universal leave up to a payment of 240 hours, based on the union agreements and the City's personnel policy.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - OTHER EMPLOYEE BENEFITS - (Continued)

Insurance

Medical/surgical benefits are provided to full-time City employees through Anthem Blue Cross in conjunction with a Health Savings Account. The City pays 100 percent of the single plan monthly premiums and 90 percent of the additional cost of the family plan premiums. All employees pay at least seven percent of the cost of all plans offered by the City. The premium varies with each employee depending on the plan and coverage selected. New hires pay 20 percent for single or family plans. Life insurance is provided through Anthem Life. All employees of the City receive \$50,000 in life insurance. Group dental insurance is provided through Superior Dental.

NOTE 14 - LEASES - LESSEE DISCLOSURE

Capital

In prior years, the City entered into lease purchase agreements for the purchase of golf equipment, vehicles, and a fire vehicle. These leases meet the criteria of a capital lease as benefits and risks of ownership have transferred to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by leases have been capitalized in the Statement of Net Position for governmental activities in the amount of \$1,515,585. A corresponding liability was recorded on the Statement of Net Position for governmental activities. Principal payments during 2020 totaled \$303,432.

The assets acquired through capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value December 31, 2020
Asset:			
Furniture, Fixtures and Equipment	\$ 226,294	\$ (20,045)	\$ 206,249
Vehicles	<u>1,289,291</u>	<u>(193,808)</u>	<u>1,095,483</u>
Total	<u>\$ 1,515,585</u>	<u>\$ (213,853)</u>	<u>\$ 1,301,732</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2020.

<u>Year Ending December 31,</u>	<u>Total Payments</u>
2021	\$ 344,795
2022	344,794
2023	<u>142,020</u>
Total minimum lease payments	831,609
Less: amount representing interest	<u>(51,402)</u>
Present value of future minimum lease payments	<u>\$ 780,207</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2020 were as follows:

	Balance			Balance	Amounts
	12/31/19	Additions	Reductions	12/31/20	Due in One Year
Governmental Activities:					
General Obligation Bonds:					
2010 Roadway Improvement					
Term Bonds - 4.0-4.5%	\$ 880,000	\$ -	\$ -	\$ 880,000	\$ 75,000
Capital Appreciation Bonds - 4.1-4.35%	16,159	-	(16,159)	-	-
Accretion on Capital Appreciation Bonds	48,164	10,677	(58,841)	-	-
Premium on Debt Issue	33,574	-	(3,075)	30,499	-
2013 Various Purpose Refunding Bonds					
Serial Bonds - 1.25-3%	2,010,000	-	(230,000)	1,780,000	235,000
Term Bonds - 3.25%	535,000	-	-	535,000	-
Premium on Debt Issue	74,058	-	(7,865)	66,193	-
2016 Road Improvement Bonds					
Serial Bonds - 1.0 - 4%	4,535,000	-	(365,000)	4,170,000	375,000
Premium on Debt Issue	281,445	-	(25,782)	255,663	-
Total General Obligation Bonds	8,413,400	10,677	(706,722)	7,717,355	685,000
Other Governmental Obligations:					
Lease Purchase Agreements	1,083,639	-	(303,432)	780,207	315,335
Compensated Absences	424,422	198,926	(205,781)	417,567	202,883
Total Other Governmental Obligations	1,508,061	198,926	(509,213)	1,197,774	518,218
Net pension liability	9,016,010	-	(1,665,258)	7,350,752	-
Net OPEB liability	2,423,552	227,734	-	2,651,286	-
Total Governmental Activities					
Long-Term Obligations	\$ 21,361,023	\$ 437,337	\$ (2,881,193)	\$ 18,917,167	\$ 1,203,218
Business-Type Activities:					
<u>Direct borrowing</u>					
2005 OWDA Loan - 4%	\$ 2,360,835	\$ -	\$ (107,828)	\$ 2,253,007	\$ 112,184
Total Business-Type Activities					
Long-Term Obligations	\$ 2,360,835	\$ -	\$ (107,828)	\$ 2,253,007	\$ 112,184

The 2010 Road Improvement Bonds were issued December 2, 2010, in the amount of \$1,515,000 in unvoted general obligation bonds that were issued for the purpose of constructing, rebuilding, widening and making drainage improvements to roadways in the City of Clayton. Current interest bonds were issued in an aggregate principal amount of \$1,480,000. Of these bonds, \$600,000 were serial bonds and \$880,000 were term bonds. \$35,000 were issued as capital appreciation bonds. The bonds were issued for a 20 year period with final maturity in December of 2030. The bonds will be retired from the Capital Improvement Fund.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

The term bonds issued at \$880,000 and maturing on December 1, 2030, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 75,000
2022	75,000
2023	75,000
2024	80,000
2025	85,000
2026 - 2030	<u>490,000</u>
Total	<u>\$ 880,000</u>

The capital appreciation bonds, issued at \$35,000, are not subject to prior redemption. The capital appreciation bonds matured in 2019 and will mature in 2020, with a maturity amount of \$75,000 each year, including interest. For 2020, the capital appreciation bonds remaining accreted interest was \$10,677.

In 2013, the City issued various purpose refunding bonds, in the amount of \$3,665,000, to refund bonds previously issued in 2005 for various purposes. Of these bonds, \$3,130,000, are serial bonds and \$535,000 are term bonds. The bonds were issued with interest rates varying from 1.25 to 3.25 percent. The bonds were issued for a seventeen year period with final maturity during 2029. The bonds are retired through the Bond Retirement Fund.

The term bonds portion of the 2013 various purpose refunding bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows (with the balance of \$250,000 to be paid at maturity on December 1, 2029):

<u>Year</u>	<u>Principal Amount</u>
2028	\$ 285,000

The bonds maturing after December 1, 2022 are subject to redemption at the option of the City, either in whole, or in part in such order of maturity as the City shall determine, on any date on or after December 1, 2022, at a redemption price equal to 100 percent of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

In 2016, the City issued road improvement bonds, in the amount of \$6,000,000, for the purpose of constructing, reconstructing, resurfacing, widening, opening and improving roadways. The bonds were issued with interest rates varying from 1.00 to 4.00 percent. The bonds were issued for a fifteen-year period with final maturity during 2030. The bonds are retired through the Bond Retirement Fund

Compensated absences and required pension and OPEB contributions will be paid from the General, Police, Fire, EMS, and Street Department. Capital lease obligations will be paid from the Capital Improvement Fund. The City pays obligations relating to employee compensation from the funds benefitting their service. For additional information related to the net pension liability and net OPEB liability see notes 11 and 12, respectively.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15 - LONG-TERM OBLIGATIONS - (Continued)

The City has an OWDA Loan outstanding at December 31, 2020, which was issued during 2005 at a rate of four percent. The total original amount of the loan was \$3,481,913. The loan was for a 30 year period with the final payment due in January 2036. The loan was issued for the construction of the sewer system expansion phase I and sewer lines and will be paid from the Debt Service and Tax Increment Funds. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

The City's overall legal debt margin was \$19,087,411 at December 31, 2020, and the unvoted debt margin was \$6,491,025.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2020, are as follows:

Year Ending December 31,	Governmental Activities			
	Serial Bonds	Serial Bonds	Term Bonds	Term Bonds
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 610,000	\$ 175,712	\$ 75,000	\$ 44,112
2022	620,000	164,450	75,000	44,112
2023	630,000	152,050	75,000	41,112
2024	650,000	137,000	80,000	38,112
2025	665,000	121,450	85,000	34,712
2026 - 2030	<u>2,775,000</u>	<u>317,626</u>	<u>1,025,000</u>	<u>103,649</u>
Totals	<u>\$ 5,950,000</u>	<u>\$ 1,068,288</u>	<u>\$ 1,415,000</u>	<u>\$ 305,809</u>

Year Ending December 31,	Business - Type Activities	
	OWDA Loan	OWDA Loan
	<u>Principal</u>	<u>Interest</u>
2021	\$ 112,184	\$ 89,010
2022	116,716	84,477
2023	121,431	79,762
2024	126,337	74,856
2025	131,441	69,752
2026 - 2030	741,282	264,684
2031 - 2035	<u>903,616</u>	<u>102,349</u>
Totals	<u>\$ 2,253,007</u>	<u>\$ 764,890</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 16 - INTERFUND ACTIVITY

Interfund Transfers

Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported in the fund financial statements:

<u>Transfers to</u>	<u>Transfers from</u>			<u>Total</u>
	<u>General</u>	<u>Bond Retirement</u>	<u>Nonmajor Governmental Funds</u>	
General Fund	\$ -		\$ 50,903	\$ 50,903
Police Fund	725,000	-	8,471	733,471
Fire Fund	515,000	-	2,530	517,530
Street Fund	157,050		158,266	315,316
Bond Retirement Fund	517,445	-	-	517,445
Sewer Operating Fund	-	136,810	64,382	201,192
Total	\$ 1,914,495	\$ 136,810	\$ 284,552	\$ 2,335,857

Transfers are made to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers to the Sewer Operating Fund were for the repayment of debt. The City’s FEMA fund (a nonmajor governmental fund) transferred \$220,170 to other City funds. All transfers were made in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

NOTE 17 - RISK MANAGEMENT

The City is exposed to various risks of property and casualty losses, and injuries to employees.

The City insures against injuries to employees through the Ohio Bureau of Workers’ Compensation.

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool (see Note 20) available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Services Group, Inc. (York), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool’s primary liability for such payments. The Pool is a member of American Public Entity Excess Pool (APEEP), which is also administered by York Risk Pooling Services, Inc. (YORK). APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2020, the Pool retained \$500,000 for casualty claims and \$250,000 for property claims). The Board of Directors and YORK periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - RISK MANAGEMENT - (Continued)

Financial Position

PEP’s financial statements conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2020 and December 31, 2019:

<u>Casualty and Property Coverage</u>	<u>2020</u>	<u>2019</u>
Assets	\$40,318,971	\$54,973,597
Liabilities	14,111,510	16,440,940
Net Position- Unrestricted	<u>\$26,207,461</u>	<u>\$38,532,657</u>

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership. The contribution for this year is:

<u>Contributions to PEP</u>	<u>Amount</u>
2020	\$101,185

Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year’s budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

NOTE 18 - JOINT VENTURE

Clay Township - City of Clayton Joint Economic Development District

On July 1, 2007, the City entered into a contract for the creation of the Clay Township-City of Clayton Joint Economic Development District (the “District”) with Clay Township in Montgomery County. The contract was entered into under the authority of the Ohio Revised Code Sections 715.72 – 715.83. The District was established for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the District. The District will permit the City and the Township to share income tax revenues from the development of business operations within the District. After the payment of the District’s obligations, the District shall distribute 85 percent of any remaining income tax receipts, at 60 percent to the Township and 40 percent to the City. The contract will terminate on December 31, 2037, and can be renewed for two additional ten year periods. Upon contract termination, all assets and liabilities of the District will be distributed 60 percent to the Township and 40 percent to the City. The Board of Directors is made up of five individuals: a representative of the City, a representative of the Township, a representative of the business owners located within the District, a representative of the people working within the District, and a representative appointed by the other four representatives who will serve as the Chairperson of the Board.

The percentage of equity interest for the City is based on the amount that will be distributed to the City if the contract is terminated. The City’s equity interest of \$93,104 represents 40 percent of the total equity of the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Clayton paid a onetime contribution of \$25,000 to pay mutual start-up costs. Additional information can be obtained from Joe Tuss, President, at 451 West Third Street, Dayton, Ohio 45422.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 19 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the “Commission”) is a jointly governed organization between Preble, Warren, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of Clayton, the City of Huber Heights, the City of Riverside, the City of New Carlisle, and the City of Dayton. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. These reports show recommendations for systems of transportation, highways, parks and recreational facilities, water supply, sewage disposal, garbage disposal, civic centers, and other public improvements and land uses which affect the development of the region.

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member’s degree of control is limited to representation on the Board. Payments to the Commission are made from the General Fund.

The City contributed \$6,076 for the operation of the Commission during 2020. Financial information may be obtained by writing to Donald Spang, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

Economic Development/Government Equity Program

The Economic Development/Government Equity Program (“ED/GE”) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments.

Members include villages, townships, and cities within Montgomery County, and Montgomery County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County.

The ED/GE Advisory Committee, made up of alternating member entities’ representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for 10 years, ending December 31, 2029. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member’s degree of control is limited to representation on the Board. Payments to ED/GE are made from and received in the General Fund. Financial information may be obtained by writing to Pamela Frannin, Secretary, 451 West Third Street, Dayton, Ohio, 45422.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 20 - RISK SHARING POOL

The Public Entities Pool of Ohio (PEP) is a statutory entity created pursuant to section 2744.081, of the Ohio Revised Code, by the execution of an intergovernmental contract (“Participation Agreements”). PEP enables the subscribing subdivisions to pool risk for property, liability and public official liability. PEP has no employees, rather it is administered through contracts with various professionals.

Pursuant to a contract, the firm of Wells Fargo Insurance Services administers PEP. PEP is a separate legal entity. PEP subcontracts certain self-insurance, administrative and claims functions to a “Pool Operator,” currently Pottering Insurance. PEP has executed contracts with various professionals for actuary services, as independent auditors, as loss control representatives, as litigation management and defense law firms, as counsel to PEP and others as required.

PEP is governed by a seven member Board of Trustees elected by the members of PEP. The City makes an annual contribution to PEP for the coverage it is provided, based on rates established by PEP. Financial information may be obtained by writing to the Public Entities Pool of Ohio, 229 Riverside Drive, Dayton, Ohio, 45402.

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CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 21 - FUND BALANCE

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund balance	General	Police Fund	Fire Fund	Street Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:							
Materials and supplies inventory	\$ -	\$ -	\$ -	\$ 48,253	\$ -	\$ 105,730	\$ 153,983
Prepays	73,453	26,082	34,087	30,229	-	3,541	167,392
Total nonspendable	<u>73,453</u>	<u>26,082</u>	<u>34,087</u>	<u>78,482</u>	<u>-</u>	<u>109,271</u>	<u>321,375</u>
Restricted:							
Road Improvements	-	-	-	438,907	-	182,139	621,046
Capital Improvements	-	-	-	-	705,973	-	705,973
Fire Operations	-	-	343,770	-	-	-	343,770
Police Operations	-	347,838	-	-	-	-	347,838
Cemetery Operations	-	-	-	-	-	67,426	67,426
Drug and Alcohol Enforcement	-	-	-	-	-	25,796	25,796
Street Lighting	-	-	-	-	-	41,592	41,592
Economic development	-	-	-	-	-	1,739,590	1,739,590
Emergency Medical Services	-	-	-	-	-	374,128	374,128
Other Purposes	-	-	-	-	-	457	457
Total restricted	<u>-</u>	<u>347,838</u>	<u>343,770</u>	<u>438,907</u>	<u>705,973</u>	<u>2,431,128</u>	<u>4,267,616</u>
Committed:							
General Government	3,883	-	-	-	-	-	3,883
Total committed	<u>3,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,883</u>
Assigned:							
General government	38,832	-	-	-	-	-	38,832
Capital outlay and projects	-	-	-	-	-	3,830	3,830
Leisure time activities	1,198	-	-	-	-	-	1,198
Subsequent appropriations	1,835,553	-	-	-	-	-	1,835,553
Total assigned	<u>1,875,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,830</u>	<u>1,879,413</u>
Unassigned	3,443,817	-	-	-	-	-	3,443,817
Total fund balances	<u>\$ 5,396,736</u>	<u>\$ 373,920</u>	<u>\$ 377,857</u>	<u>\$ 517,389</u>	<u>\$ 705,973</u>	<u>\$ 2,544,229</u>	<u>\$ 9,916,104</u>

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 22 – SIGNIFICANT COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$	43,913
Police Fund		4,763
Fire Fund		40,219
Capital Improvement Fund		183,489
Nonmajor Governmental Funds		<u>101,397</u>
Total	\$	<u>373,781</u>

NOTE 23 - CONTINGENT LIABILITIES

A. Federal and State Grants

For the period January 1, 2020, to December 31, 2020, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

B. Litigation

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 24 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio and the pension and other employee benefits plan in which the City participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the City received CARES Act funding in the amount of \$764,237 as an on-behalf of grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.013800%	0.013450%	0.014383%	0.013947%
City's proportionate share of the net pension liability	\$ 2,727,664	\$ 3,683,682	\$ 2,256,414	\$ 3,167,127
City's covered payroll	\$ 1,956,843	\$ 1,810,743	\$ 1,779,415	\$ 1,914,008
City's proportionate share of the net pension liability as a percentage of its covered payroll	139.39%	203.43%	126.81%	165.47%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.030961%	0.033852%	0.033639%	0.043238%
City's proportionate share of the net pension asset	\$ 64,561	\$ 37,854	\$ 45,794	\$ 24,065
City's covered payroll	\$ 137,829	\$ 144,786	\$ 137,762	\$ 162,267
City's proportionate share of the net pension asset as a percentage of its covered payroll	46.84%	26.14%	33.24%	14.83%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.013426%	0.012882%	0.012234%	0.011172%
City's proportionate share of the net pension asset	\$ 507	\$ 294	\$ 427	\$ 47
City's covered payroll	\$ 79,810	\$ 7,364	\$ 67,050	\$ 57,989
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.64%	3.99%	0.64%	0.08%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.014240%	0.012650%	0.012650%
\$	2,466,548	\$ 1,525,764	\$ 1,491,301
\$	1,643,903	\$ 1,426,339	\$ 1,662,184
	150.04%	106.97%	89.72%
	81.08%	86.45%	86.36%
	0.038160%		
\$	18,569		
\$	55,633		
	33.38%		
	116.90%		
	0.053820%		
\$	36		
\$	53,142		
	0.07%		
	103.91%		

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net pension liability	0.06862710%	0.06532600%	0.06695700%	0.05392500%
City's proportionate share of the net pension liability	\$ 4,623,088	\$ 5,332,328	\$ 4,109,447	\$ 3,415,530
City's covered payroll	\$ 1,492,172	\$ 1,474,548	\$ 1,685,008	\$ 1,181,873
City's proportionate share of the net pension liability as a percentage of its covered payroll	309.82%	361.62%	243.88%	288.99%
Plan fiduciary net position as a percentage of the total pension liability	69.89%	63.07%	70.91%	68.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.05382000%	0.05289620%	0.05289620%
\$ 3,462,275	\$ 2,740,244	\$ 2,576,211
\$ 1,075,317	\$ 1,061,660	\$ 1,025,136
321.98%	258.11%	251.30%
66.77%	71.71%	73.00%

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST EIGHT YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 263,260	\$ 273,958	\$ 253,504	\$ 231,324
Contributions in relation to the contractually required contribution	<u>(263,260)</u>	<u>(273,958)</u>	<u>(253,504)</u>	<u>(231,324)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,880,429	\$ 1,956,843	\$ 1,810,743	\$ 1,779,415
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 17,205	\$ 19,296	\$ 20,270	\$ 17,909
Contributions in relation to the contractually required contribution	<u>(17,205)</u>	<u>(19,296)</u>	<u>(20,270)</u>	<u>(17,909)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 122,893	\$ 137,829	\$ 144,786	\$ 137,762
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 4,147	\$ 7,981	\$ 7,364	\$ 6,705
Contributions in relation to the contractually required contribution	<u>(4,147)</u>	<u>(7,981)</u>	<u>(7,364)</u>	<u>(6,705)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 41,470	\$ 79,810	\$ 73,640	\$ 67,050
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 229,681	\$ 212,804	\$ 186,993	\$ 232,872
<u>(229,681)</u>	<u>(212,804)</u>	<u>(186,993)</u>	<u>(232,872)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,914,008	\$ 1,643,274	\$ 1,426,339	\$ 1,662,184
12.00%	12.95%	13.11%	14.01%

\$ 19,472
<u>(19,472)</u>
<u>\$ -</u>
\$ 162,267
12.00%

\$ 5,509
<u>(5,509)</u>
<u>\$ -</u>
\$ 57,989
9.50%

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 415,485	\$ 317,347	\$ 312,687	\$ 295,483
Contributions in relation to the contractually required contribution	<u>(415,485)</u>	<u>(317,347)</u>	<u>(312,687)</u>	<u>(295,483)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,949,502	\$ 1,492,172	\$ 1,474,548	\$ 1,389,525
Contributions as a percentage of covered payroll	21.31%	21.27%	21.21%	21.27%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 250,969	\$ 227,419	\$ 221,367	\$ 185,592	\$ 142,302	\$ 128,851
<u>(250,969)</u>	<u>(227,419)</u>	<u>(221,367)</u>	<u>(185,592)</u>	<u>(142,302)</u>	<u>(128,851)</u>
<u>\$ -</u>					
\$ 1,181,873	\$ 1,075,267	\$ 1,061,712	\$ 1,025,370	\$ 945,528	\$ 864,772
21.23%	21.15%	20.85%	18.10%	15.05%	14.90%

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.014287%	0.014026%	0.014840%	0.014557%
City's proportionate share of the net OPEB liability	\$ 1,973,406	\$ 1,828,659	\$ 1,611,515	\$ 1,470,309
City's covered payroll	\$ 2,174,482	\$ 2,029,169	\$ 1,984,227	\$ 2,134,264
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	90.75%	90.12%	81.22%	68.89%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.06862710%	0.06532600%	0.06695700%	0.05392500%
City's proportionate share of the net OPEB liability	\$ 677,880	\$ 594,893	\$ 3,793,690	\$ 2,559,698
City's covered payroll	\$ 1,492,172	\$ 1,474,548	\$ 1,389,525	\$ 1,181,873
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	45.43%	40.34%	273.02%	216.58%
Plan fiduciary net position as a percentage of the total OPEB liability	47.08%	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST EIGHT YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,659	\$ 3,192	\$ 2,945	\$ 21,854
Contributions in relation to the contractually required contribution	<u>(1,659)</u>	<u>(3,192)</u>	<u>(2,945)</u>	<u>(21,854)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,044,792	\$ 2,174,482	\$ 2,029,169	\$ 1,984,227
Contributions as a percentage of covered payroll	0.08%	0.15%	0.15%	1.10%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 41,780	\$ 45,738	\$ 26,757	\$ 65,365
<u>(41,780)</u>	<u>(45,738)</u>	<u>(26,757)</u>	<u>(65,365)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,134,264	\$ 1,643,274	\$ 1,426,339	\$ 1,662,184
1.96%	2.78%	1.88%	3.93%

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 9,748	\$ 7,462	\$ 7,373	\$ 6,948
Contributions in relation to the contractually required contribution	<u>(9,748)</u>	<u>(7,462)</u>	<u>(7,373)</u>	<u>(6,948)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,949,502	\$ 1,492,172	\$ 1,474,548	\$ 1,389,525
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 5,910	\$ 5,429	\$ 5,114	\$ 28,013	\$ 63,838	\$ 58,371
<u>(5,910)</u>	<u>(5,429)</u>	<u>(5,114)</u>	<u>(28,013)</u>	<u>(63,838)</u>	<u>(58,371)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 1,181,873	\$ 1,075,267	\$ 1,061,712	\$ 1,025,370	\$ 945,528	\$ 864,772
0.50%	0.50%	0.48%	2.73%	6.75%	6.75%

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%. There were no changes in assumptions for 2020.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019-2020.

(Continued)

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model. There were no changes in benefit terms for 2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.

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**COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES**

CITY OF CLAYTON, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Enforcement and Education Fund

To account for and report fines imposed by the courts which are restricted for programs aimed at further education and enforcement of OVI laws.

Drug Law Enforcement Fund

To account for and report fines and costs collected for felonious drug trafficking convictions. This money is restricted to drug law enforcement activities.

Law Enforcement Trust Fund

To account for fines and forfeitures revenue and proceeds from the sale of confiscated property restricted to law enforcement training and equipment.

EMS Fund

To account for and report revenues received from a voted property tax levy and fees for services restricted to pay for the cost of the EMS department.

State Highway Fund

To account for and report gasoline tax and motor vehicle license fees restricted for routine maintenance of State highways within the City.

Permissive Motor Vehicle License Tax Fund

To account for and report additional motor vehicle license tax levied by the City and restricted for routine street maintenance and

Street Lights Fund

To account for and report special assessments restricted to expenditures for street lighting within the City.

Cemetery Fund

To account for and report revenues received from the sale of lots, charges for burial services, and foundations, restricted to operating and maintaining the City cemetery.

Joint Economic Development District (JEDD) Fund

To account for and report the City's share of the income tax levied by the Clay Township-City of Clayton Joint Economic Development District restricted to economic development and the benefit and welfare of the properties located within the Joint Economic Development District.

Tax Increment Fund

To account for and report service fees received from various business owners restricted for City-owned infrastructure improvements that will benefit the business owners' property.

Tax Increment Financing Towne Center Fund

To account for and report service fees received from property owners to be used to reimburse the developers at the Towne Center for City capital assets constructed by the developer.

Local Coronavirus Relief Fund

To account for federal monies used to combat and prevent the spread of COVID-19, specifically sourced from the Coronavirus Aid, Relief and Economic Security (CARES).

CITY OF CLAYTON, OHIO

FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Projects Fund

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or assets that will be held in trust funds.

Asset Replacement Fund

To account for and report transfers from the General Fund assigned to the purchase or replacement of capital assets.

FEMA Fund

To account for reimbursable disaster assistance grants and eligible costs associated with debris removal, emergency protective measures and permanent restoration of infrastructure.

CITY OF CLAYTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,306,359	\$ 3,830	\$ 2,310,189
Receivables:			
Real and other taxes	179,806	-	179,806
Accounts	273,685	-	273,685
Payments in lieu of taxes	484,165	-	484,165
Special assessments	37,415	-	37,415
Accrued interest	974	-	974
Due from other governments	72,636	-	72,636
Materials and supplies inventory	105,730	-	105,730
Prepayments	3,541	-	3,541
Land held for resale	123,489	-	123,489
Total assets	<u>\$ 3,587,800</u>	<u>\$ 3,830</u>	<u>\$ 3,591,630</u>
Liabilities:			
Accounts payable	\$ 6,477	\$ -	\$ 6,477
Accrued wages and benefits payable	2,814	-	2,814
Due to other governments	12,020	-	12,020
Total liabilities	<u>21,311</u>	<u>-</u>	<u>21,311</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	173,518	-	173,518
Delinquent property tax revenue not available	6,288	-	6,288
Accrued interest not available	705	-	705
Special assessments revenue not available	37,415	-	37,415
Miscellaneous revenue not available	267,363	-	267,363
Intergovernmental revenue not available	56,636	-	56,636
PILOTs levied for next fiscal year	471,350	-	471,350
Delinquent PILOT revenue not available	12,815	-	12,815
Total deferred inflows of resources	<u>1,026,090</u>	<u>-</u>	<u>1,026,090</u>
Fund balances:			
Nonspendable	109,271	-	109,271
Restricted	2,431,128	-	2,431,128
Assigned	-	3,830	3,830
Total fund balances	<u>2,540,399</u>	<u>3,830</u>	<u>2,544,229</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 3,587,800</u>	<u>\$ 3,830</u>	<u>\$ 3,591,630</u>

CITY OF CLAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Real and other taxes	\$ 183,776	\$ -	\$ 183,776
Other local taxes	98,055	-	98,055
Payment in lieu of taxes	471,351	-	471,351
Charges for services	390,568	-	390,568
Fines and forfeitures	5,074	-	5,074
Intergovernmental	1,035,920	220,170	1,256,090
Special assessments	45,578	-	45,578
Investment income	12,232	-	12,232
Contributions and donations	2,000	-	2,000
Change in FMV of investments	(5,088)	-	(5,088)
Other	13,880	-	13,880
Total revenues	<u>2,253,346</u>	<u>220,170</u>	<u>2,473,516</u>
Expenditures:			
<i>Current:</i>			
General government	244,578	-	244,578
Security of persons and property	600,979	-	600,979
Public health and welfare	780,866	-	780,866
Transportation	159,712	-	159,712
Capital outlay	136,677	-	136,677
<i>Debt service:</i>			
Principal retirement	80,500	-	80,500
Interest and fiscal charges	24,723	-	24,723
Total expenditures	<u>2,028,035</u>	<u>-</u>	<u>2,028,035</u>
Excess of revenues over expenditures	<u>225,311</u>	<u>220,170</u>	<u>445,481</u>
Other financing sources (uses):			
Transfers out	<u>(64,382)</u>	<u>(220,170)</u>	<u>(284,552)</u>
Total other financing sources/(uses)	<u>(64,382)</u>	<u>(220,170)</u>	<u>(284,552)</u>
Net change in fund balances	160,929	-	160,929
Fund balances at beginning of year	<u>2,379,470</u>	<u>3,830</u>	<u>2,383,300</u>
Fund balances at end of year	<u><u>\$ 2,540,399</u></u>	<u><u>\$ 3,830</u></u>	<u><u>\$ 2,544,229</u></u>

CITY OF CLAYTON, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	Enforcement and Education Fund	Drug Law Enforcement Fund	Law Enforcement Trust Fund	EMS Fund	State Highway Fund
Assets:					
Equity in pooled cash and cash equivalents	\$ 3,718	\$ 12,297	\$ 9,756	\$ 381,188	\$ 98,708
Receivables:					
Real and other taxes	-	-	-	179,806	-
Accounts	-	-	-	268,694	1,218
Payments in lieu of taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	-	369
Due from other governments	25	-	-	21,495	43,006
Materials and supplies inventory	-	-	-	-	81,655
Prepayments	-	-	-	3,541	-
Land held for resale	-	-	-	-	-
Total assets	\$ 3,743	\$ 12,297	\$ 9,756	\$ 854,724	\$ 224,956
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,028	\$ 27
Accrued wages and benefits payable	-	-	-	2,814	-
Due to other governments	-	-	-	11,386	-
Total liabilities	-	-	-	16,228	27
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	-	-	-	173,518	-
Delinquent property tax revenue not available	-	-	-	6,288	-
Accrued interest not available	-	-	-	-	267
Special assessments revenue not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	262,372	1,218
Intergovernmental revenue not available	-	-	-	18,649	37,987
PILOTs levied for next fiscal year	-	-	-	-	-
Delinquent PILOT revenue not available	-	-	-	-	-
Total deferred inflows of resources	-	-	-	460,827	39,472
Fund balances:					
Nonspendable	-	-	-	3,541	81,655
Restricted	3,743	12,297	9,756	374,128	103,802
Total fund balances	3,743	12,297	9,756	377,669	185,457
Total liabilities, deferred inflows of resources & fund balance	\$ 3,743	\$ 12,297	\$ 9,756	\$ 854,724	\$ 224,956

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cementery Fund	JEDD Fund	Tax Increment Fund	TIF Towne Center Fund	Local Coronavirus Fund	Total Nonmajor Special Revenue Funds
\$ 75,116	\$ 41,592	\$ 67,426	\$ 530,510	\$ 698,427	\$ 387,164	\$ 457	\$ 2,306,359
-	-	-	-	-	-	-	179,806
-	-	-	-	-	-	3,773	273,685
-	-	-	-	315,304	168,861	-	484,165
-	37,415	-	-	-	-	-	37,415
605	-	-	-	-	-	-	974
8,110	-	-	-	-	-	-	72,636
24,075	-	-	-	-	-	-	105,730
-	-	-	-	-	-	-	3,541
-	-	-	-	-	123,489	-	123,489
\$ 107,906	\$ 79,007	\$ 67,426	\$ 530,510	\$ 1,013,731	\$ 679,514	\$ 4,230	\$ 3,587,800
\$ 4,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,477
-	-	-	-	-	-	-	2,814
634	-	-	-	-	-	-	12,020
5,056	-	-	-	-	-	-	21,311
-	-	-	-	-	-	-	173,518
-	-	-	-	-	-	-	6,288
438	-	-	-	-	-	-	705
-	37,415	-	-	-	-	-	37,415
-	-	-	-	-	-	3,773	267,363
-	-	-	-	-	-	-	56,636
-	-	-	-	306,958	164,392	-	471,350
-	-	-	-	8,346	4,469	-	12,815
438	37,415	-	-	315,304	168,861	3,773	1,026,090
24,075	-	-	-	-	-	-	109,271
78,337	41,592	67,426	530,510	698,427	510,653	457	2,431,128
102,412	41,592	67,426	530,510	698,427	510,653	457	2,540,399
\$ 107,906	\$ 79,007	\$ 67,426	\$ 530,510	\$ 1,013,731	\$ 679,514	\$ 4,230	\$ 3,587,800

CITY OF CLAYTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Enforcement and Education Fund	Drug Law Enforcement Fund	Law Enforcement Trust Fund	EMS Fund	State Highway Fund
Revenues:					
Real and other taxes	\$ -	\$ -	\$ -	\$ 183,776	\$ -
Other local taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	372,418	-
Fines and forfeitures	50	-	5,024	-	-
Intergovernmental	-	-	-	111,122	64,362
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	4,548
Contributions and donations	-	-	-	2,000	-
Change in FMV of investments	-	-	-	-	(145)
Other	-	-	-	9,700	-
Total revenues	50	-	5,024	679,016	68,765
Expenditures:					
<i>Current:</i>					
General government	-	-	-	-	-
Security of persons and property	-	-	-	565,535	-
Public health and welfare	-	-	-	-	-
Transportation	-	-	-	-	44,013
Capital outlay	-	-	9,486	4,121	121,606
<i>Debt service:</i>					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	9,486	569,656	165,619
Excess (deficiency) of revenues over/(under) expenditures	50	-	(4,462)	109,360	(96,854)
Other financing sources (uses):					
Transfer out	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-
Net change in fund balances	50	-	(4,462)	109,360	(96,854)
Fund balances at beginning of year	3,693	12,297	14,218	268,309	282,311
Fund balances at end of year	\$ 3,743	\$ 12,297	\$ 9,756	\$ 377,669	\$ 185,457

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cemetery Fund	JEDD Fund	Tax Increment Fund	TIF Towne Center Fund	Local Coronavirus Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,776
98,055	-	-	-	-	-	-	98,055
-	-	-	-	306,958	164,393	-	471,351
-	-	18,150	-	-	-	-	390,568
-	-	-	-	-	-	-	5,074
-	-	-	58,508	24,709	12,982	764,237	1,035,920
-	45,578	-	-	-	-	-	45,578
7,652	-	-	-	-	-	32	12,232
(4,943)	-	-	-	-	-	-	2,000
-	-	-	-	-	-	-	(5,088)
-	-	-	-	4,180	-	-	13,880
<u>100,764</u>	<u>45,578</u>	<u>18,150</u>	<u>58,508</u>	<u>335,847</u>	<u>177,375</u>	<u>764,269</u>	<u>2,253,346</u>
-	-	-	461	155,103	89,014	-	244,578
-	35,444	-	-	-	-	-	600,979
-	-	17,054	-	-	-	763,812	780,866
115,699	-	-	-	-	-	-	159,712
628	-	836	-	-	-	-	136,677
-	-	-	-	80,500	-	-	80,500
-	-	-	-	24,723	-	-	24,723
<u>116,327</u>	<u>35,444</u>	<u>17,890</u>	<u>461</u>	<u>260,326</u>	<u>89,014</u>	<u>763,812</u>	<u>2,028,035</u>
<u>(15,563)</u>	<u>10,134</u>	<u>260</u>	<u>58,047</u>	<u>75,521</u>	<u>88,361</u>	<u>457</u>	<u>225,311</u>
-	-	-	-	-	(64,382)	-	(64,382)
-	-	-	-	-	(64,382)	-	(64,382)
(15,563)	10,134	260	58,047	75,521	23,979	457	160,929
<u>117,975</u>	<u>31,458</u>	<u>67,166</u>	<u>472,463</u>	<u>622,906</u>	<u>486,674</u>	<u>-</u>	<u>2,379,470</u>
<u>\$ 102,412</u>	<u>\$ 41,592</u>	<u>\$ 67,426</u>	<u>\$ 530,510</u>	<u>\$ 698,427</u>	<u>\$ 510,653</u>	<u>\$ 457</u>	<u>\$ 2,540,399</u>

CITY OF CLAYTON, OHIO
 COMBINING BALANCE SHEET
 INDIVIDUAL NONMAJOR CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2020

	Asset Replacement Fund	Total Nonmajor Capital Project Funds
Assets:		
Equity in pooled cash and cash equivalents	\$ 3,830	\$ 3,830
Total assets	\$ 3,830	\$ 3,830
Fund balances:		
Assigned	3,830	3,830
Total fund balances	3,830	3,830
Total liabilities, deferred inflows of resources & fund balance	\$ 3,830	\$ 3,830

CITY OF CLAYTON, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
INDIVIDUAL NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Asset Replacement Fund	FEMA Fund	Total Nonmajor Capital Project Funds
Revenues:			
Intergovernmental	\$ -	\$ 220,170	\$ 220,170
Total revenues	-	220,170	220,170
Excess (deficiency) of revenues over/(under) expenditures	-	220,170	220,170
Other financing sources (uses):			
Transfer out	-	(220,170)	(220,170)
Total other financing sources/(uses)	-	(220,170)	(220,170)
Net change in fund balances	-	-	-
Fund balances at beginning of year	3,830	-	3,830
Fund balances at end of year	\$ 3,830	\$ -	\$ 3,830

CITY OF CLAYTON, OHIO

FUND DESCRIPTIONS - FIDUCIARY FUNDS

Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations, or other governmental units.

Joint Economic Development District Fund

To account for income tax monies received from various business owners within the Clay Township-City of Clayton Joint Economic Development District which are then distributed to Clay Township, the City of Clayton and the District.

North Clayton Development Fund

To account for association fees received from various homeowners within the North Clayton development which are then distributed to the North Clayton Development Association.

CITY OF CLAYTON, OHIO
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	Joint Economic Development District Fund	North Clayton Development Fund	Total Custodial Funds
Assets:			
Receivables (net of allowances for uncollectibles):			
Income tax	\$ 9,702	\$ -	\$ 9,702
Accounts	-	9,460	9,460
Total assets	\$ 9,702	\$ 9,460	\$ 19,162
Net Position			
Restricted for individuals, organizations and other governments	\$ 9,702	\$ 9,460	\$ 19,162
Total net position	\$ 9,702	\$ 9,460	\$ 19,162

CITY OF CLAYTON, OHIO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	Joint Economic Development District Fund	North Clayton Development Fund	Total Custodial Funds
Additions:			
Licenses, permits and fees for other governments	\$ -	\$ 20,100	\$ 20,100
Special assessments collections for other governments	-	23,571	23,571
Income tax collections for other governments	131,614	-	131,614
Total additions	<u>131,614</u>	<u>43,671</u>	<u>175,285</u>
Deductions:			
Distributions as fiscal agent	136,084	46,866	182,950
Total deductions	<u>136,084</u>	<u>46,866</u>	<u>182,950</u>
Net change in fiduciary net position	(4,470)	(3,195)	(7,665)
Net position at beginning of year	<u>14,172</u>	<u>12,655</u>	<u>26,827</u>
Net position at end of year	<u>\$ 9,702</u>	<u>\$ 9,460</u>	<u>\$ 19,162</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Municipal income taxes	\$ 2,625,520	\$ 2,565,091	\$ 2,979,942	\$ 414,851
Property taxes	303,880	296,886	344,901	48,015
Charges for services	574,241	561,024	651,758	90,734
Licenses and permits	9,752	9,528	11,069	1,541
Intergovernmental	369,053	360,559	418,872	58,313
Investment income	304,814	297,798	225,832	(71,966)
Other local taxes	172,385	168,417	195,655	27,238
Other	32,287	31,544	36,646	5,102
<i>Total revenues</i>	<u>4,391,932</u>	<u>4,290,847</u>	<u>4,864,675</u>	<u>573,828</u>
Expenditures:				
Current:				
General government				
Personal services	1,267,731	1,273,908	1,046,048	227,860
Contractual services	913,227	917,676	753,534	164,142
Materials and supplies	9,882	9,930	8,154	1,776
Total general government	<u>2,190,840</u>	<u>2,201,514</u>	<u>1,807,736</u>	<u>393,778</u>
Leisure time activities				
Personal services	538,883	541,508	444,650	96,858
Contractual services	250,441	251,661	206,647	45,014
Materials and supplies	84,520	84,931	69,740	15,191
Total leisure time activities	<u>873,844</u>	<u>878,100</u>	<u>721,037</u>	<u>157,063</u>
Capital outlay	<u>36,432</u>	<u>36,609</u>	<u>30,061</u>	<u>6,548</u>
<i>Debt service:</i>				
Principal retirement	<u>59,256</u>	<u>59,256</u>	<u>59,226</u>	<u>30</u>
<i>Total expenditures</i>	<u>3,160,372</u>	<u>3,175,479</u>	<u>2,618,060</u>	<u>557,419</u>
<i>Excess of revenues over expenditures</i>	<u>1,231,560</u>	<u>1,115,368</u>	<u>2,246,615</u>	<u>1,131,247</u>
Other financing sources (uses):				
Transfers in	21,553	21,553	21,553	-
Transfers out	(2,847,000)	(2,847,000)	(1,914,495)	932,505
<i>Total other financing sources (uses)</i>	<u>(2,825,447)</u>	<u>(2,825,447)</u>	<u>(1,892,942)</u>	<u>932,505</u>
<i>Net change in fund balance</i>	(1,593,887)	(1,710,079)	353,673	2,063,752
<i>Fund balance at beginning of year</i>	4,720,660	4,720,660	4,720,660	-
<i>Prior year encumbrances appropriated</i>	124,698	124,698	124,698	-
<i>Fund balance at end of year</i>	<u>\$ 3,251,471</u>	<u>\$ 3,135,279</u>	<u>\$ 5,199,031</u>	<u>\$ 2,063,752</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
POLICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 1,093,892	\$ 1,099,869	\$ 1,148,878	\$ 49,009
Charges for services	74,425	74,832	78,166	3,334
Fines and forfeitures	13,874	13,949	14,571	622
Intergovernmental	363,881	365,869	382,172	16,303
Other	4,506	4,530	4,732	202
<i>Total revenues</i>	<u>1,550,578</u>	<u>1,559,049</u>	<u>1,628,519</u>	<u>69,470</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	1,966,266	1,966,469	1,714,716	251,753
Contractual services	379,442	379,481	330,899	48,582
Materials and supplies	53,633	53,639	46,772	6,867
Total security of persons and property	<u>2,399,341</u>	<u>2,399,589</u>	<u>2,092,387</u>	<u>307,202</u>
Capital outlay	25,008	25,011	21,809	3,202
<i>Total expenditures</i>	<u>2,424,349</u>	<u>2,424,600</u>	<u>2,114,196</u>	<u>310,404</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(873,771)</u>	<u>(865,551)</u>	<u>(485,677)</u>	<u>379,874</u>
Other financing sources:				
Transfers in	858,471	858,471	733,471	(125,000)
<i>Total other financing sources</i>	<u>858,471</u>	<u>858,471</u>	<u>733,471</u>	<u>(125,000)</u>
<i>Net change in fund balance</i>	(15,300)	(7,080)	247,794	254,874
<i>Fund balance at beginning of year</i>	101,603	101,603	101,603	-
<i>Prior year encumbrances appropriated</i>	15,524	15,524	15,524	-
<i>Fund balance at end of year</i>	<u>\$ 101,827</u>	<u>\$ 110,047</u>	<u>\$ 364,921</u>	<u>\$ 254,874</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 635,616	\$ 660,722	\$ 714,520	\$ 53,798
Fines and forfeitures	951	989	1,069	80
Intergovernmental	249,160	259,002	280,090	21,088
Other	564	586	634	48
<i>Total revenues</i>	<u>886,291</u>	<u>921,299</u>	<u>996,313</u>	<u>75,014</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	1,400,041	1,443,827	1,076,492	367,335
Contractual services	306,445	316,029	235,626	80,403
Materials and supplies	34,482	35,560	26,513	9,047
Total security of persons and property	<u>1,740,968</u>	<u>1,795,416</u>	<u>1,338,631</u>	<u>456,785</u>
Capital outlay	<u>10,274</u>	<u>10,596</u>	<u>7,900</u>	<u>2,696</u>
<i>Total expenditures</i>	<u>1,751,242</u>	<u>1,806,012</u>	<u>1,346,531</u>	<u>459,481</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(864,951)</u>	<u>(884,713)</u>	<u>(350,218)</u>	<u>534,495</u>
Other financing sources:				
Transfers in	<u>762,530</u>	<u>762,530</u>	<u>517,530</u>	<u>(245,000)</u>
<i>Total other financing sources</i>	<u>762,530</u>	<u>762,530</u>	<u>517,530</u>	<u>(245,000)</u>
<i>Net change in fund balance</i>	(102,421)	(122,183)	167,312	289,495
<i>Fund balance at beginning of year</i>	115,724	115,724	115,724	-
<i>Prior year encumbrances appropriated</i>	<u>47,513</u>	<u>47,513</u>	<u>47,513</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 60,816</u>	<u>\$ 41,054</u>	<u>\$ 330,549</u>	<u>\$ 289,495</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET DEPARTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 25,700	\$ 25,700	\$ 84,212	\$ 58,512
Intergovernmental	709,509	867,775	920,965	53,190
Investment income	500	500	7,555	7,055
Contributions and donations	-	-	500	500
Other	-	-	6,602	6,602
<i>Total revenues</i>	<u>735,709</u>	<u>893,975</u>	<u>1,019,834</u>	<u>125,859</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,164,823	1,222,646	878,785	343,861
Contractual services	321,600	337,565	242,627	94,938
Materials and supplies	200,090	210,023	150,955	59,068
Total transportation	<u>1,686,513</u>	<u>1,770,234</u>	<u>1,272,367</u>	<u>497,867</u>
Capital outlay	<u>24,480</u>	<u>24,480</u>	<u>17,595</u>	<u>6,885</u>
<i>Total expenditures</i>	<u>1,710,993</u>	<u>1,794,714</u>	<u>1,289,962</u>	<u>504,752</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(975,284)</u>	<u>(900,739)</u>	<u>(270,128)</u>	<u>630,611</u>
Other financing sources:				
Transfers in	<u>833,266</u>	<u>833,266</u>	<u>315,316</u>	<u>(517,950)</u>
<i>Net change in fund balance</i>	(142,018)	(67,473)	45,188	112,661
<i>Fund balance at beginning of year</i>	222,421	222,421	222,421	-
<i>Prior year encumbrances appropriated</i>	<u>59,067</u>	<u>59,067</u>	<u>59,067</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 139,470</u>	<u>\$ 214,015</u>	<u>\$ 326,676</u>	<u>\$ 112,661</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessment	\$ 310,000	\$ 321,181	\$ 11,181
<i>Total revenues</i>	<u>310,000</u>	<u>321,181</u>	<u>11,181</u>
Expenditures:			
Current:			
General government			
Contractual services	16,000	15,984	16
Total general government	<u>16,000</u>	<u>15,984</u>	<u>16</u>
<i>Debt service:</i>			
Principal retirement	592,823	592,823	-
Interest and fiscal charges	<u>239,428</u>	<u>239,428</u>	<u>-</u>
<i>Total expenditures</i>	<u>848,251</u>	<u>848,235</u>	<u>16</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(538,251)</u>	<u>(527,054)</u>	<u>11,197</u>
Other financing sources:			
Transfers in	540,000	517,445	(22,555)
<i>Total other financing sources</i>	<u>540,000</u>	<u>517,445</u>	<u>(22,555)</u>
<i>Net change in fund balance</i>	1,749	(9,609)	(11,358)
<i>Fund balance at beginning of year</i>	<u>9,609</u>	<u>9,609</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 11,358</u>	<u>\$ -</u>	<u>\$ (11,358)</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes	\$ 1,594,688	\$ 1,489,717	\$ (104,971)
Intergovernmental	200,000	-	(200,000)
Other	-	21,125	21,125
<i>Total revenues</i>	<u>1,794,688</u>	<u>1,510,842</u>	<u>(283,846)</u>
Expenditures:			
Current:			
General government			
Contractual services	1,221,814	883,072	338,742
Capital outlay	444,756	321,449	123,307
Debt service:			
Principal retirement	<u>633,196</u>	<u>457,645</u>	<u>175,551</u>
<i>Total expenditures</i>	<u>2,299,766</u>	<u>1,662,166</u>	<u>637,600</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(505,078)</u>	<u>(151,324)</u>	<u>353,754</u>
Other financing sources:			
Sale of capital assets	2,000	8,321	6,321
<i>Total other financing sources</i>	<u>2,000</u>	<u>8,321</u>	<u>6,321</u>
<i>Net change in fund balance</i>	(503,078)	(143,003)	360,075
<i>Fund balance at beginning of year</i>	380,399	380,399	-
<i>Prior year encumbrances appropriated</i>	<u>139,500</u>	<u>139,500</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 16,821</u>	<u>\$ 376,896</u>	<u>\$ 360,075</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
SEWER DEPARTMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<i>Fund balance at beginning of year</i>	\$ 25,730	\$ 25,730	\$ -
<i>Fund balance at end of year</i>	<u>\$ 25,730</u>	<u>\$ 25,730</u>	<u>\$ -</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENFORCEMENT AND EDUCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	\$ 300	\$ 25	\$ (275)
<i>Net change in fund balance</i>	300	25	(275)
<i>Fund balance at beginning of year</i>	<u>3,693</u>	<u>3,693</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 3,993</u>	<u>\$ 3,718</u>	<u>\$ (275)</u>

CITY OF CLAYTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
DRUG LAW ENFORCEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 200	\$ -	\$ (200)
<i>Net change in fund balance</i>	200	-	(200)
<i>Fund balance at beginning of year</i>	12,297	12,297	-
<i>Fund balance at end of year</i>	<u>\$ 12,497</u>	<u>\$ 12,297</u>	<u>\$ (200)</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 1,500	\$ 5,024	\$ 3,524
Expenditures:			
Capital outlay	9,607	9,593	14
<i>Net change in fund balance</i>	(8,107)	(4,569)	3,538
<i>Fund balance at beginning of year</i>	14,218	14,218	-
<i>Fund balance at end of year</i>	<u>\$ 6,111</u>	<u>\$ 9,649</u>	<u>\$ 3,538</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	\$ 159,275	\$ 183,776	\$ 24,501
Charges for services	335,357	386,945	51,588
Intergovernmental	93,840	108,276	14,436
Contributions and donations	1,733	2,000	267
Other	8,407	9,700	1,293
<i>Total revenues</i>	<u>598,612</u>	<u>690,697</u>	<u>92,085</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	663,393	543,628	119,765
Contractual services	36,039	29,533	6,506
Materials and supplies	25,928	21,247	4,681
Total security of persons and property	<u>725,360</u>	<u>594,408</u>	<u>130,952</u>
Capital outlay	<u>5,029</u>	<u>4,121</u>	<u>908</u>
<i>Total expenditures</i>	<u>730,389</u>	<u>598,529</u>	<u>131,860</u>
<i>Net change in fund balance</i>	(131,777)	92,168	223,945
<i>Fund balance at beginning of year</i>	276,515	276,515	-
<i>Prior year encumbrances appropriated</i>	<u>15,543</u>	<u>15,543</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 160,281</u>	<u>\$ 384,226</u>	<u>\$ 223,945</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STATE HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 69,563	\$ 64,940	\$ (4,623)
Investment income	2,500	4,597	2,097
<i>Total revenues</i>	<u>72,063</u>	<u>69,537</u>	<u>(2,526)</u>
Expenditures:			
Current:			
Transportation			
Contractual services	18,989	15,735	3,254
Materials and supplies	36,701	30,412	6,289
Total transportation	<u>55,690</u>	<u>46,147</u>	<u>9,543</u>
Capital outlay	<u>213,273</u>	<u>176,725</u>	<u>36,548</u>
<i>Total expenditures</i>	<u>268,963</u>	<u>222,872</u>	<u>46,091</u>
<i>Net change in fund balance</i>	(196,900)	(153,335)	43,565
<i>Fund balance at beginning of year</i>	205,551	205,551	-
<i>Prior year encumbrances appropriated</i>	<u>44,463</u>	<u>44,463</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 53,114</u>	<u>\$ 96,679</u>	<u>\$ 43,565</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PERMISSIVE MOTOR VEHICLE LICENSE TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Other local taxes	\$ 100,000	\$ 98,369	\$ (1,631)
Investment income	1,000	7,542	6,542
<i>Total revenues</i>	<u>101,000</u>	<u>105,911</u>	<u>4,911</u>
Expenditures:			
Current:			
Transportation			
Personal services	75,359	64,641	10,718
Contractual services	46,878	40,211	6,667
Materials and supplies	43,616	37,413	6,203
Total transportation	<u>165,853</u>	<u>142,265</u>	<u>23,588</u>
Capital outlay	<u>5,978</u>	<u>5,128</u>	<u>850</u>
<i>Total expenditures</i>	<u>171,831</u>	<u>147,393</u>	<u>24,438</u>
<i>Net change in fund balance</i>	(70,831)	(41,482)	29,349
<i>Fund balance at beginning of year</i>	89,173	89,173	-
<i>Prior year encumbrances appropriated</i>	<u>11,301</u>	<u>11,301</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 29,643</u>	<u>\$ 58,992</u>	<u>\$ 29,349</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET LIGHTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessments	\$ 30,000	\$ 45,578	\$ 15,578
Expenditures:			
Current:			
Security of persons and property			
Contractual services	40,072	38,516	1,556
<i>Net change in fund balance</i>	(10,072)	7,062	17,134
<i>Fund balance at beginning of year</i>	31,458	31,458	-
<i>Prior year encumbrances appropriated</i>	3,072	3,072	-
<i>Fund balance at end of year</i>	<u>\$ 24,458</u>	<u>\$ 41,592</u>	<u>\$ 17,134</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Charges for services	\$ 6,000	\$ 18,150	\$ 12,150
Expenditures:			
Current:			
Public health			
Contractual services	22,473	19,473	3,000
Materials and supplies	148	128	20
Total public health	<u>22,621</u>	<u>19,601</u>	<u>3,020</u>
Capital outlay	<u>965</u>	<u>836</u>	<u>129</u>
<i>Total expenditures</i>	<u>23,586</u>	<u>20,437</u>	<u>3,149</u>
<i>Net change in fund balance</i>	(17,586)	(2,287)	15,299
<i>Fund balance at beginning of year</i>	66,877	66,877	-
<i>Prior year encumbrances appropriated</i>	<u>2,836</u>	<u>2,836</u>	-
<i>Fund balance at end of year</i>	<u>\$ 52,127</u>	<u>\$ 67,426</u>	<u>\$ 15,299</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
JOINT ECONOMIC DEVELOPMENT DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 55,000	\$ 58,508	\$ 3,508
Expenditures:			
Current:			
General government			
Contractual services	2,000	461	1,539
<i>Net change in fund balance</i>	53,000	58,047	5,047
<i>Fund balance at beginning of year</i>	472,463	472,463	-
<i>Fund balance at end of year</i>	<u>\$ 525,463</u>	<u>\$ 530,510</u>	<u>\$ 5,047</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes	\$ 250,000	\$ 306,958	\$ 56,958
Intergovernmental	7,500	24,709	17,209
Other	-	4,180	4,180
<i>Total revenues</i>	<u>257,500</u>	<u>335,847</u>	<u>78,347</u>
Expenditures:			
Current:			
General government			
Contractual services	155,302	155,103	199
Capital outlay	46,708	-	46,708
<i>Debt service:</i>			
Principal retirement	80,500	80,500	-
Interest and fiscal charges	24,723	24,723	-
<i>Total expenditures</i>	<u>307,233</u>	<u>260,326</u>	<u>46,907</u>
<i>Net change in fund balance</i>	(49,733)	75,521	125,254
<i>Fund balance at beginning of year</i>	621,096	621,096	-
<i>Prior year encumbrances appropriated</i>	1,810	1,810	-
<i>Fund balance at end of year</i>	<u>\$ 573,173</u>	<u>\$ 698,427</u>	<u>\$ 125,254</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
TAX INCREMENT FINANCING TOWNE CENTER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes	\$ 200,000	\$ 164,392	\$ (35,608)
Intergovernmental	3,500	12,982	9,482
<i>Total revenues</i>	<u>203,500</u>	<u>177,374</u>	<u>(26,126)</u>
Expenditures:			
Current:			
General government			
Contractual services	91,975	89,013	2,962
Capital outlay	71,025	-	71,025
<i>Debt service:</i>			
Principal retirement	34,505	34,505	-
Interest and fiscal charges	29,877	29,877	-
<i>Total expenditures</i>	<u>227,382</u>	<u>153,395</u>	<u>73,987</u>
<i>Net change in fund balance</i>	(23,882)	23,979	47,861
<i>Fund balance at beginning of year</i>	<u>363,185</u>	<u>363,185</u>	-
<i>Fund balance at end of year</i>	<u>\$ 339,303</u>	<u>\$ 387,164</u>	<u>\$ 47,861</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL CORONAVIRUS RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 764,269	\$ 764,237	\$ (32)
Investment income	-	32	32
<i>Total revenues</i>	<u>764,269</u>	<u>764,269</u>	<u>-</u>
Expenditures:			
Current:			
Public health and welfare			
Personal services	649,867	548,368	101,499
Contractual services	89,034	75,128	13,906
Materials and supplies	54,945	46,363	8,582
Total public health and welfare	<u>793,846</u>	<u>669,859</u>	<u>123,987</u>
Capital outlay	<u>111,343</u>	<u>93,953</u>	<u>17,390</u>
<i>Total expenditures</i>	<u>905,189</u>	<u>763,812</u>	<u>141,377</u>
<i>Net change in fund balance</i>	(140,920)	457	141,377
<i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ (140,920)</u>	<u>\$ 457</u>	<u>\$ 141,377</u>

CITY OF CLAYTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ASSET REPLACEMENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<i>Fund balance at beginning of year</i>	\$ 3,830	\$ 3,830	\$ -
<i>Fund balance at end of year</i>	<u>\$ 3,830</u>	<u>\$ 3,830</u>	<u>\$ -</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 220,170	\$ 220,170	\$ -
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>220,170</u>	<u>220,170</u>	<u>-</u>
Other financing uses:			
Transfers out	(220,170)	(220,170)	-
<i>Net change in fund balance</i>	-	-	-
<i>Fund balance at beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
EMERGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources:			
Transfers in	\$ -	\$ 36,920	\$ 36,920
<i>Net change in fund balance</i>	-	36,920	36,920
<i>Fund balance at beginning of year</i>	<u>144,950</u>	<u>144,950</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 144,950</u>	<u>\$ 181,870</u>	<u>\$ 36,920</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FIRE INSURANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 20,426	\$ 20,426	\$ -
Expenditures:			
Current:			
Other			
Contractual services	76,455	76,455	-
<i>Net change in fund balance</i>	(56,029)	(56,029)	-
<i>Fund balance at beginning of year</i>	56,029	56,029	-
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
IMPACT FEE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 2,500	\$ -	\$ (2,500)
<i>Net change in fund balance</i>	2,500	-	(2,500)
<i>Fund balance at beginning of year</i>	<u>112,773</u>	<u>112,773</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 115,273</u>	<u>\$ 112,773</u>	<u>\$ (2,500)</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GOLF COURSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Expenditures:			
Materials and supplies	\$ (2)	\$ (2)	\$ -
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>2</u>	<u>2</u>	<u>-</u>
Other financing uses:			
Transfers out	<u>(7,570)</u>	<u>(7,570)</u>	<u>-</u>
<i>Net change in fund balance</i>	(7,568)	(7,568)	-
<i>Fund balance at beginning of year</i>	7,570	7,570	-
<i>Prior year encumbrances appropriated</i>	<u>(2)</u>	<u>(2)</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATISTICAL SECTION

THE FOLLOWING UNAUDITED STATISTICAL TABLES
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND
FISCAL CAPACITY OF THE CITY

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CITY OF CLAYTON, OHIO

STATISTICAL SECTION

This part of the City of Clayton's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	150
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, the income tax, property tax and special assessments.	160
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	170
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	177
Operating Information This schedule 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.	178

Sources: Sources are noted on the individual schedules. The City implemented GASB Statement 63 in 2012; schedules presenting net position begin in that year.

CITY OF CLAYTON, OHIO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014 (1)
Governmental activities				
Net investment in capital assets	\$ 6,887,562	\$ 7,027,755	\$ 7,073,297	\$ 7,273,119
Restricted	2,942,250	2,823,290	3,329,404	3,742,366
Unrestricted (deficit)	4,441,506	4,950,535	5,679,868	2,085,034
Total governmental activities net assets/position	\$ 14,271,318	\$ 14,801,580	\$ 16,082,569	\$ 13,100,519
Business-type activities				
Net investment in capital assets	\$ (53,739)	\$ (325,188)	\$ (427,817)	\$ (459,447)
Unrestricted (deficit)	27,310	173,204	106,735	138,360
Total business-type activities net assets/position	\$ (26,429)	\$ (151,984)	\$ (321,082)	\$ (321,087)
Primary government				
Net investment in capital assets	\$ 6,833,823	\$ 6,702,567	\$ 6,645,480	\$ 6,813,672
Restricted	2,942,250	2,823,290	3,329,404	3,742,366
Unrestricted (deficit)	4,468,816	5,123,739	5,786,603	2,223,394
Total primary government net assets/position	\$ 14,244,889	\$ 14,649,596	\$ 15,761,487	\$ 12,779,432

(1) The City reported the impact of GASB Statement No.68 beginning in 2014

(2) The City reported the impact of GASB Statement No.75 beginning in 2018 and reclassified the golf activity from business-type activities to governmental activities.

	2015	2016	2017	2018 (2)	2019	2020
\$	7,410,232	\$ 6,497,189	\$ 5,965,178	\$ 12,214,182	\$ 13,102,615	\$ 13,478,573
	3,420,732	3,378,498	6,256,638	5,710,496	5,126,149	4,765,875
	2,202,430	2,852,600	2,607,500	(3,469,794)	(894,434)	(109,596)
\$	<u>13,033,394</u>	<u>\$ 12,728,287</u>	<u>\$ 14,829,316</u>	<u>\$ 14,454,884</u>	<u>\$ 17,334,330</u>	<u>\$ 18,134,852</u>
\$	2,481,770	\$ 3,206,675	\$ 3,164,792	\$ 282,132	\$ 295,562	\$ 313,179
	(33,394)	(186,042)	(98,793)	136,389	17,949	25,730
\$	<u>2,448,376</u>	<u>\$ 3,020,633</u>	<u>\$ 3,065,999</u>	<u>\$ 418,521</u>	<u>\$ 313,511</u>	<u>\$ 338,909</u>
\$	9,892,002	\$ 9,703,864	\$ 9,129,970	\$ 12,496,314	\$ 13,398,177	\$ 13,791,752
	3,420,732	3,378,498	6,256,638	5,710,496	5,126,149	4,765,875
	2,169,036	2,666,558	2,508,707	(3,333,405)	(876,485)	(83,866)
\$	<u>15,481,770</u>	<u>\$ 15,748,920</u>	<u>\$ 17,895,315</u>	<u>\$ 14,873,405</u>	<u>\$ 17,647,841</u>	<u>\$ 18,473,761</u>

CITY OF CLAYTON, OHIO

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 (1)</u>
Expenses				
Governmental activities:				
Charges for Services				
General Government	\$ 1,995,391	\$ 2,671,295	\$ 2,026,231	\$ 2,335,282
Security of Persons and Property	3,309,160	3,490,585	3,513,534	3,531,717
Public Health and Welfare	591	1,792	1,662	390
Economic Development	400	10,138	20,952	15,303
Transportation	1,033,701	1,466,901	1,521,183	1,490,066
Leisure Time Activity	-	-	-	-
Interest and Fiscal Charges	248,233	388,039	249,304	182,614
Total governmental activities expenses	<u>6,587,476</u>	<u>8,028,750</u>	<u>7,332,866</u>	<u>7,555,372</u>
Business type activities:				
Water	151,169	174,608	140,683	152,186
Sewer	215,908	22,426	209,360	206,708
Golf	-	-	-	-
Total business-type activities expenses	<u>367,077</u>	<u>197,034</u>	<u>350,043</u>	<u>358,894</u>
Total primary government expenses	<u>\$ 6,954,553</u>	<u>\$ 8,225,784</u>	<u>\$ 7,682,909</u>	<u>\$ 7,914,266</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 717,170	\$ 787,659	\$ 778,361	\$ 735,784
Security of Persons and Property	483,120	424,854	693,824	363,014
Public Health and Welfare	1,400	6,225	8,650	7,700
Transportation	3,150	2,170	8,318	5,330
Leisure Time Activity	-	-	-	-
Operating grants and contributions	1,063,694	1,012,553	1,016,512	1,049,206
Capital grants and contributions	-	136,168	-	100,000
Total governmental activities program revenue	<u>2,268,534</u>	<u>2,369,629</u>	<u>2,505,665</u>	<u>2,261,034</u>
Business type activities:				
Charges for services:				
Water	63,449	69,363	68,432	52,659
Sewer	575	923	20	4
Golf	-	-	-	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenue	<u>64,024</u>	<u>70,286</u>	<u>68,452</u>	<u>52,663</u>
Total primary government program revenue	<u>\$ 2,332,558</u>	<u>\$ 2,439,915</u>	<u>\$ 2,574,117</u>	<u>\$ 2,313,697</u>

	2015	2016	2017	2018 (2)	2019	2020
\$	2,928,788	\$ 3,876,815	\$ 3,634,390	\$ 3,617,491	\$ 3,373,787	\$ 3,215,976
	3,630,121	3,631,194	3,943,836	4,767,750	2,108,856	4,467,551
	6,873	5,898	3,877	2,884	3,570	780,866
	10,277	1,107	-	-	-	-
	1,812,643	1,651,932	1,768,373	2,027,677	2,671,943	1,995,699
	-	-	-	619,867	1,113,517	898,166
	164,670	361,360	259,926	279,111	306,772	283,989
	<u>8,553,372</u>	<u>9,528,306</u>	<u>9,610,402</u>	<u>11,314,780</u>	<u>9,578,445</u>	<u>11,642,247</u>
	153,496	49,439	-	-	22,182	-
	202,948	208,162	220,780	191,452	187,415	175,794
	<u>669,535</u>	<u>995,042</u>	<u>798,691</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,025,979</u>	<u>1,252,643</u>	<u>1,019,471</u>	<u>191,452</u>	<u>209,597</u>	<u>175,794</u>
\$	<u>9,579,351</u>	<u>\$ 10,780,949</u>	<u>\$ 10,629,873</u>	<u>\$ 11,506,232</u>	<u>\$ 9,788,042</u>	<u>\$ 11,818,041</u>
\$	752,368	\$ 818,718	\$ 2,201,130	\$ 2,044,840	\$ 766,668	\$ 305,568
	499,638	507,810	362,227	463,559	498,775	704,214
	15,275	5,850	6,480	8,200	11,400	18,150
	25,116	25,734	33,277	69,428	31,919	90,814
	-	-	-	450,309	602,474	592,649
	1,168,499	663,362	633,459	998,494	906,114	2,127,404
	78,557	-	222,678	2,842	261,405	154,322
	<u>2,539,453</u>	<u>2,021,474</u>	<u>3,459,251</u>	<u>4,037,672</u>	<u>3,078,755</u>	<u>3,993,121</u>
	74,248	78,590	-	-	-	-
	-	-	-	-	-	-
	462,038	456,367	482,975	-	-	-
	-	-	-	-	-	-
	<u>536,286</u>	<u>534,957</u>	<u>482,975</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>3,075,739</u>	<u>\$ 2,556,431</u>	<u>\$ 3,942,226</u>	<u>\$ 4,037,672</u>	<u>\$ 3,078,755</u>	<u>\$ 3,993,121</u>

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CITY OF CLAYTON, OHIO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014 (1)
Net (Expense)/Revenue				
Governmental activities	\$ (4,318,942)	\$ (5,659,121)	\$ (4,827,201)	\$ (5,294,338)
Business-type activities	(303,053)	(126,748)	(281,591)	(306,231)
Total primary government net expense	<u>\$ (4,621,995)</u>	<u>\$ (5,785,869)</u>	<u>\$ (5,108,792)</u>	<u>\$ (5,600,569)</u>
General Revenues and Other Changes in Net Assets/Position				
Governmental activities:				
Property taxes Levied For General Purposes	\$ 369,143	\$ 331,825	\$ 333,899	\$ 330,846
Property taxes Levied For Police	1,224,218	1,137,084	1,146,874	1,139,035
Property taxes Levied For General Fire	799,508	721,683	726,977	720,557
Property taxes Levied For EMS	179,947	177,758	179,153	178,301
Other Local Taxes	266,767	284,333	281,529	291,372
Payment in Lieu of Taxes	327,951	359,430	413,584	336,282
Municipal Income Taxes Levied for General Purposes	1,651,397	1,914,037	1,578,366	1,889,466
Municipal Income Taxes Levied for Capital Outlay	826,382	957,739	788,569	944,136
Grants and entitlements not specific to Specific Programs	923,046	307,054	401,933	223,988
Investment Earnings	37,286	34,456	109,373	117,739
Investment in Joint Venture	84	(568)	(5,678)	5,191
Miscellaneous	78,716	165,745	254,207	96,317
Transfers	(201,193)	(201,193)	(100,596)	(301,790)
Total governmental activities general revenues	<u>6,483,252</u>	<u>6,189,383</u>	<u>6,108,190</u>	<u>5,971,440</u>
Business type activities:				
Other	-	-	11,897	4,436
Extraordinary Item/Special Item	-	-	-	-
Transfers	201,193	201,193	100,596	301,790
<i>Total Business-Type Activities General Revenues, Extraordinary Items and Transfers</i>	<u>\$ 201,193</u>	<u>\$ 201,193</u>	<u>\$ 112,493</u>	<u>\$ 306,226</u>
Prior Year Restatement of Governmental Type Net Position	\$ -	\$ -	\$ -	\$ (3,659,152)
Prior Year Restatement of Business-Type Net Position	-	-	-	-
Changes in Net Assets/Position				
Governmental activities	\$ 2,164,310	\$ 530,262	\$ 1,280,989	\$ 677,102
Business-type activities	(101,860)	74,445	(169,098)	(5)
Total primary government	<u>\$ 2,062,450</u>	<u>\$ 604,707</u>	<u>\$ 1,111,891</u>	<u>\$ 677,097</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015

(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in 2018

2015	2016	2017	2018 (2)	2019	2020
\$ (6,013,919) (489,693)	\$ (7,506,832) (717,686)	\$ (6,151,151) (536,496)	\$ (7,277,108) (191,452)	\$ (6,499,690) (209,597)	\$ (7,649,126) (175,794)
<u>\$ (6,503,612)</u>	<u>\$ (8,224,518)</u>	<u>\$ (6,687,647)</u>	<u>\$ (7,468,560)</u>	<u>\$ (6,709,287)</u>	<u>\$ (7,824,920)</u>
\$ 319,977	\$ 323,244	\$ 324,456	\$ 337,673	\$ 349,890	\$ 350,501
1,117,627	1,130,372	1,132,699	1,121,162	1,146,733	1,167,382
698,407	705,553	706,720	698,604	714,063	726,032
178,464	180,699	181,198	179,345	183,284	186,688
296,470	366,029	351,136	361,591	339,963	352,218
402,260	408,841	438,870	407,083	497,829	479,990
1,897,729	2,308,409	3,315,607	2,962,548	3,250,430	2,937,953
947,187	1,145,735	1,657,843	1,481,274	1,624,935	1,468,703
248,671	926,747	596,659	604,839	583,312	761,671
(21,121)	93,215	79,143	20,193	447,639	149,948
1,349	55,830	7,898	10,154	12,715	-
110,967	10,245	23,625	261,519	270,969	69,754
(251,193)	(453,194)	(563,674)	(201,193)	(78,070)	(201,192)
<u>5,946,794</u>	<u>7,201,725</u>	<u>8,252,180</u>	<u>8,244,792</u>	<u>9,343,692</u>	<u>8,449,648</u>
6,113	38,036	18,188	1,870	26,517	-
3,001,850	798,713	-	-	-	-
251,193	453,194	563,674	201,193	78,070	201,192
<u>\$ 3,259,156</u>	<u>\$ 1,289,943</u>	<u>\$ 581,862</u>	<u>\$ 203,063</u>	<u>\$ 104,587</u>	<u>\$ 201,192</u>
\$ -	\$ -	\$ -	\$ 13,487,200	\$ 14,490,328	\$ -
<u>-</u>	<u>-</u>	<u>-</u>	<u>406,910</u>	<u>418,521</u>	<u>-</u>
\$ (67,125)	\$ (305,107)	\$ 2,101,029	\$ 967,684	\$ 2,844,002	\$ 800,522
2,769,463	572,257	45,366	11,611	(105,010)	25,398
<u>\$ 2,702,338</u>	<u>\$ 267,150</u>	<u>\$ 2,146,395</u>	<u>\$ 979,295</u>	<u>\$ 2,738,992</u>	<u>\$ 825,920</u>

CITY OF CLAYTON, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 25,236	\$ 27,652	\$ 13,342	\$ 26,785
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	57,008	132,142	786,246	1,007,559
Unassigned	3,744,558	4,019,975	4,215,425	3,958,798
Total general fund	<u>\$ 3,826,802</u>	<u>\$ 4,179,769</u>	<u>\$ 5,015,013</u>	<u>\$ 4,993,142</u>
All Other Governmental Funds				
Nonspendable	\$ 63,743	\$ 53,154	\$ 10,476	\$ 38,595
Restricted	2,054,698	2,327,503	2,132,183	2,796,535
Assigned	100,000	100,000	168,105	100,000
Unassigned	(221,227)	185,247	(240,845)	(29,579)
Total All Other Governmental Funds	<u>\$ 1,997,214</u>	<u>\$ 2,665,904</u>	<u>\$ 2,069,919</u>	<u>\$ 2,905,551</u>
 Total Governmental Funds	 <u>\$ 5,824,016</u>	 <u>\$ 6,845,673</u>	 <u>\$ 7,084,932</u>	 <u>\$ 7,898,693</u>

(1) Golf activity is presented in the general fund beginning in 2018.

2015	2016	2017	2018 (1)	2019	2020
\$ 34,762	\$ 25,831	\$ 38,610	\$ 61,770	\$ 76,966	\$ 73,453
-	-	-	-	56,029	-
-	62,403	-	-	11,883	3,883
1,091,413	658,950	802,601	1,611,341	1,552,224	1,875,583
4,090,815	4,291,989	4,330,666	3,166,731	3,442,278	3,443,817
<u>\$ 5,216,990</u>	<u>\$ 5,039,173</u>	<u>\$ 5,171,877</u>	<u>\$ 4,839,842</u>	<u>\$ 5,139,380</u>	<u>\$ 5,396,736</u>
\$ 38,074	\$ 46,596	\$ 42,486	\$ 202,038	\$ 163,100	\$ 247,922
2,446,186	6,989,972	4,950,494	3,533,495	3,444,092	4,267,616
28,830	3,830	3,830	3,830	3,830	3,830
-	-	(45,431)	-	-	-
<u>\$ 2,513,090</u>	<u>\$ 7,040,398</u>	<u>\$ 4,951,379</u>	<u>\$ 3,739,363</u>	<u>\$ 3,611,022</u>	<u>\$ 4,519,368</u>
<u>\$ 7,730,080</u>	<u>\$ 12,079,571</u>	<u>\$ 10,123,256</u>	<u>\$ 8,579,205</u>	<u>\$ 8,750,402</u>	<u>\$ 9,916,104</u>

CITY OF CLAYTON, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014
Revenues				
Income Taxes	\$ 2,292,298	\$ 2,682,476	\$ 2,617,576	\$ 2,924,160
Property Taxes	2,622,064	2,374,876	2,376,210	2,367,292
Other Local Taxes	335,235	284,328	282,234	287,697
Payments in Lieu of Taxes	327,951	332,380	343,127	456,042
Charges for Services	1,035,016	1,078,970	1,134,310	1,196,793
Licenses and Permits	30,925	5,572	3,754	7,625
Fines and Forfeitures	16,857	25,488	27,163	30,987
Intergovernmental	2,066,458	1,487,288	1,402,068	1,380,501
Special Assessments	68,284	34,419	40,385	28,352
Investment income	34,207	31,129	112,403	115,848
Contributions and Donations	425	675	4,410	1,346
Rental Income	-	-	-	-
Change in fair market value of investments	-	-	-	-
Impact Fees	2,382	2,564	56	12
Other	78,716	165,745	254,207	96,317
Total revenues	<u>8,910,818</u>	<u>8,505,910</u>	<u>8,597,903</u>	<u>8,892,972</u>
Expenditures				
Current:				
General Government	2,494,914	2,753,703	2,689,597	2,612,744
Security of Persons and Property	3,126,644	3,287,908	3,358,850	3,364,352
Public Health and Welfare	591	1,792	1,662	390
Economic Development	400	10,138	20,952	15,303
Transportation	851,863	853,572	895,671	873,304
Leisure Time Activity	-	-	-	-
Capital outlay	285,962	715,456	293,233	327,248
Debt service:				
Principal retirement	354,660	420,821	459,187	428,157
Interest and fiscal charges	229,286	230,986	290,218	155,923
Issuance Costs	-	-	-	-
Capital Appreciation Bond Interest	-	-	-	-
Total expenditures	<u>7,344,320</u>	<u>8,274,376</u>	<u>8,009,370</u>	<u>7,777,421</u>
Excess of revenues				
Over (Under) expenditures	1,566,498	231,534	588,533	1,115,551
Other Financing Sources (Uses)				
Refunding bonds issued	-	-	3,665,000	-
Sale of Capital Assets	-	-	34,496	-
General Obligation Bonds Issued	-	-	-	-
Premium on Debt Issued	-	-	125,836	-
Notes Issued	95,397	185,433	-	-
Inception of Capital Lease	-	435,389	-	-
Transfers-In	534,455	871,050	703,047	1,470,778
Payment to Refunded Escrow Agent	-	-	(3,703,516)	-
Transfers-Out	(735,648)	(1,072,243)	(803,643)	(1,772,568)
Total other financing sources (uses)	<u>(105,796)</u>	<u>419,629</u>	<u>21,220</u>	<u>(301,790)</u>
Net change in fund balance	<u>\$ 1,460,702</u>	<u>\$ 651,163</u>	<u>\$ 609,753</u>	<u>\$ 813,761</u>
Debt service as a percentage of noncapital expenditures (2)	9.4%	8.8%	10.7%	8.2%

(1) In 2009, the City was tracking capital outlay in the functions for which the items were acquired.

The capital expenditures within the various functions can be obtained from the Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

(2) Golf fund activity was moved into the general fund in 2018.

	2015	2016	2017	2018 (2)	2019	2020
\$	2,958,434	\$ 3,472,885	\$ 4,335,247	\$ 4,355,066	\$ 4,922,930	\$ 4,330,028
	2,309,641	2,345,442	2,319,490	2,375,889	2,405,436	2,391,054
	296,570	299,341	283,600	298,674	281,956	293,710
	388,219	398,182	410,586	403,260	589,634	471,351
	1,242,095	1,261,589	1,255,775	1,807,937	1,606,391	1,217,647
	7,605	11,244	8,825	19,047	16,099	11,069
	27,495	29,676	43,031	23,925	28,175	21,844
	1,490,170	1,589,183	1,509,340	1,477,258	1,682,807	3,248,136
	27,484	27,687	55,145	225,839	349,953	366,759
	(27,856)	94,879	157,783	187,739	335,326	244,627
	480	351	480	200	250	2,500
	-	-	-	-	725	-
	-	-	(74,826)	(169,577)	142,363	(84,522)
	70	22,619	10,261	9,261	18,942	-
	110,967	68,922	328,075	464,731	359,230	104,228
	<u>8,831,374</u>	<u>9,622,000</u>	<u>10,642,812</u>	<u>11,479,249</u>	<u>12,740,217</u>	<u>12,618,431</u>
	2,874,076	4,377,484	5,980,398	5,531,149	4,078,657	2,944,866
	3,449,030	3,508,016	3,596,863	3,880,300	4,196,033	3,878,244
	6,873	5,898	3,877	2,884	3,570	780,866
	10,277	1,107	-	-	-	-
	1,105,680	1,161,223	1,156,871	1,052,532	1,455,879	1,303,904
	-	-	-	619,867	904,048	748,746
	719,956	982,937	301,212	2,210,934	862,076	344,923
	374,923	838,976	742,552	855,817	905,428	914,591
	145,647	235,097	256,150	272,545	297,398	284,877
	-	90,491	-	-	-	-
	62,332	-	-	-	56,159	58,841
	<u>8,686,462</u>	<u>11,201,229</u>	<u>12,037,923</u>	<u>14,426,028</u>	<u>12,759,248</u>	<u>11,259,858</u>
	144,912	(1,579,229)	(1,395,111)	(2,946,779)	(19,031)	1,358,573
	-	-	-	-	-	-
	-	3,790	2,470	288,610	6,560	8,321
	-	6,000,000	-	-	-	-
	-	378,124	-	-	-	-
	-	-	-	-	-	-
	-	-	-	1,289,291	226,294	-
	1,262,069	1,582,034	1,463,818	2,277,504	2,321,230	2,134,665
	-	-	-	-	-	-
	(1,513,262)	(2,035,228)	(2,027,492)	(2,478,697)	(2,399,300)	(2,335,857)
	<u>(251,193)</u>	<u>5,928,720</u>	<u>(561,204)</u>	<u>1,376,708</u>	<u>154,784</u>	<u>(192,871)</u>
\$	<u>(106,281)</u>	<u>\$ 4,349,491</u>	<u>\$ (1,956,315)</u>	<u>\$ (1,570,071)</u>	<u>\$ 135,753</u>	<u>\$ 1,165,702</u>
	7.3%	11.7%	11.3%	11.5%	12.1%	12.4%

CITY OF CLAYTON, OHIO

TAX REVENUE BY SOURCE- GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCURAL BASIS OF ACCOUNTING

<u>Year</u>	<u>Property and Other Local Taxes</u>	<u>Percent Change</u>	<u>Municipal Income Taxes</u>	<u>Percent Change</u>	<u>Total</u>
2011	\$ 2,957,299	6.84%	\$ 2,292,298	8.89%	\$ 5,249,597
2012	2,991,584	1.16%	2,682,476	17.02%	5,674,060
2013	2,658,444	-11.14%	2,617,576	-2.42%	5,276,020
2014	2,654,989	0.13%	2,924,160	11.71%	5,579,149
2015	2,606,211	-1.84%	2,958,434	1.17%	5,564,645
2016	2,644,783	1.48%	3,472,885	17.39%	6,117,668
2017	2,603,090	-1.58%	4,335,247	24.83%	6,938,337
2018	2,674,563	2.75%	4,355,066	0.46%	7,029,629
2019	2,687,392	0.48%	4,922,930	13.04%	7,610,322
2020	2,745,069	2.15%	4,330,028	-12.04%	7,075,097

Source: City of Clayton

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CITY OF CLAYTON, OHIO

**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Collection Year	Real Property			Tangible Personal Property	
	Assesed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2011	\$ 250,090,550	\$ 16,288,460	\$ 761,082,886	\$ 4,912,150	\$ 5,581,989
2012	249,250,080	16,838,570	760,253,286	5,121,640	5,820,045
2013	225,433,280	25,206,480	716,113,600	5,238,780	5,953,159
2014	224,482,070	15,447,940	685,514,314	6,156,620	6,996,159
2015	224,482,070	15,447,940	685,514,314	6,156,620	6,996,159
2016	216,243,130	14,856,990	660,286,057	6,364,640	7,232,545
2017	216,181,640	14,688,040	659,627,657	6,940,490	7,886,920
2018	229,991,250	14,734,830	699,217,371	6,940,490	7,886,920
2019	230,278,450	14,141,810	698,343,600	7,618,480	8,657,364
2020	229,781,920	13,951,820	696,382,114	8,193,980	9,311,341

Source: County Auditor; Montgomery County, Ohio

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property.

No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property is 2010.)

<u>Tangible Personal Property</u>						Weighted Average Tax Rate (per \$1,000 of assessed value)
General Business			Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio		
\$ 111,170	\$ 889,360	\$ 271,402,330	\$ 767,554,235	35.36	\$ 11.75	
-	-	271,210,290	766,073,331	35.40	11.43	
-	-	255,878,540	722,066,759	35.44	11.45	
-	-	246,086,630	692,510,473	35.54	11.57	
-	-	246,086,630	692,510,473	35.54	11.57	
-	-	237,464,760	667,518,602	35.57	11.57	
-	-	237,810,170	667,514,577	35.63	11.29	
-	-	251,666,570	707,104,291	35.59	11.28	
-	-	252,038,740	707,000,964	35.65	10.91	
-	-	251,927,720	705,693,455	35.70	10.21	

CITY OF CLAYTON, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

	2011	2012	2013	2014
Unvoted Millage				
Operating	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000
Voted Millage- By Levy				
1976 Police				
Residential/Agricultural Real	0.6301	0.6320	0.6335	0.6563
Commercial/Industrial and Public Utility Real	0.9533	0.9753	0.9758	1.0277
General Business and Public Utility Personal	2.6800	2.6800	2.6800	2.6800
1998 Police				
Residential/Agricultural Real	1.2918	1.2958	1.2989	1.3456
Commercial/Industrial and Public Utility Real	1.1265	1.1525	1.1531	1.2146
General Business and Public Utility Personal	1.5000	1.5000	1.5000	1.5000
1998 Police- Replaced in 2008				
Residential/Agricultural Real	3.5000	3.5000	3.5000	3.5000
Commercial/Industrial and Public Utility Real	3.3239	3.4007	3.4024	3.5000
General Business and Public Utility Personal	3.5000	3.5000	3.5000	3.5000
1998 Fire District- Fire and EMS- Replaced in 2008				
Residential/Agricultural Real	3.5000	3.5000	3.5000	3.5000
Commercial/Industrial and Public Utility Real	3.3233	3.4002	3.4002	3.5000
General Business and Public Utility Personal	3.5000	3.5000	3.5000	3.5000
1998 Fire District				
Residential/Agricultural Real	0.8615	0.8641	0.8661	0.8970
Commercial/Industrial and Public Utility Real	0.7507	0.7681	0.7685	0.8095
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
<hr/>				
<i>Total Voted Millage by Type of Property</i>				
Residential/Agricultural Real	9.7834	9.7919	9.7985	9.8989
Commercial/Industrial and Public Utility Real	9.4777	9.6968	9.7000	10.0518
General Business and Public Utility Personal	12.1800	12.1800	12.1800	12.1800
<hr/>				
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	11.3834	11.3919	11.3985	11.4989
Commercial/Industrial and Public Utility Real	11.0777	11.2968	11.3000	11.6518
General Business and Public Utility Personal	13.7800	13.7800	13.7800	13.7800
<hr/>				
Weighted Average	11.75	11.430	11.45	11.57

	2015	2016	2017	2018	2019	2020
\$	1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000
	0.6581	0.6589	0.6212	0.6217	0.6217	0.5681
	1.0299	1.0327	1.0294	1.0268	1.0268	1.0213
	2.6800	2.6800	2.6800	2.6800	2.6800	2.6800
	1.3493	1.3508	1.2736	1.2745	1.2745	1.1648
	1.2117	1.2205	1.2165	1.2135	1.2135	1.2069
	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
	3.5000	3.5000	3.2999	3.3023	3.3023	3.0180
	3.5000	3.5000	3.4886	3.4800	3.4800	3.3823
	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
	3.5000	3.5000	3.2997	3.3021	3.3021	3.0179
	3.5000	3.5000	3.4886	3.4800	3.4800	3.3821
	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
	0.8895	0.9005	0.8490	0.8496	0.8496	0.7765
	0.8112	0.8134	0.8108	0.8087	0.8087	0.8044
	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
	9.8970	9.9103	9.3433	9.3501	9.3502	8.5453
	10.0528	10.0666	10.0339	10.0090	10.0090	9.7970
	12.1800	12.1800	12.1800	12.1800	12.1800	12.1800
	11.4970	11.5103	10.9433	10.9501	10.9502	10.1453
	11.6528	11.6666	11.6339	11.6090	11.6090	11.3970
	13.7800	13.7800	13.7800	13.7800	13.7800	13.7800
	11.57	11.57	11.29	11.28	10.91	10.21

CITY OF CLAYTON, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS
(continued)

	2011	2012	2013	2014
Overlapping Rates by Taxing District				
Northmont School District				
Residential/Agricultural Real	\$ 49.6344	\$ 49.6918	\$ 49.7128	\$ 50.4860
Commercial/Industrial and Public Utility Real	42.5590	52.5985	52.7101	52.4390
General Business and Public Utility Personal	75.9500	75.9500	75.9500	75.9500
Trotwood-Madison School District				
Residential/Agricultural Real	48.7887	48.8357	49.9155	52.0057
Commercial/Industrial and Public Utility Real	54.3168	54.8667	56.4753	58.3794
General Business and Public Utility Personal	60.0600	60.0600	61.0600	61.5600
Brookville School District				
Residential/Agricultural Real	37.8787	37.9266	37.9222	42.6383
Commercial/Industrial and Public Utility Real	42.6548	41.9525	42.1393	48.3030
General Business and Public Utility Personal	69.0300	69.0300	69.0000	74.2500
Sinclair Community College				
Residential/Agricultural Real	3.2000	3.2000	3.2000	3.2000
Commercial/Industrial and Public Utility Real	3.2000	3.2000	3.2000	3.2000
General Business and Public Utility Personal	3.2000	3.2000	3.2000	3.2000
Montgomery County				
Residential/Agricultural Real	17.0340	17.0348	17.0355	18.0498
Commercial/Industrial and Public Utility Real	17.2213	17.2360	17.2391	18.2547
General Business and Public Utility Personal	17.7400	17.7400	17.7400	18.7400
Special Taxing Districts (1)				
Residential/Agricultural Real	4.1938	4.1947	5.7660	5.9500
Commercial/Industrial and Public Utility Real	4.2613	4.2675	5.8209	6.1800
General Business and Public Utility Personal	4.3300	4.3300	5.8900	6.2900

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

The City's basic property tax rate may be increased only by a majority vote of the City's residents.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year of each reappraisal.

Overlapping rates are those of local and county governments that apply to property owners within the City.

(1) Library, Joint Vocational School

	2015	2016	2017	2018	2019	2020
\$	50.5216	\$ 56.4221	\$ 54.5853	\$ 54.6199	\$ 54.5813	\$ 54.5813
	52.9312	58.9066	58.9771	59.0432	58.7034	58.7035
	75.9500	81.8500	81.8500	81.8500	81.8500	81.8500
	52.5911	52.6248	52.4326	52.4937	52.5399	52.5399
	52.0576	59.4426	59.7198	59.4404	59.8073	59.8073
	62.0600	62.0600	62.0600	62.0600	62.0600	62.0600
	42.7465	42.7427	41.1663	40.6547	40.4550	40.4550
	47.8145	46.9535	47.1691	46.6251	45.4671	45.4672
	74.2500	74.2500	74.2300	73.7300	73.5300	73.5300
	4.2000	4.2000	3.9776	3.9810	3.9790	3.9790
	4.2000	4.1739	4.1876	4.1809	4.1441	4.1442
	4.2000	4.2000	4.2000	4.2000	4.2000	4.2000
	18.0510	18.0511	17.1854	17.4924	17.4845	17.4846
	18.2569	18.1539	18.1724	18.3899	18.2430	18.2431
	18.7400	18.7400	18.7400	18.9400	18.9400	18.9400
	5.6926	5.6686	6.9751	6.9709	6.7711	6.7694
	5.8383	5.8068	7.2418	7.2423	7.0217	7.0218
	5.8900	5.8900	7.3200	7.3200	7.1600	7.1600

CITY OF CLAYTON, OHIO

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Fiscal Year 2020		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$ 6,644,690	2.64%
DBC Stoneridge Limited Partner	2,700,800	1.07%
Pleasant Real Estate LLC	2,304,030	0.91%
Vectren Energy Delivery of Ohio	1,698,670	0.67%
Garden Woods Apartment LLC	1,456,880	0.58%
Caterpillar Inc	918,990	0.36%
Randolph Investments LLC	895,920	0.36%
CF Ohio Owner LLC	662,260	0.26%
Rex Residential Property Owner	590,790	0.23%
GW Clayton LLC	422,360	0.17%
Total Real and Personal Property	18,295,390	7.26%
All Others	233,632,330	92.74%
Total Assessed Valuation	251,927,720	100.00%

Fiscal Year 2011		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light Company	\$ 4,729,480	1.74%
Tiltak Nagar/Stoneridge	2,370,270	0.87%
Pleasant Real Estate LLC	1,658,390	0.61%
Garden Woods Apartment LLC	1,313,450	0.48%
LGH Properties	1,304,060	0.48%
Randolph Investments LLC	933,290	0.34%
Caterpillar	872,480	0.32%
Greenglen Apartments of Dayton	626,520	0.23%
Vectren Energy	501,630	0.18%
Jakes Unlimited	405,250	0.15%
Total Real and Personal Property	\$ 14,714,820	5.43%
All Others	256,495,470	94.57%
Total Assessed Valuation	\$ 271,210,290	100.00%

Source: Montgomery County Auditor

CITY OF CLAYTON, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal year	Total tax levy (1)	Current tax collections (1)	Percent of levy collected	Delinquent tax collections (2)	Total tax collections	Percent of total tax collections to tax levy
<u>Montgomery County</u>						
2011	\$ 3,020,260	\$ 2,937,182	97.25%	\$ 103,660	\$ 3,040,842	100.68%
2012	2,809,823	2,730,420	97.17%	65,689	2,796,109	99.51%
2013	2,808,964	2,739,126	97.51%	64,294	2,803,420	99.80%
2014	2,815,417	2,741,054	97.36%	58,001	2,799,055	99.42%
2015	2,742,527	2,664,660	97.16%	65,213	2,729,873	99.54%
2016	2,740,319	2,677,350	97.70%	85,783	2,763,133	100.83%
2017	2,752,840	2,687,533	97.63%	47,600	2,735,133	99.36%
2018	2,784,381	2,716,315	97.56%	69,879	2,786,194	100.07%
2019	2,788,317	2,733,061	98.02%	69,432	2,802,493	100.51%
2020	2,790,680	2,776,872	99.51%	54,766	2,831,638	101.47%

(1) Current taxes levied and current tax collections do not include rollback and homestead amounts.

(2) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tacked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

CITY OF CLAYTON, OHIO

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities		Total Outstanding Debt
	Promissory and Improvement Notes	General Obligation Bonds	Capital Leases	Water Line Loan	OWDA Loans	
2011	\$ 95,397	\$ 5,401,106	\$ 216,187	\$ 4,232,359	\$ 3,085,611	\$ 13,030,660
2012	268,527	5,198,620	458,058	4,232,359	3,007,065	13,164,629
2013	220,445	5,344,159	371,953	4,213,092	2,966,610	13,116,259
2014	171,163	5,054,111	283,078	4,208,656	2,840,325	12,557,333
2015	120,649	4,751,408	191,337	4,208,656	2,751,869	12,023,919
2016	38,786	10,432,132	129,224	-	2,659,839	13,259,981
2017	-	9,770,000	65,458	-	2,564,091	12,399,549
2018	-	9,095,288	1,153,932	-	2,464,475	12,713,695
2019	-	8,413,400	1,083,639	-	2,360,835	11,857,874
2020	-	7,717,355	780,207	-	2,253,007	10,750,569

- (1) Computation of per capita personal income multiplied by population-
See Demographic and Economic Statistical Table
- (2) Source: 2000 and 2010 Census

Total Personal Income (1)	Population (2)	Ratio of Debt to Personal Income	Debt Per Capita
\$ 392,677,152	13,209	3.32%	\$ 986.50
387,248,253	13,209	3.40%	996.64
409,624,299	13,209	3.20%	992.98
402,491,439	13,209	3.12%	950.66
407,756,370	13,170	2.95%	912.98
406,159,684	13,196	3.26%	1,004.85
427,984,809	13,209	2.90%	938.72
424,726,896	13,187	2.99%	964.11
441,978,775	13,223	2.68%	896.76
468,236,095	13,205	2.30%	814.13

CITY OF CLAYTON, OHIO
RATIOS OF GENERAL OBLIGATION BONDED DEBT TO
ESTIMATED ACTUAL VALUE AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

Fiscal Year	Net General Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of Debt to Estimated Actual Value	Net General Obligation Bonded Debt Per Capita
2011	\$ 5,401,106	\$ 767,554,235	13,209	0.70%	408.90
2012	5,198,620	766,073,331	13,209	0.68%	393.57
2013	5,344,159	722,066,759	13,209	0.74%	404.58
2014	5,054,111	692,510,473	13,209	0.73%	382.63
2015	4,751,408	692,510,473	13,170	0.69%	360.78
2016	10,432,132	667,518,602	13,196	1.56%	790.55
2017	9,770,000	667,514,577	13,209	1.46%	739.65
2018	7,293,528	707,104,291	13,187	1.03%	553.08
2019	6,929,082	707,000,964	13,223	0.98%	524.02
2020	6,259,919	705,693,455	13,205	0.89%	474.06

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CITY OF CLAYTON, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Total Assessed Valuation	\$ 271,402,330	\$ 271,210,290	\$ 255,878,540	\$ 246,086,630
Overall debt limitation- 10.5% of assessed valuation	<u>28,497,245</u>	<u>28,477,080</u>	<u>26,867,247</u>	<u>25,839,096</u>
Gross indebtedness authorized by the City	12,598,367	12,477,951	12,440,147	12,274,255
Less: Exempt Debt				
Road Improvement Notes	95,397	-	-	-
Backhoe Promissory Note	-	83,094	70,438	57,393
Plow/Friegtliner Promissory Note	-	185,433	150,007	113,770
Water Line Loan	4,232,359	4,232,359	4,213,092	4,208,656
OWDA Loan	<u>3,085,611</u>	<u>3,007,065</u>	<u>2,966,610</u>	<u>2,840,325</u>
Total Exempt Debt	<u>7,413,367</u>	<u>7,507,951</u>	<u>7,400,147</u>	<u>7,220,144</u>
Net Debt Subject to Limitation	5,185,000	4,970,000	5,040,000	5,054,111
Less Amount available in the Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Debt Subject to Limitation	<u>5,185,000</u>	<u>4,970,000</u>	<u>5,040,000</u>	<u>5,054,111</u>
Legal debt margin within 10.5% limitation	<u>23,312,245</u>	<u>23,507,080</u>	<u>21,827,247</u>	<u>20,784,985</u>
Legal Debt Margin as a Percentage of the Debt limit	81.8%	82.5%	81.2%	80.4%

Total Assessed Valuation	\$ 271,402,330	\$ 271,210,290	\$ 255,878,540	\$ 246,086,630
Overall debt limitation- 5.5% of assessed valuation	14,927,128	14,916,566	14,073,320	13,534,765
Gross indebtedness authorized by the City	12,598,367	12,477,951	12,440,147	12,274,255
Less: Exempt Debt				
Road Improvement Notes	95,397	-	-	-
Backhoe Promissory Note	-	83,094	70,438	57,393
Plow/Friegtliner Promissory Note	-	185,433	150,007	113,770
Water Line Loan	4,232,359	4,232,359	4,213,092	4,208,656
OWDA Loan	<u>3,085,611</u>	<u>3,007,065</u>	<u>2,966,610</u>	<u>2,840,325</u>
Total Exempt Debt	<u>7,413,367</u>	<u>7,507,951</u>	<u>7,400,147</u>	<u>7,220,144</u>
Net Debt Subject to Limitation	5,185,000	4,970,000	5,040,000	5,054,111
Less Amount available in the Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Debt Subject to Limitation	<u>5,185,000</u>	<u>4,970,000</u>	<u>5,040,000</u>	<u>5,054,111</u>
Legal debt margin within 5.5% limitation	<u>9,742,128</u>	<u>9,946,566</u>	<u>9,033,320</u>	<u>8,480,654</u>
Legal Debt Margin as a Percentage of the Debt limit	65.3%	66.7%	64.2%	62.7%

Ohio Bond Law sets a limit of 10.5 percent for voted debt and 5.5 percent for unvoted debt.

	2015	2016	2017	2018	2019	2020
\$	246,086,630	\$ 237,464,760	\$ 237,810,170	\$ 251,666,570	\$ 252,038,740	\$ 251,927,720
	<u>25,839,096</u>	<u>24,933,800</u>	<u>24,970,068</u>	<u>26,424,990</u>	<u>26,464,068</u>	<u>26,452,411</u>
	11,681,190	13,130,757	12,334,091	11,559,763	10,774,235	9,618,007
	-	-	-	-	-	-
	43,947	-	-	-	-	-
	76,702	38,786	-	-	-	-
	4,208,656	-	-	-	-	-
	<u>2,751,869</u>	<u>2,659,839</u>	<u>2,564,091</u>	<u>2,464,475</u>	<u>2,360,835</u>	<u>2,253,007</u>
	<u>7,081,174</u>	<u>2,698,625</u>	<u>2,564,091</u>	<u>2,464,475</u>	<u>2,360,835</u>	<u>2,253,007</u>
	4,600,016	10,432,132	9,770,000	9,095,288	8,413,400	7,365,000
	-	191,037	42,772	-	9,609	-
	<u>4,600,016</u>	<u>10,241,095</u>	<u>9,727,228</u>	<u>9,095,288</u>	<u>8,403,791</u>	<u>7,365,000</u>
	<u>21,239,080</u>	<u>14,692,705</u>	<u>15,242,840</u>	<u>17,329,702</u>	<u>18,060,277</u>	<u>19,087,411</u>
	82.2%	58.9%	61.0%	65.6%	68.2%	72.2%

\$	246,086,630	\$ 237,464,760	\$ 237,810,170	\$ 251,666,570	\$ 252,038,740	\$ 251,927,720
	13,534,765	13,060,562	13,079,559	13,841,661	13,862,131	13,856,025
	11,681,190	13,130,757	12,334,091	11,559,763	10,774,235	9,618,007
	-	-	-	-	-	-
	43,947	-	-	-	-	-
	76,702	38,786	-	-	-	-
	4,208,656	-	-	-	-	-
	<u>2,751,869</u>	<u>2,659,839</u>	<u>2,564,091</u>	<u>2,464,475</u>	<u>2,360,835</u>	<u>2,253,007</u>
	<u>7,081,174</u>	<u>2,698,625</u>	<u>2,564,091</u>	<u>2,464,475</u>	<u>2,360,835</u>	<u>2,253,007</u>
	4,600,016	10,432,132	9,770,000	9,095,288	8,413,400	7,365,000
	-	191,037	42,772	-	9,609	-
	<u>4,600,016</u>	<u>10,241,095</u>	<u>9,727,228</u>	<u>9,095,288</u>	<u>8,403,791</u>	<u>7,365,000</u>
	<u>8,934,749</u>	<u>2,819,467</u>	<u>3,352,331</u>	<u>4,746,373</u>	<u>5,458,340</u>	<u>6,491,025</u>
	66.0%	21.6%	25.6%	34.3%	39.4%	46.8%

CITY OF CLAYTON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2020

Political subdivision of State of Ohio	Debt Outstanding	Percentage applicable to Clayton (1)	Amount applicable to Clayton
Direct			
City of Clayton	\$ 7,717,355	100.00%	\$ 7,717,355
Capital Lease Obligations	780,207	100.00%	780,207
OWDA Loans	2,253,007	100.00%	2,253,007
Total Direct Debt	<u>10,750,569</u>		<u>10,750,569</u>
Overlapping			
Montgomery County (2)			
General Obligation	12,385,958	2.64%	327,196
Special Assesment Bonds	245,000	2.64%	6,472
Loans payable	2,606,142	2.64%	68,846
Capital Lease Obligations	348,171	2.64%	9,198
Northmont School District (2)			
General Obligation	54,455,435	6.86%	3,735,643
Trotwood-Madison (3)			
School Improvement Bonds, Refunding	22,045,000	2.55%	562,148
Energy Conservation Note Payable	1,009,978	2.55%	25,754
Brookville School District (2)			
Levy Tax Anticipation Notes	760,000	2.08%	15,808
School Contruction Bonds, Refunding	10,189,090	2.08%	211,933
Total Overlapping Debt	<u>104,044,774</u>		<u>4,962,998</u>
Total Direct and Overlapping Debt	<u>\$ 114,795,343</u>		<u>\$ 7,216,005</u>

Source: County Auditor; Montgomery County

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

(2) The debt outstanding is as of June 30, 2019.

Overlapping governments are those that coincide, at least in part, with the geographic boundries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account.

CITY OF CLAYTON, OHIO

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income (2)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Household Income (1)</u>	<u>Median Age (1)</u>	<u>Percent of High School or Higher Graduates (1)</u>	<u>Unemployment Rate (3)</u>	<u>Total Assessed Property Value (4)</u>
2011	13,209	\$ 392,677,152	\$ 29,728	\$ 67,033	42.6	95.3%	9.3%	\$ 271,402,330
2012	13,209	387,248,253	29,317	63,151	42.6	93.7%	7.8%	271,210,290
2013	13,209	409,624,299	31,011	64,436	42.6	93.1%	8.0%	255,878,540
2014	13,209	402,491,439	30,471	65,187	42.6	93.8%	4.6%	246,086,630
2015	13,170	407,756,370	30,961	66,427	43.9	93.7%	4.7%	246,086,630
2016	13,196	406,159,684	30,779	68,406	42.2	94.9%	4.9%	237,464,760
2017	13,209	427,984,809	32,401	71,911	42.3	95.0%	4.7%	237,810,170
2018	13,187	424,726,896	32,208	70,856	41.1	95.2%	4.6%	251,666,570
2019	13,223	441,978,775	33,425	74,795	42.3	94.2%	4.3%	252,038,740
2020	13,205	468,236,095	35,459	74,437	42.6	93.1%	4.7%	251,927,720

Source: (1) from the US Census Bureau web site.
(2) Computation of per capita personal income multiplied by population
(3) Ohio Department of Job and Family Services
(4) Montgomery County Auditor

CITY OF CLAYTON, OHIO
CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2011		2012		2013		2014	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
Governmental activities:								
Administration	7	16	7	16	7	15	7	15
Police	13	20	15	20	15	20	14	20
Fire/EMS	7	25	7	33	7	33	7	26
Golf								
Street	8	12	8	12	8	12	8	10
Total Number of Employees	<u>35</u>	<u>73</u>	<u>37</u>	<u>81</u>	<u>37</u>	<u>80</u>	<u>36</u>	<u>71</u>

Source: City's Records

2015		2016		2017		2018		2019		2020	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
7	15	8	16	8	15	9	16	8	16	8	17
15	21	14	20	14	20	14	19	16	18	17	19
7	35	10	35	9	27	10	28	13	29	13	27
						4	25	4	38	4	38
9	14	11	16	11	16	10	14	11	16	11	16
<u>38</u>	<u>85</u>	<u>43</u>	<u>87</u>	<u>42</u>	<u>78</u>	<u>47</u>	<u>102</u>	<u>52</u>	<u>117</u>	<u>53</u>	<u>117</u>

CITY OF CLAYTON, OHIO

OPERATING INDICATORS BY FUNCTION AND PROGRAM
LAST TEN FISCAL YEARS

	2011	2012	2013	2014
<i>Police</i>				
Police Calls	9,546	6,677	7,446	8,363
<i>Fire/EMS</i>				
Fire and EMS Calls	1,808	1,881	1,879	1,885
<i>Street</i>				
Dollars for Road Improvement	\$ 616,111	\$ 545,732	\$ 545,732	\$ 412,960
Miles of Roads	212	212	212	212
Tons of Salt Spread	724	400	1,143	1,206
Tons of Grit Spread	10	-	-	-

Source: City's records

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	8,394	8,802	8,097	8,292	10,008	9,902
	2,090	2,051	2,182	1,635	2,374	2,765
\$	105,889	\$ 1,607,068	\$ 2,803,838	\$ 2,943,139	\$ 1,172,839	\$ 891,545
	212	212	212	212	212	212
	914	1,112	1,400	1,421	1,455	725
	-	-	-	-	-	-

CITY OF CLAYTON, OHIO

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015
General Government					
Government Center	1	1	1	1	1
Community Center	1	1	1	1	1
Gazebo	1	1	1	1	1
Parks	3	3	3	3	4
Cemeteries	2	2	2	2	2
Golf Course	0	0	0	0	1
Vehicles	1	1	1	1	2
Police					
Stations	1	1	1	1	1
Patrol Vehicles					
Active	8	8	8	8	7
Auxilliary	4	4	4	4	4
Support Vehicles/Trailers	1	1	1	1	1
Fire					
Stations	3	3	3	3	3
Response Vehicles	6	5	5	5	5
Support Vehicles	3	2	2	2	2
EMS					
Medics Vehicles	3	3	2	2	2
Street					
Buildings	2	2	2	2	2
Trucks	10	10	11	11	12
Pickups	5	4	4	4	4
Mowers	5	5	5	5	5

Source: City's records

2016	2017	2018	2019	2020
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
4	4	4	4	4
2	2	2	2	2
1	1	1	1	1
2	3	3	3	2
1	1	1	1	1
6	7	7	8	8
2	2	2	2	2
1	1	1	1	1
3	3	3	3	1
5	5	5	5	4
2	2	2	2	2
2	2	2	2	2
2	3	3	3	3
12	11	10	10	10
5	6	6	7	9
5	3	3	3	3

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