



City of Clayton, Ohio

Annual Comprehensive Financial Report



For the Year Ended December 31, 2022

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CITY OF CLAYTON, OHIO

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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June 16, 2023

Citizens of Clayton
Members of Council
City of Clayton, Ohio

We are pleased to present the twentieth Annual Comprehensive Financial Report (ACFR) for the City of Clayton. This report, for the year ended December 31, 2022, 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, 2022.

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.

Plattenburg & Associates has issued an unmodified ("clean") opinion on the City of Clayton's financial statements for the year ended December 31, 2022. 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 able to hold a full slate of community events in 2022 including: the annual Easter Egg Hunt, Labor Day Fire Works, Costumes and Carvings, and Breakfast with Santa.

Major points of action that occurred in Clayton during 2022 were as follows:

- Approximately \$841,431 of road improvements were completed during the year. This included a partnership with Miami Valley Regional Planning Commission and the City of Trotwood for the paving of Westbrook Road east of State Route 49. The city also paved several residential streets and replaced curbs. The box culvert replacement and chip and seal on Old Mill and Rinehart Road are included.
- Development in Clayton progressed with ground being broken on three residential developments. Hunter's Path, Grand Villas, and Wenger Meadows section three all broke ground in 2022. Road Star Trucking on State Route 49 also broke ground. City Council also voted on the preliminary

development plan for a single family residential development at the corner of Haber and National Road.

- One of the recommendations from the Plan Clayton Implementation Committee was the continued improvements to Main Street. City Council purchased 8051 N. Main Street and 8027 N. Main Street. 8027 N. Main was demolished and 8051 is slated for demolition in 2023.
- The City completed or scheduled several ARPA funded projects:
 - The Clayton Park (Hardscable) mill and fill was completed.
 - Park path and parking lot paving at Northview Park was completed.
 - A new all inclusive park play structure was approved for Northview Park. This is being funded through ARPA and CDBG funding.
 - A new tension fabric salt barn was purchased with installation taking place in 2023
 - The Audio Visual System at Meadowbrook at Clayton was replaced

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.

FINANCIAL PLANNING AND POLICIES

The Finance Department investment policy lists its primary objectives of 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 at fifty percent with a maximum of .75%.

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

- With the increase in electric prices, City Council determined there was a need to act and established an electrical aggregation program in the City of Clayton. Council chose to partner with the Miami Valley Communications Council and Palmer Energy. The issue was placed on the ballot in November 2022 with the program slated to begin in fall of 2023.
- The City of Clayton took on the task of Charter Review. The Charter Review Committee was established in 2022 and met from February to October. The Committee provided recommendations to the Council.
- The city continued its cooperation with Northmont City Schools and Miami Valley Career Technical Center (MVCTC). Northmont City Schools Art Club completed a mural at Meadowbrook at Clayton and MVCTC masonry students are assisting with bases for wayfinding signage at Clayton Parks. These partnerships provide real world experiences for students and allowing them to contribute to their community.
- In April 2022 the City of Clayton took over all operations at Meadowbrook at Clayton. This included the procurement of a liquor license, the operation of the snack bar, and selling of food and beverages in the pro shop. Meadowbrook was also opened to outside catering services resulting in an increase in bookings over pervious years.
- To make Meadowbrook more accessible to a wider population, Council authorized the installation of Pickle Ball Courts in the location of the old pool. The courts were installed in the fall of 2022 with striping slated for spring of 2023.

OTHER INFORMATION

Independent Audit

An audit team from Plattenburg & Associates 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, 2022. This was the eighteenth 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 CAFR. 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 Zimmerlin
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

City of Clayton, Ohio

Principal Officials
December 31, 2022

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, CPFA
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

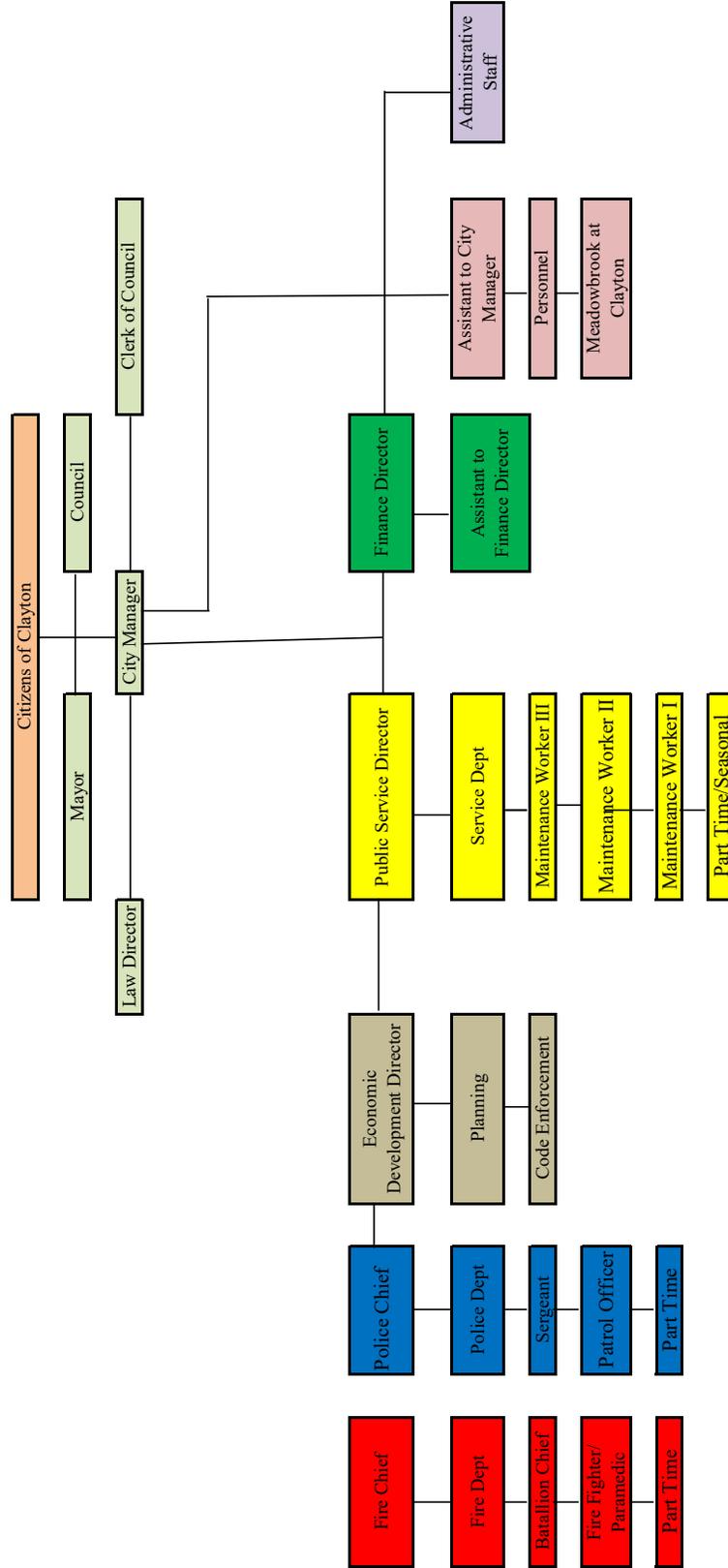
CITY OF CLAYTON ORGANIZATIONAL CHART

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 AUDITOR'S REPORT

City Council
City of Clayton
Montgomery County
P.O. Box 280
Clayton, Ohio 45315

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General, Police, Fire, Street Fund and Local Fiscal Recovery Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of pension information and other postemployment information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2023, on our consideration of the City's internal control over financial reporting and 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 16, 2023

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CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (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, 2022. 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 2022 are as follows:

- The total net position of the City decreased \$106,288. Net position of governmental activities decreased \$132,793 or 0.63% from 2021's net position, and net position of business-type activities increased \$26,505 or 7.91% from 2021's net position.
- General revenues accounted for \$8,919,166 or 72.94% of total governmental activities revenue. Program specific revenues accounted for \$3,308,411 or 27.06% of total governmental activities revenue.
- The City had \$12,159,177 in expenses related to governmental activities; \$3,308,411 of these expenses were offset by program specific charges for services, grants, or contributions. The remaining expenses of the governmental activities of \$8,850,766 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$8,919,166.
- The general fund had revenues of \$5,000,353 in 2022. This represents a decrease of \$85,268 from 2021 revenues. The expenditures and other financing uses of the general fund, which totaled \$6,059,674 in 2022, increased \$711,595 from 2021. The net decrease in fund balance for the general fund was \$1,059,321 or 20.63% compared with the 2021 balance.
- The police fund had revenues and other financing sources of \$2,283,238 in 2022. This represents a decrease of \$382,797 from 2021 revenues and other sources. The expenditures of the police fund, which totaled \$2,562,403 in 2022, decreased \$99,072 from 2021. The net decrease in fund balance for the police fund was \$279,165, resulting in a fund balance of \$99,315.
- The fire fund had revenues and other financing sources of \$1,618,972 in 2022. This represents a decrease of \$18,529 from 2021 revenues and other financing sources. The expenditures of the fire fund, which totaled \$1,828,147 in 2022, increased \$155,056 from 2021. The net decrease in the fund balance for the fire fund was \$209,175 or 61.11%.
- The street fund had revenues and other financing sources of \$1,625,423 in 2022. This represents an increase of \$330,921 from 2021 revenues and other financing sources. The expenditures of the street fund, which totaled \$1,509,510 in 2022, increased \$207,792 from 2021. The net increase in the fund balance for the street fund was \$115,913 or 22.72%.
- The local fiscal recovery fund had revenues of \$265,980 in 2022. The expenditures of the local fiscal recovery fund totaled \$265,980 in 2022. The beginning and ending fund balance was \$0.
- The bond retirement fund had revenues and other financing sources of \$845,312 in 2022. The expenditures and other financing uses of the bond retirement fund totaled \$845,312 in 2022. The bond retirement fund had a net position of \$0 for both 2022 and 2021.
- The capital improvement fund had revenues and other financing sources of \$3,234,147 in 2022. The expenditures of the capital improvement fund totaled \$2,135,796 in 2022. The net increase in the fund balance for the capital improvement fund was \$1,098,351 or 122.72%. This increase was a result of the timing of financed purchased transactions which were entered into during fiscal year 2022, but the assets were not paid for during the year.
- Net position for the business-type activities, which is made up of the sewer operating department, increased in 2022 by \$26,505.
- In the general fund, the actual revenues sources came in \$323,428 less than they were in the final budget and actual expenditures and other financing uses were \$1,500,901 less than the amount in the final budget. Final budgeted revenues and other financing sources were \$96,480 more than the original budgeted revenues and other financing sources. Budgeted expenditures and other financing uses increased \$993,017 from the original to the final budget.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

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 2022?" 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 21-23 of this report.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (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 13.

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, local fiscal recovery 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 24-35 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 36-40 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 41-42 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 43-91 of this report.

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(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 92-112 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 2022 compared to 2021.

	2022		2021		2022		2021	
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	2022 Total	2021 Total	2022 Total	2021 Total
Assets								
Current and other assets	\$ 18,612,797	\$ 17,980,492	\$ -	\$ -	\$ 18,612,797	\$ 17,980,492	\$ 18,612,797	\$ 17,980,492
Capital assets, net	<u>21,765,349</u>	<u>22,108,014</u>	<u>2,385,764</u>	<u>2,475,975</u>	<u>24,151,113</u>	<u>24,583,989</u>	<u>24,151,113</u>	<u>24,583,989</u>
Total assets	<u>40,378,146</u>	<u>40,088,506</u>	<u>2,385,764</u>	<u>2,475,975</u>	<u>42,763,910</u>	<u>42,564,481</u>	<u>42,763,910</u>	<u>42,564,481</u>
Deferred outflows	<u>4,284,550</u>	<u>3,116,784</u>	<u>-</u>	<u>-</u>	<u>4,284,550</u>	<u>3,116,784</u>	<u>4,284,550</u>	<u>3,116,784</u>
Liabilities								
Current liabilities	1,395,105	811,789	-	-	1,395,105	811,789	1,395,105	811,789
Long-term liabilities:								
Due within one year	1,167,147	1,231,491	121,431	116,716	1,288,578	1,348,207	1,288,578	1,348,207
Net pension liability	6,499,479	7,258,464	-	-	6,499,479	7,258,464	6,499,479	7,258,464
Net OPEB liability	936,619	816,546	-	-	936,619	816,546	936,619	816,546
Other liabilities	<u>6,839,512</u>	<u>6,676,055</u>	<u>1,902,676</u>	<u>2,024,107</u>	<u>8,742,188</u>	<u>8,700,162</u>	<u>8,742,188</u>	<u>8,700,162</u>
Total liabilities	<u>16,837,862</u>	<u>16,794,345</u>	<u>2,024,107</u>	<u>2,140,823</u>	<u>18,861,969</u>	<u>18,935,168</u>	<u>18,861,969</u>	<u>18,935,168</u>
Deferred inflows	<u>7,037,717</u>	<u>5,491,035</u>	<u>-</u>	<u>-</u>	<u>7,037,717</u>	<u>5,491,035</u>	<u>7,037,717</u>	<u>5,491,035</u>
Net Position								
Net investment in capital assets	15,255,494	14,846,909	361,657	335,152	15,617,151	15,182,061	15,617,151	15,182,061
Restricted	6,444,076	4,881,578	-	-	6,444,076	4,881,578	6,444,076	4,881,578
Unrestricted (deficit)	<u>(912,453)</u>	<u>1,191,423</u>	<u>-</u>	<u>-</u>	<u>(912,453)</u>	<u>1,191,423</u>	<u>(912,453)</u>	<u>1,191,423</u>
Total net position	<u>\$ 20,787,117</u>	<u>\$ 20,919,910</u>	<u>\$ 361,657</u>	<u>\$ 335,152</u>	<u>\$ 21,148,774</u>	<u>\$ 21,255,062</u>	<u>\$ 21,148,774</u>	<u>\$ 21,255,062</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, 2022 (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, 2022, the City's governmental assets and deferred outflows exceeded liabilities and deferred inflows by \$20,787,117. At year-end, net position was \$20,787,117 and \$361,657 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, 2022
(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 56.48% 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, 2022, was \$15,255,494 and \$361,657 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, \$6,444,076, 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 \$(912,453).

The table below shows the changes in net position for years 2021 and 2022.

	Change in Net Position					
	2022 Governmental Activities	2021 Governmental Activities	2022 Business-Type Activities	2021 Business-Type Activities	2022 Total	2021 Total
Revenues						
Program revenues:						
Charges for services	\$ 1,619,784	\$ 1,466,028	\$ -	\$ -	\$ 1,619,784	\$ 1,466,028
Operating grants and contributions	1,356,201	1,081,391	-	-	1,356,201	1,081,391
Capital grants and contributions	<u>332,426</u>	<u>309,550</u>	-	-	<u>332,426</u>	<u>309,550</u>
Total program revenues	<u>3,308,411</u>	<u>2,856,969</u>	-	-	<u>3,308,411</u>	<u>2,856,969</u>
General revenues:						
Property taxes	2,384,355	2,457,731	-	-	2,384,355	2,457,731
Other local taxes	344,245	359,659	-	-	344,245	359,659
Unrestricted grants and entitlements	730,636	671,311	-	-	730,636	671,311
Payment in lieu of taxes	473,674	525,057	-	-	473,674	525,057
Municipal income taxes	5,472,632	5,242,944	-	-	5,472,632	5,242,944
Investment earnings	279,257	495,305	-	-	279,257	495,305
Change in fair value	(843,009)	(523,773)	-	-	(843,009)	(523,773)
Miscellaneous	<u>77,376</u>	<u>50,510</u>	-	-	<u>77,376</u>	<u>50,510</u>
Total general revenues	<u>8,919,166</u>	<u>9,278,744</u>	-	-	<u>8,919,166</u>	<u>9,278,744</u>
Total revenues	<u>12,227,577</u>	<u>12,135,713</u>	-	-	<u>12,227,577</u>	<u>12,135,713</u>
Expenses:						
General government	2,874,560	2,036,120	-	-	2,874,560	2,036,120
Security of persons and property	5,518,108	4,657,352	-	-	5,518,108	4,657,352
Public health and welfare	2,038	11,151	-	-	2,038	11,151
Transportation	2,535,182	1,640,982	-	-	2,535,182	1,640,982
Leisure time activities	997,665	580,782	-	-	997,665	580,782
Interest and fiscal charges	231,624	248,805	-	-	231,624	248,805
Sewer	-	-	174,688	179,220	174,688	179,220
Total expenses	<u>12,159,177</u>	<u>9,175,192</u>	<u>174,688</u>	<u>179,220</u>	<u>12,333,865</u>	<u>9,354,412</u>
Change in net position before transfers	68,400	2,960,521	(174,688)	(179,220)	(106,288)	2,781,301
Transfers	<u>(201,193)</u>	<u>(175,463)</u>	<u>201,193</u>	<u>175,463</u>	-	-
Change in net position	(132,793)	2,785,058	26,505	(3,757)	(106,288)	2,781,301
Net position at beginning of year	<u>20,919,910</u>	<u>18,134,852</u>	<u>335,152</u>	<u>338,909</u>	<u>21,255,062</u>	<u>18,473,761</u>
Net position at end of year	<u>\$ 20,787,117</u>	<u>\$ 20,919,910</u>	<u>\$ 361,657</u>	<u>\$ 335,152</u>	<u>\$ 21,148,774</u>	<u>\$ 21,255,062</u>

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

Governmental Activities

Governmental activities net position decreased 0.63% or \$132,793 in 2022.

Expenses of the governmental activities increased \$2,983,985 or 32.52%. This increase was primarily a result of changes in the liabilities and deferred inflows and outflows of resources associated with the net pension liability.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$5,518,108 of the total governmental expenses of the City. These expenses were partially funded by \$593,705 in direct charges to users of the services and \$135,093 in operating grants and contributions. Transportation expenses totaled \$2,535,182. Transportation expenses were partially funded by \$33,905 in direct charges to users of the services and \$955,128 in operating grants and contributions. General government expenses totaled \$2,874,560. General government expenses were partially funded by \$361,522 in direct charges to users of the services, \$265,980 in operating grants and contributions and \$332,426 in capital grants and contributions.

The state and federal government contributed to the City a total of \$1,356,01 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

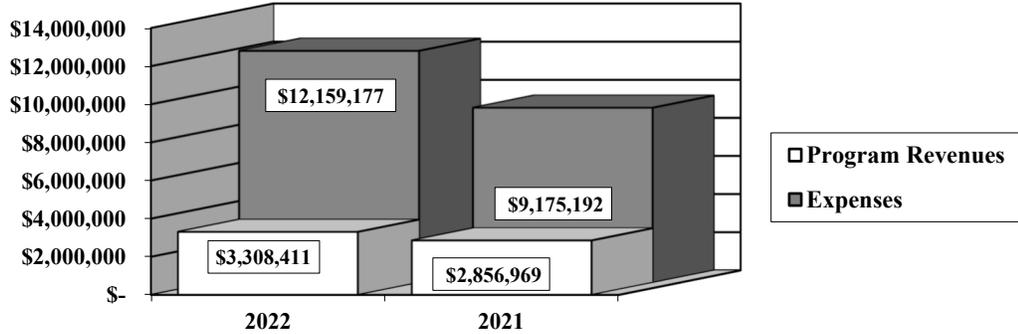
General revenues totaled \$8,919,166 and amounted to 72.94% of total governmental revenues. These revenues primarily consist of property taxes, other local taxes, and income tax revenue of \$8,201,232. Unrestricted grants and entitlements of \$730,636, which includes local government funds, is the other 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.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Governmental Activities - Program Revenues vs. Total Expenses



Governmental Activities

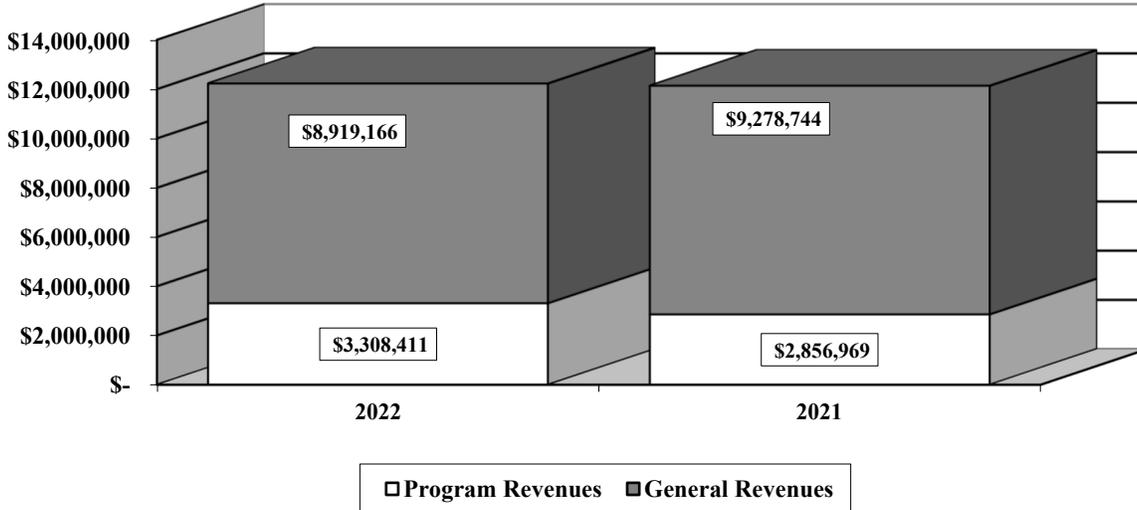
	Total Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2022	Net Cost of Services 2021
Program Expenses:				
General government	\$ 2,874,560	\$ 2,036,120	\$ 1,914,632	\$ 1,398,402
Security of persons and property	5,518,108	4,657,352	4,789,310	4,050,044
Public health and welfare	2,038	11,151	(12,535)	3,551
Transportation	2,535,182	1,640,982	1,546,149	635,068
Leisure time activity	997,665	580,782	381,586	(17,647)
Interest and Fiscal Charges	231,624	248,805	231,624	248,805
Total Expenses	\$ 12,159,177	\$ 9,175,192	\$ 8,850,766	\$ 6,318,223

The dependence upon general revenues for governmental activities is apparent, with 72.79% of expenses supported through taxes and other general revenues.

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

Governmental Activities - General and Program Revenues

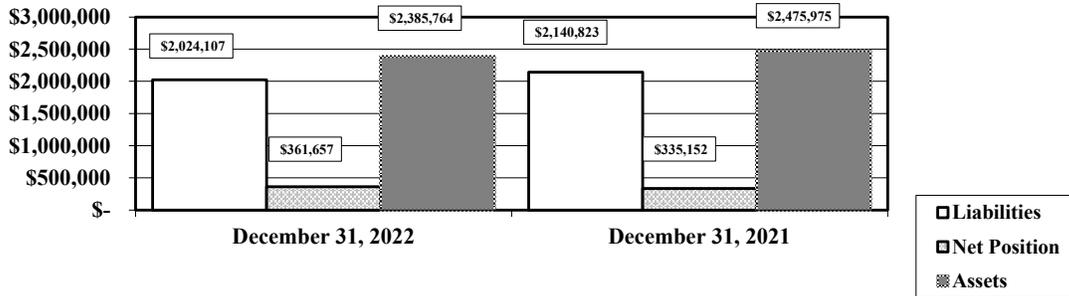


Business-Type Activities

Business-type activities include the sewer operating department. These programs had expenses of \$174,688, and transfers in from governmental activities of \$201,193 for 2022.

The graph below shows the business-type activities assets, liabilities, and net position at year-end 2022 and 2021.

Net Position in Business - Type Activities



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.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

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 24-25) reported a combined fund balance of \$9,993,959 which is \$127,529 below last year's balance of \$10,121,488. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2022 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/22</u>	Fund Balances <u>12/31/21</u>	Increase (Decrease) <u></u>
Major Funds:			
General	\$ 4,075,957	\$ 5,135,278	\$ (1,059,321)
Police	99,315	378,480	(279,165)
Fire	133,092	342,267	(209,175)
Street	626,086	510,173	115,913
Local fiscal recovery fund	-	-	-
Bond retirement fund	-	-	-
Capital improvement	1,993,382	895,031	1,098,351
Other nonmajor governmental funds	<u>3,066,127</u>	<u>2,860,259</u>	<u>205,868</u>
Total	<u>\$ 9,993,959</u>	<u>\$ 10,121,488</u>	<u>\$ (127,529)</u>

CITY OF CLAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

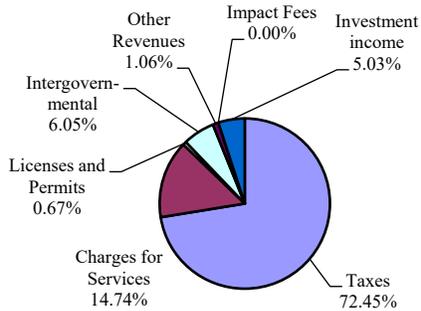
General Fund

The City’s general fund balance decreased \$1,059,321. The City had \$2,835,031 in transfers out in fiscal year 2022 for police, fire, debt service and street repair. The table that follows assists in illustrating the revenues of the general fund.

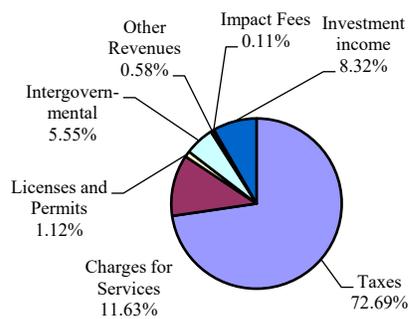
	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 4,090,378	\$ 4,050,792	0.98 %
Charges for services	831,987	647,993	28.39 %
Licenses and permits	37,744	62,680	(39.78) %
Change in fair value	(645,455)	(487,166)	32.49 %
Investment income	284,118	463,438	(38.69) %
Intergovernmental	341,734	309,439	10.44 %
Other	<u>59,847</u>	<u>38,445</u>	55.67 %
Total	<u>\$ 5,000,353</u>	<u>\$ 5,085,621</u>	(1.68) %

Tax revenue represents 81.80% of all general fund revenue. The City has experienced growth, both in an increase in residential properties and commercial ventures, which directly impacts tax revenue. The City holds investments until maturity, the change in fair value is due to the timing of investment purchases and is temporary in nature. This amount is significantly larger than in previous years due to the market performance. The most significant change in revenues occurred in Charges for Services, increasing 28.39%, mainly due to increased banquet room rental and addition of food and alcohol sales at the golf course.

Revenues - 2022



Revenues - 2021



CITY OF CLAYTON, OHIO

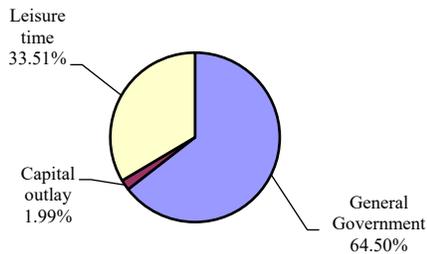
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

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

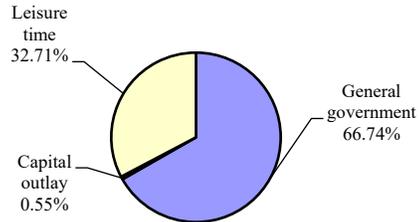
	<u>2022</u> <u>Amount</u>	<u>2021</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>			
General government	\$ 2,079,990	\$ 1,713,077	21.42 %
Leisure time activities	1,080,509	839,602	28.69 %
Capital outlay	<u>64,144</u>	<u>14,140</u>	353.64 %
Total	<u>\$ 3,224,643</u>	<u>\$ 2,566,819</u>	25.63 %

Expenditures increased 25.63% from 2021. The largest expenditure line item, general government, increased 21.42%. This was the result of increased expenditures directly related to increased income tax collections and an increase in the amount of contractual services utilized. Leisure time activities also rose due to the city taking over the banquet facility operations and also supplying food and alcohol for customers.

Expenditures - 2022



Expenditures - 2021



Police Fund

The police fund had revenues and other financing sources of \$2,283,238 in 2022. This represents a decrease of \$382,797 from 2021 revenues and other sources, the largest factor being a reduction of transfers-in. The expenditures of the police fund, which totaled \$2,562,403 in 2022, decreased \$99,072 from 2021. Personnel costs for public safety continue to increase as wages and benefit costs are a significant part of the expenditures of the fund, while contractual services had a decrease in 2022. The net decrease in fund balance for the police fund was \$279,165.

Fire Fund

The fire fund had revenues and other financing sources of \$1,618,972 in 2022. This represents an decrease of \$18,529 from 2021 revenues and other financing sources. The expenditures of the fire fund, which totaled \$1,828,147 in 2022, increased \$155,056 from 2021. Personal services and employee benefits contributed the majority of the increase in expenses. The net decrease in the fund balance for the fire fund was \$209,175 or 61.11%.

Street Fund

The street fund had revenues and other financing sources of \$1,625,423 in 2022. This represents an increase of \$330,921 from 2021 revenues and other financing sources. The increase is attributable to an increase in transfers-in from the General fund. The expenditures of the street fund, which totaled \$1,509,510 in 2022, increased \$207,792 from 2021. This is mainly due to increased capital outlay and repair and maintenance costs. The net increase in the fund balance for the street fund was \$115,913 or 22.72%.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022 (UNAUDITED)

Local Fiscal Recovery Fund

The local fiscal recovery fund had revenues of \$265,980 in 2022. The expenditures of the local fiscal recovery fund totaled \$265,980 in 2022. The local fiscal recovery fund had a fund balance of \$0 for both 2022 and 2021.

Bond Retirement Fund

The bond retirement fund had revenues and other financing sources of \$845,312 in 2022. The expenditures and other financing uses of the bond retirement fund totaled \$845,312 in 2022. The bond retirement fund had a fund balance of \$0 for both 2022 and 2021.

Capital Improvement Fund

The capital improvement fund had revenues and other financing sources of \$3,234,147 in 2022. The expenditures of the capital improvement fund totaled \$2,135,796 in 2022. The net increase in the fund balance for the capital improvement fund was \$1,098,531 or 122.72%. This increase was financed purchase transactions, of which \$787,497 was unspent at year end and remained as cash with fiscal agent.

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 were \$323,428 less than they were in the final budget and actual expenditures and other financing uses were \$1,500,901 less than the amount in the final budget. Final budgeted revenues were \$96,480 more than original budgeted revenues. Budgeted expenditures and other financing uses increased \$993,017 from the original to the final budget.

The variance between actual revenues and other financing sources compared to final budget was a result of reduced income taxes anticipated to be collected due to uncertainty of employment status and resident work location due to the COVID 19 pandemic, but the City saw a collection of income taxes better than anticipated. The City only transfers monies to other funds as needed. Monitoring of expenditures and overtime of other departments resulted in less monies needed being transferred. This resulted in a favorable variance between final budget and actual expenditures and other financing uses. Additional expenditures arose during the year that produced 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 net position of \$26,505. The sewer fund receives operating transfers to pay an outstanding OWDA loan associated with sewer line construction. The City transferred \$201,193 to the fund to support operations.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At the end of 2022, the City had \$24,151,113 (net of accumulated depreciation) invested in land, buildings, improvements other than buildings, furniture, fixtures and equipment, vehicles, and infrastructure. Of this total, \$21,765,349 was reported in governmental activities and \$2,385,764 was reported in business-type activities. See Note 10 in the basic financial statements for additional capital asset disclosure. The following table shows 2022 balances compared to 2021:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Land	\$ 5,597,025	\$ 5,597,025	\$ -	\$ -	\$ 5,597,025	\$ 5,597,025
Improvements other than buildings	462,080	521,203	-	-	462,080	521,203
Buildings	1,182,431	1,287,251	-	-	1,182,431	1,287,251
Furniture, fixtures and equipment	1,246,513	1,128,233	-	-	1,246,513	1,128,233
Vehicles	2,408,658	2,700,301	-	-	2,408,658	2,700,301
Infrastructure	<u>10,868,642</u>	<u>10,874,001</u>	<u>2,385,764</u>	<u>2,475,975</u>	<u>13,254,406</u>	<u>13,349,976</u>
Totals	<u>\$ 21,765,349</u>	<u>\$ 22,108,014</u>	<u>\$ 2,385,764</u>	<u>\$ 2,475,975</u>	<u>\$ 24,151,113</u>	<u>\$ 24,583,989</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 54.88% 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.

CITY OF CLAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2022 and 2021:

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
General obligation bonds	\$ 6,267,013	\$ 6,997,184
Financed purchase obligations	<u>1,204,195</u>	<u>464,872</u>
Total long-term obligations	<u>\$ 7,471,208</u>	<u>\$ 7,462,056</u>

	<u>Business-type Activities</u>	
	<u>2022</u>	<u>2021</u>
OWDA loans	\$ <u>2,024,107</u>	\$ <u>2,140,823</u>
Total long-term obligations	<u>\$ 2,024,107</u>	<u>\$ 2,140,823</u>

See Note 14 to the basic financial statements for detail on the City's long-term obligations.

Current Financial Issues

The current effects of the inflation trend the City is experiencing will hopefully be offset with the numerous residential housing developments that are currently underway throughout the city. Revenues from operations for the Police, Fire, EMS and Street funds are not keeping pace with expenditures of the respective funds, relying on more transfers from the General fund. The General fund balances are being depleted and Council will be making decisions of tax levies or other actions to address this. The City still obtains grants, where possible, to fund community projects and the projected increase in income taxes due to the several residential subdivisions being proposed as well as commercial ventures in the works, services can still be provided at the level residents are accustomed to.

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.

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CITY OF CLAYTON, OHIO

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents . . .	\$ 9,490,817	\$ -	\$ 9,490,817
Cash with escrow agent	787,497	-	787,497
Receivables:			
Income taxes	1,758,178	-	1,758,178
Real and other taxes	2,407,568	-	2,407,568
Accounts	434,992	-	434,992
Payment in lieu of taxes receivable	685,134	-	685,134
Special assessments	887,891	-	887,891
Accrued interest	22,887	-	22,887
Due from other governments	827,786	-	827,786
Inventory held for resale	4,015	-	4,015
Materials and supplies inventory	110,176	-	110,176
Prepayments	141,230	-	141,230
Investment in joint venture	96,064	-	96,064
Land held for resale	435,012	-	435,012
Net OPEB asset	414,603	-	414,603
Net pension asset	108,947	-	108,947
Capital assets:			
Land and construction in progress	5,597,025	-	5,597,025
Depreciable capital assets, net	16,168,324	2,385,764	18,554,088
Total capital assets, net	<u>21,765,349</u>	<u>2,385,764</u>	<u>24,151,113</u>
Total assets	<u>40,378,146</u>	<u>2,385,764</u>	<u>42,763,910</u>
Deferred outflows of resources:			
Unamortized deferred charges on debt refunding	173,856	-	173,856
OPEB	798,639	-	798,639
Pension	3,312,055	-	3,312,055
Total deferred outflows of resources	<u>4,284,550</u>	<u>-</u>	<u>4,284,550</u>
Liabilities:			
Accounts payable	131,788	-	131,788
Accrued wages and benefits payable	81,411	-	81,411
Due to other governments	93,897	-	93,897
Accrued interest payable	24,183	-	24,183
Unearned revenue	1,063,826	-	1,063,826
Long-term liabilities:			
Due within one year	1,167,147	121,431	1,288,578
Due greater than one year:			
Net pension liability	6,499,479	-	6,499,479
Net OPEB liability	936,619	-	936,619
Other amounts due in more than one year	6,839,512	1,902,676	8,742,188
Total liabilities	<u>16,837,862</u>	<u>2,024,107</u>	<u>18,861,969</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year . . .	2,324,527	-	2,324,527
Payment in lieu of taxes	685,134	-	685,134
OPEB	811,756	-	811,756
Pension	3,216,300	-	3,216,300
Total deferred inflows of resources	<u>7,037,717</u>	<u>-</u>	<u>7,037,717</u>
Net position:			
Net investment in capital assets	15,255,494	361,657	15,617,151
Restricted for:			
Debt service	826,286	-	826,286
Road improvements	698,539	-	698,539
Capital projects	2,508,069	-	2,508,069
Cemetery operations	76,617	-	76,617
Other purposes	3,242	-	3,242
Drug and alcohol enforcement	23,774	-	23,774
Street lighting	73,819	-	73,819
Economic development	2,233,730	-	2,233,730
Unrestricted	(912,453)	-	(912,453)
Total net position	<u>\$ 20,787,117</u>	<u>\$ 361,657</u>	<u>\$ 21,148,774</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government.	\$ 2,874,560	\$ 361,522	\$ 265,980	\$ 332,426
Security of persons and property	5,518,108	593,705	135,093	-
Public health and welfare	2,038	14,573	-	-
Transportation.	2,535,182	33,905	955,128	-
Leisure time activity.	997,665	616,079	-	-
Interest and fiscal charges.	231,624	-	-	-
Total governmental activities	<u>12,159,177</u>	<u>1,619,784</u>	<u>1,356,201</u>	<u>332,426</u>
Business-type activities:				
Sewer Department.	174,688	-	-	-
Total business-type activities	<u>174,688</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 12,333,865</u>	<u>\$ 1,619,784</u>	<u>\$ 1,356,201</u>	<u>\$ 332,426</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
Change in fair value.
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
\$ (1,914,632)	\$ -	\$ (1,914,632)
(4,789,310)	-	(4,789,310)
12,535	-	12,535
(1,546,149)	-	(1,546,149)
(381,586)	-	(381,586)
(231,624)	-	(231,624)
<u>(8,850,766)</u>	<u>-</u>	<u>(8,850,766)</u>
-	<u>(174,688)</u>	<u>(174,688)</u>
-	<u>(174,688)</u>	<u>(174,688)</u>
<u>(8,850,766)</u>	<u>(174,688)</u>	<u>(9,025,454)</u>
369,677	-	369,677
1,131,185	-	1,131,185
702,737	-	702,737
180,756	-	180,756
344,245	-	344,245
3,650,561	-	3,650,561
1,822,071	-	1,822,071
473,674	-	473,674
730,636	-	730,636
(843,009)	-	(843,009)
279,257	-	279,257
77,376	-	77,376
<u>8,919,166</u>	<u>-</u>	<u>8,919,166</u>
<u>(201,193)</u>	<u>201,193</u>	<u>-</u>
<u>8,717,973</u>	<u>201,193</u>	<u>8,919,166</u>
(132,793)	26,505	(106,288)
<u>20,919,910</u>	<u>335,152</u>	<u>21,255,062</u>
<u>\$ 20,787,117</u>	<u>\$ 361,657</u>	<u>\$ 21,148,774</u>

CITY OF CLAYTON, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	<u>General</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Street Fund</u>
Assets:				
Equity in pooled cash and cash equivalents . . .	\$ 3,760,021	\$ 88,932	\$ 159,575	\$ 515,819
Cash with escrow agent.	-	-	-	-
Receivables:				
Income taxes.	1,172,640	-	-	-
Real and other taxes	409,851	1,122,947	695,779	-
Accounts.	174,134	-	-	115,806
Payments in lieu of taxes.	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	18,654	-	-	2,491
Due from other governments.	151,544	147,175	58,486	402,082
Inventory held for resale.	4,015	-	-	-
Materials and supplies inventory.	-	-	-	78,277
Prepayments	81,307	18,386	18,807	20,264
Land held for resale.	110,924	-	-	-
Total assets	<u>\$ 5,883,090</u>	<u>\$ 1,377,440</u>	<u>\$ 932,647</u>	<u>\$ 1,134,739</u>
Liabilities:				
Accounts payable.	\$ 22,232	\$ 5,692	\$ 13,680	\$ 29,659
Accrued wages and benefits payable	18,478	25,711	24,318	11,477
Due to other governments	14,628	31,369	7,705	13,859
Unearned revenue	-	-	-	-
Total liabilities	<u>55,338</u>	<u>62,772</u>	<u>45,703</u>	<u>54,995</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year. . .	358,364	1,104,664	685,220	-
Delinquent property tax revenue not available. .	6,088	18,283	10,559	-
Accrued interest not available	10,496	-	-	1,401
Special assessments revenue not available.	-	-	-	-
Miscellaneous revenue not available.	215,396	750	-	115,806
Income tax revenue not available	1,030,938	-	-	-
Intergovernmental revenue not available	130,513	91,656	58,073	336,451
Payment in lieu of taxes levied for the next fiscal year.	-	-	-	-
Total deferred inflows of resources	<u>1,751,795</u>	<u>1,215,353</u>	<u>753,852</u>	<u>453,658</u>
Fund balances:				
Nonspendable	81,307	18,386	18,807	98,541
Restricted.	-	80,929	114,285	527,545
Assigned	1,438,240	-	-	-
Unassigned	2,556,410	-	-	-
Total fund balances	<u>4,075,957</u>	<u>99,315</u>	<u>133,092</u>	<u>626,086</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,883,090</u>	<u>\$ 1,377,440</u>	<u>\$ 932,647</u>	<u>\$ 1,134,739</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Local Fiscal Recovery Fund	Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ 1,063,826	\$ -	\$ 1,132,900	\$ 2,769,744	\$ 9,490,817
-	-	787,497	-	787,497
-	-	585,538	-	1,758,178
-	-	-	178,991	2,407,568
-	-	-	145,052	434,992
-	-	-	685,134	685,134
-	850,469	-	37,422	887,891
-	-	-	1,742	22,887
-	-	-	68,499	827,786
-	-	-	-	4,015
-	-	-	31,899	110,176
-	-	-	2,466	141,230
-	-	50,000	274,088	435,012
<u>\$ 1,063,826</u>	<u>\$ 850,469</u>	<u>\$ 2,555,935</u>	<u>\$ 4,195,037</u>	<u>\$ 17,993,183</u>
\$ -	\$ -	\$ 47,866	\$ 12,659	\$ 131,788
-	-	-	1,427	81,411
-	-	-	26,336	93,897
1,063,826	-	-	-	1,063,826
<u>1,063,826</u>	<u>-</u>	<u>47,866</u>	<u>40,422</u>	<u>1,370,922</u>
-	-	-	176,279	2,324,527
-	-	-	2,712	37,642
-	-	-	980	12,877
-	850,469	-	37,422	887,891
-	-	-	131,138	463,090
-	-	514,687	-	1,545,625
-	-	-	54,823	671,516
-	-	-	685,134	685,134
-	850,469	514,687	1,088,488	6,628,302
-	-	-	34,365	251,406
-	-	1,993,382	3,027,932	5,744,073
-	-	-	3,830	1,442,070
-	-	-	-	2,556,410
-	-	1,993,382	3,066,127	9,993,959
<u>\$ 1,063,826</u>	<u>\$ 850,469</u>	<u>\$ 2,555,935</u>	<u>\$ 4,195,037</u>	<u>\$ 17,993,183</u>

CITY OF CLAYTON, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total governmental fund balances		\$	9,993,959
<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.			21,765,349
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	1,545,625	
Real and other taxes receivable		37,642	
Accounts receivable		234,081	
Intergovernmental receivable		671,516	
Special assessments receivable		1,116,900	
Accrued interest receivable		12,877	
Total		3,618,641	3,618,641
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(24,183)
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.			96,064
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			173,856
Unamortized premiums on bond issuances are not recognized in the funds.			(282,013)
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		108,947	
Deferred outflows of resources		3,312,055	
Deferred inflows of resources		(3,216,300)	
Net pension liability		(6,499,479)	
Total		(6,294,777)	(6,294,777)
The net OPEB asset and 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.			
Net OPEB asset		414,603	
Deferred outflows of resources		798,639	
Deferred inflows of resources		(811,756)	
Net OPEB liability		(936,619)	
Total		(535,133)	(535,133)
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		(535,451)	
Financed purchase agreements		(1,204,195)	
General obligation bonds payable		(5,985,000)	
Total		(7,724,646)	(7,724,646)
Net position of governmental activities		\$	20,787,117

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, 2022

	<u>General</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Street Fund</u>
Revenues:				
Income taxes	\$ 3,524,668	\$ -	\$ -	\$ -
Real and other taxes.	382,716	1,170,892	727,241	-
Other local taxes.	182,994	-	-	-
Payments in lieu of taxes.	-	-	-	-
Charges for services.	831,987	113,725	-	13,863
Licenses and permits	37,744	-	-	-
Fines and forfeitures	-	25,780	920	-
Intergovernmental.	341,734	209,066	218,632	819,262
Special assessments	-	-	-	-
Investment income.	284,118	-	-	38,737
Contributions and donations.	-	-	1,428	750
Change in fair value of investments.	(645,455)	-	-	(148,690)
Other	59,847	3,775	751	9,001
Total revenues	<u>5,000,353</u>	<u>1,523,238</u>	<u>948,972</u>	<u>732,923</u>
Expenditures:				
Current:				
General government	2,079,990	-	-	-
Security of persons and property	-	2,544,538	1,823,873	-
Public health and welfare.	-	-	-	-
Transportation	-	-	-	1,356,921
Leisure time activity	1,080,509	-	-	-
Capital outlay	64,144	17,865	4,274	152,589
Debt service:				
Principal retirement.	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,224,643</u>	<u>2,562,403</u>	<u>1,828,147</u>	<u>1,509,510</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>1,775,710</u>	<u>(1,039,165)</u>	<u>(879,175)</u>	<u>(776,587)</u>
Other financing sources (uses):				
Sale of capital assets.	-	-	-	-
Financed purchase transaction.	-	-	-	-
Transfers in	-	760,000	670,000	892,500
Transfers out.	(2,835,031)	-	-	-
Total other financing sources (uses)	<u>(2,835,031)</u>	<u>760,000</u>	<u>670,000</u>	<u>892,500</u>
Net change in fund balances	(1,059,321)	(279,165)	(209,175)	115,913
Fund balances at beginning of year. . .	<u>5,135,278</u>	<u>378,480</u>	<u>342,267</u>	<u>510,173</u>
Fund balances at end of year	<u>\$ 4,075,957</u>	<u>\$ 99,315</u>	<u>\$ 133,092</u>	<u>\$ 626,086</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Local Fiscal Recovery Fund	Bond Retirement Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,759,899	\$ -	\$ 5,284,567
-	-	-	186,994	2,467,843
-	-	-	98,871	281,865
-	-	-	473,674	473,674
-	-	-	463,101	1,422,676
-	-	-	-	37,744
-	-	-	4,493	31,193
265,980	-	332,426	196,647	2,383,747
-	335,281	-	30,271	365,552
-	-	-	27,005	349,860
-	-	-	-	2,178
-	-	-	(48,864)	(843,009)
-	-	53,291	10,692	137,357
<u>265,980</u>	<u>335,281</u>	<u>2,145,616</u>	<u>1,442,884</u>	<u>12,395,247</u>
263,830	16,445	946,489	179,229	3,485,983
-	-	-	658,137	5,026,548
-	-	-	2,038	2,038
-	-	-	227,598	1,584,519
-	-	-	-	1,080,509
2,150	-	734,662	-	975,684
-	536,000	402,708	84,000	1,022,708
-	158,720	51,937	21,468	232,125
<u>265,980</u>	<u>711,165</u>	<u>2,135,796</u>	<u>1,172,470</u>	<u>13,410,114</u>
-	(375,884)	9,820	270,414	(1,014,867)
-	-	21,500	-	21,500
-	-	1,067,031	-	1,067,031
-	510,031	-	2,500	2,835,031
-	(134,147)	-	(67,046)	(3,036,224)
-	<u>375,884</u>	<u>1,088,531</u>	<u>(64,546)</u>	<u>887,338</u>
-	-	1,098,351	205,868	(127,529)
-	-	895,031	2,860,259	10,121,488
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,993,382</u>	<u>\$ 3,066,127</u>	<u>\$ 9,993,959</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, 2022

Net change in fund balances - total governmental funds	\$	(127,529)
<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 depreciation expense exceeds capital outlays in the current period.		
Capital asset additions	\$ 1,639,178	
Current year depreciation	<u>(1,971,378)</u>	
Total		(332,200)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(10,465)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	188,065	
Real and other taxes	(129,372)	
Intergovernmental revenues	34,682	
Special assessments	(67,181)	
Investment income	(3,529)	
Other	<u>(207,864)</u>	
Total		(185,199)
Repayment of bond and financed purchases principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,022,708
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	876,997	
OPEB	<u>12,387</u>	
Total		889,384
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	(442,409)	
OPEB	<u>202,915</u>	
Total		(239,494)
The City's share of the expense of the Joint Economic Development District is presented as an increase to the equity interest in the statement of activities.		6,493
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	(7,575)	
Amortization of deferred amounts on refunding	(27,095)	
Amortization of bond premiums	<u>35,171</u>	
Total		501
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.		
		(89,961)
Change in net position of governmental activities	<u>\$</u>	<u>(132,793)</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Municipal income taxes	\$ 3,235,950	\$ 3,235,950	\$ 3,650,916	\$ 414,966
Property taxes	356,809	356,809	380,305	23,496
Charges for services	667,400	703,700	832,654	128,954
Licenses and permits	6,300	22,500	37,744	15,244
Intergovernmental	229,594	264,594	341,062	76,468
Investment income/fair value adjustment	150,000	150,000	(842,673)	(992,673)
Other local tax	190,000	190,000	182,994	(7,006)
Other	19,600	28,580	45,703	17,123
Total revenues	4,855,653	4,952,133	4,628,705	(323,428)
Expenditures:				
Current:				
General government	2,382,178	3,021,606	2,106,197	915,409
Leisure time activity	1,146,424	1,454,148	1,013,608	440,540
Capital outlay	170,871	216,736	151,075	65,661
Debt service:				
Principal retirement	58,980	58,980	58,980	-
Total expenditures	3,758,453	4,751,470	3,329,860	1,421,610
Excess of revenues over expenditures	1,097,200	200,663	1,298,845	1,098,182
Other financing (uses):				
Transfers out	(2,914,323)	(2,914,323)	(2,835,031)	79,292
Total other financing (uses)	(2,914,323)	(2,914,323)	(2,835,031)	79,292
Net change in fund balances	(1,817,123)	(2,713,660)	(1,536,186)	1,177,474
Fund balances at beginning of year	5,125,290	5,125,290	5,125,290	-
Prior year encumbrances appropriated	140,501	140,501	140,501	-
Fund balance at end of year	\$ 3,448,668	\$ 2,552,131	\$ 3,729,605	\$ 1,177,474

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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes.	\$ 1,150,000	\$ 1,150,000	\$ 1,170,892	\$ 20,892
Charges for services.	125,000	125,000	124,582	(418)
Fines and forfeitures	11,477	18,191	26,000	7,809
Intergovernmental.	208,168	208,168	209,066	898
Other	-	-	3,775	3,775
Total revenues	<u>1,494,645</u>	<u>1,501,359</u>	<u>1,534,315</u>	<u>32,956</u>
Expenditures:				
Current:				
Security of persons and property	2,956,578	2,956,578	2,540,908	415,670
Capital outlay	17,055	23,769	20,427	3,342
Total expenditures	<u>2,973,633</u>	<u>2,980,347</u>	<u>2,561,335</u>	<u>419,012</u>
(Deficiency) of revenues (under) expenditures.	<u>(1,478,988)</u>	<u>(1,478,988)</u>	<u>(1,027,020)</u>	<u>451,968</u>
Other financing sources:				
Transfers in	1,150,000	1,150,000	760,000	(390,000)
Total other financing sources.	<u>1,150,000</u>	<u>1,150,000</u>	<u>760,000</u>	<u>(390,000)</u>
Net change in fund balances	(328,988)	(328,988)	(267,020)	61,968
Fund balances at beginning of year	330,856	330,856	330,856	-
Prior year encumbrances appropriated . . .	3,715	3,715	3,715	-
Fund balance at end of year	<u>\$ 5,583</u>	<u>\$ 5,583</u>	<u>\$ 67,551</u>	<u>\$ 61,968</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, 2022

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 715,000	\$ 715,000	\$ 844,352	\$ 129,352
Fines and forfeitures	500	500	920	420
Intergovernmental	141,363	141,363	101,521	(39,842)
Contributions and donations	1,496	1,496	1,428	(68)
Other	-	-	338	338
Total revenues	<u>858,359</u>	<u>858,359</u>	<u>948,559</u>	<u>90,200</u>
Expenditures:				
Current:				
Security of persons and property	1,867,808	1,867,808	1,843,226	24,582
Capital outlay	7,073	7,073	6,980	93
Total expenditures	<u>1,874,881</u>	<u>1,874,881</u>	<u>1,850,206</u>	<u>24,675</u>
(Deficiency) of revenues (under) expenditures	<u>(1,016,522)</u>	<u>(1,016,522)</u>	<u>(901,647)</u>	<u>114,875</u>
Other financing sources:				
Transfers in	670,000	670,000	670,000	-
Total other financing sources	<u>670,000</u>	<u>670,000</u>	<u>670,000</u>	<u>-</u>
Net change in fund balances	<u>(346,522)</u>	<u>(346,522)</u>	<u>(231,647)</u>	<u>114,875</u>
Fund balances at beginning of year	296,865	296,865	296,865	-
Prior year encumbrances appropriated	57,608	57,608	57,608	-
Fund balance at end of year	<u>\$ 7,951</u>	<u>\$ 7,951</u>	<u>\$ 122,826</u>	<u>\$ 114,875</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 FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services.	\$ 16,500	\$ 16,500	\$ 13,863	\$ (2,637)
Intergovernmental.	870,000	870,000	819,102	(50,898)
Investment income/fair value adjustment.	4,000	4,000	(97,023)	(101,023)
Contributions and donations.	-	-	750	750
Other	-	-	9,001	9,001
Total revenues	890,500	890,500	745,693	(144,807)
Expenditures:				
Current:				
Transportation	1,464,332	1,521,487	1,371,073	150,414
Capital outlay	697,170	724,383	652,770	71,613
Total expenditures	2,161,502	2,245,870	2,023,843	222,027
(Deficiency) of revenues (under) expenditures.	(1,271,002)	(1,355,370)	(1,278,150)	77,220
Other financing sources:				
Transfers in	875,000	959,368	892,500	(66,868)
Total other financing sources.	875,000	959,368	892,500	(66,868)
Net change in fund balances	(396,002)	(396,002)	(385,650)	10,352
Fund balances at beginning of year	69,675	69,675	69,675	-
Prior year encumbrances appropriated	353,041	353,041	353,041	-
Fund balance at end of year	\$ 26,714	\$ 26,714	\$ 37,066	\$ 10,352

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)
 LOCAL FISCAL RECOVERY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	-	698,039	698,039	-
Total revenues	-	698,039	698,039	-
Expenditures:				
Current:				
General government	-	1,327,656	597,775	729,881
Capital outlay	-	2,150	2,150	-
Total expenditures	-	1,329,806	599,925	729,881
Net change in fund balances	-	(631,767)	98,114	729,881
Fund balances at beginning of year	631,767	631,767	631,767	-
Prior year encumbrances appropriated	-	-	-	-
Fund balance at end of year	\$ 631,767	\$ -	\$ 729,881	\$ 729,881

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 DECEMBER 31, 2022

	Business-type Activities
	Enterprise Fund
	Sewer
	Operating
	Fund
Assets:	
Noncurrent assets:	
Capital assets:	
Depreciable capital assets, net.	\$ 2,385,764
Total capital assets, net.	2,385,764
Total noncurrent assets	2,385,764
Total assets	\$ 2,385,764
Liabilities:	
Current liabilities:	
OWDA loans payable	\$ 121,431
Total current liabilities	121,431
Long-term liabilities:	
OWDA loans payable	1,902,676
Total long-term liabilities	1,902,676
Total liabilities	2,024,107
Net position:	
Net investment in capital assets.	361,657
Total net position.	\$ 361,657

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, 2022

	Business-type Activities - Enterprise Fund	
	Sewer Operating Fund	
	<hr/>	
Operating expenses:		
Depreciation.	\$	90,211
Total operating expenses.		<hr/> 90,211 <hr/>
 Operating loss.		 <hr/> (90,211) <hr/>
Nonoperating expenses:		
Interest and fiscal charges		(84,477)
Total nonoperating expenses.		<hr/> (84,477) <hr/>
 Loss before transfers.		 (174,688)
 Transfer in		 <hr/> 201,193 <hr/>
 Change in net position		 26,505
 Net position at beginning of year.		 <hr/> 335,152 <hr/>
 Net position at end of year	\$	361,657 <hr/> <hr/>

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, 2022

	Business-type Activities - Enterprise Fund
	Sewer Operating Fund
Cash flows from noncapital financing activities:	
Cash received from transfers in	\$ 201,193
Net cash provided by noncapital financing activities.	201,193
Cash flows from capital and related financing activities:	
Principal retirement on OWDA loans	(116,716)
Interest and fiscal charges	(84,477)
Net cash used in capital and related financing activities.	(201,193)
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents at beginning of year . . .	-
Cash and cash equivalents at end of year	\$ -

CITY OF CLAYTON, OHIO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities -	
	Enterprise Fund	
	Sewer	
	Operating	
	Fund	
	<hr/>	
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, 2022

	Private-Purpose Trust	Custodial
Assets:		
Equity in pooled cash and cash equivalents.	\$ 11,927	\$ -
Receivables (net of allowances for uncollectibles):		
Income taxes	-	14,294
Accounts	-	10,615
Total assets	11,927	24,909
Net position:		
Restricted for individuals, organizations and other governments .	11,927	24,909
Total net position	\$ 11,927	\$ 24,909

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, 2022

	Private-Purpose Trust	Custodial
Additions:		
Licenses, permits and fees for other governments	\$ -	\$ 13,000
Special assessments collections for other governments	-	3,695
Income tax collections for other governments.	-	143,998
Total additions	-	160,693
Deductions:		
Distributions as fiscal agent	-	155,319
Total deductions	-	155,319
Net change in fiduciary net position	-	5,374
Net position beginning of year.	11,927	19,535
Net position end of year	\$ 11,927	\$ 24,909

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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.

The City participates in five jointly governed organizations, the Miami Valley Regional Planning Commission, the Miami Valley Fire/EMS Alliance, the Hazardous Material Response Team, the Montgomery County Office of Emergency Management, 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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.

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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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.

Local Fiscal Recovery Fund - The Local Fiscal Recovery fund is used to account for federal monies that were part of the American Rescue Plan Act to support the City's response to and recovery from the COVID-19 public health emergency.

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 fund 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 paid from transfers from other funds.

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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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 Net Position. The Statement of Revenues, Expenses and Changes in 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.

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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, 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 assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance 2023 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. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 11 and 12 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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 liability, net pension asset, net OPEB asset, 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 2022 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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

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 2022 amounted to \$284,118 of which \$126,527 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, 2022, 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.

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:

<u>Description</u>	<u>Estimated Lives</u>
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.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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.

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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

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

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.

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.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

P. Internal Activity

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

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, 2022

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

A. Change in Accounting Principles

For 2022, the City has implemented GASB Statement No. 87, "Leases", GASB Implementation Guide 2019-3, "Leases", GASB Implementation Guide 2020-1, "Implementation Guide Update - 2020", GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 92, "Omnibus 2020", GASB Statement No. 93, "Replacement of Interbank Offered Rates", GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32" and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 87 and GASB Implementation Guide 2019-3 enhance the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The implementation of GASB Statement No. 87 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2020-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2020-1 did not have an effect on the financial statements of the City.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the City.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of the City.

GASB Statement No. 93 establishes accounting and financial reporting requirements related to the replacement of Interbank Offered Rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The implementation of GASB Statement No. 93 did not have an effect on the financial statements of the City.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 97 is to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The implementation of GASB Statement No. 97 did not have an effect on the financial statements of the City.

GASB Statement No. 99 is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the City.

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 Budgetary Basis) for the General, Police, Fire, Street and Local Fiscal Recovery 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).
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).

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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				
	General <u>Fund</u>	Police <u>Fund</u>	Fire <u>Fund</u>	Street <u>Fund</u>	Local Fiscal Recovery <u>Fund</u>
Budget basis	\$ (1,536,187)	\$ (267,020)	\$ (231,647)	\$ (385,650)	\$ 98,114
Net adjustment for revenue accruals	357,648	(11,077)	413	(12,770)	(432,059)
Net adjustment for expenditure accruals	88,201	(22,449)	(14,690)	(4,013)	-
Adjustment for encumbrances	<u>31,017</u>	<u>21,381</u>	<u>36,749</u>	<u>518,346</u>	<u>333,945</u>
GAAP basis	<u>\$ (1,059,321)</u>	<u>\$ (279,165)</u>	<u>\$ (209,175)</u>	<u>\$ 115,913</u>	<u>\$ -</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.

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;

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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, 2022, \$1,834,369 of the City's bank balance of \$2,119,954 was exposed to custodial risk as discussed below, while \$285,585 was covered by the FDIC.

Cash with Escrow Agent

As of December 31, 2022, the City had \$787,497 in cash with escrow agent, which is unspent proceeds from a financed purchase agreement.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Investments

As of December 31, 2022, the City had the following investments:

<u>Measurement/ Investment type</u>	<u>Measurement 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	\$ 5,043,382	\$ 548,249	\$ 99,232	\$ 236,269	\$ 1,091,909	\$ 3,067,723
FNMA REMIC	926,995	-	-	-	-	926,995
FNMA	895,132	-	-	-	-	895,132
FHLMC	195,221	-	-	-	-	195,221
FHLB	291,873	-	-	-	291,873	-
US Government Money Market	10,867	10,867	-	-	-	-
Total	\$ 7,363,470	\$ 559,116	\$ 99,232	\$ 236,269	\$ 1,383,782	\$ 5,085,071

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 7.2 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, negotiables 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.

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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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 2022, 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	\$ 5,043,382	68.49
FNMA REMIC	926,995	12.59
FNMA	895,132	12.16
FHLMC	195,221	2.65
FHLB	291,873	3.96
US Government Money Market	10,867	0.15
Total	<u>\$ 7,363,470</u>	<u>100.00</u>

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, 2022:

<u>Cash per note</u>	
Carrying amount of deposits	\$ 2,139,274
Cash with escrow agent	787,497
Investments	7,363,470
Total	<u>\$ 10,290,241</u>
 <u>Cash per statement of net position</u>	
Governmental activities	\$ 10,278,314
Private-purpose trust funds	11,927
Total	<u>\$ 10,290,241</u>

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 revaluated 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. 2022 public utility property taxes became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 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, 2022 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 2022 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.

The full tax rate for all City operations for the year ended December 31, 2022 was \$13.78 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2021 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 251,535,720
Commercial/industrial	14,540,620
<u>Public utility</u>	
Personal	<u>8,840,180</u>
Total assessed value	<u>\$ 274,916,520</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.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 2022 totaled \$151,006.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2022, consisted of property taxes, other local taxes, municipal income taxes, payment in lieu of taxes, 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 \$4,320. The City has \$146,356 of delinquent special assessments at December 31, 2022. There are \$850,469 in special assessments for sidewalks and curbs that will be collected over the next ten years.

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

<u>Governmental activities:</u>	<u>Amount</u>
Local Government	\$ 99,552
Homestead Exemption and Rollbacks	208,081
Gasoline Tax	386,849
Motor Vehicle Tax	47,836
Permissive Tax	8,330
Charges for services	<u>77,138</u>
Total Due from Other Governments	<u>\$ 827,786</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, 2022. The City is not able to measure the receivable for all future payments because the payments are based upon projected tax collections.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Balance 12/31/2021	Additions	Deductions	Balance 12/31/2022
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	3,219,044	-	-	3,219,044
Improvements Other Than Buildings	769,062	-	-	769,062
Vehicles	5,184,531	94,496	(260,146)	5,018,881
Furniture, Fixtures and Equipment	2,781,816	345,446	-	3,127,262
Infrastructure	19,020,448	1,199,236	-	20,219,684
Total capital assets, being depreciated	30,974,901	1,639,178	(260,146)	32,353,933
Less accumulated depreciation:				
Buildings	(1,931,793)	(104,820)	-	(2,036,613)
Improvements Other Than Buildings	(247,859)	(59,123)	-	(306,982)
Vehicles	(2,484,230)	(375,674)	249,681	(2,610,223)
Furniture, Fixtures and Equipment	(1,653,583)	(227,166)	-	(1,880,749)
Infrastructure	(8,146,447)	(1,204,595)	-	(9,351,042)
Total accumulated depreciation	(14,463,912)	(1,971,378)	249,681	(16,185,609)
Total capital assets, being depreciated, net	16,510,989	(332,200)	(10,465)	16,168,324
Governmental activities capital assets, net	\$ 22,108,014	\$ (332,200)	\$ (10,465)	\$ 21,765,349

Depreciation expense was charged to governmental functions as follows:

General government	\$ 341,788
Leisure time activities	132,251
Security of persons and property	292,744
Transportation	1,204,595
Total depreciation expense	<u>\$ 1,971,378</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 10 - CAPITAL ASSETS - (Continued)

Capital asset activity of the business-type activities for the year ended December 31, 2022, was as follows:

	Balance 12/31/21	Additions	Deductions	Balance 12/31/22
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	(1,177,218)	(90,211)	-	(1,267,429)
Total accumulated depreciation	(1,177,218)	(90,211)	-	(1,267,429)
Total capital assets, being depreciated, net	2,475,975	(90,211)	-	2,385,764
Business-type activities capital assets, net	\$ 2,475,975	\$ (90,211)	\$ -	\$ 2,385,764

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/Asset

The net pension liability/asset and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions and OPEB 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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability/asset and the net OPEB liability/asset 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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/OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB 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.

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.

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CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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%.

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. 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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
2022 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2022 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 rates

** This employer health care rate is for the traditional and combined plan 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 \$350,745 for 2022. Of this amount, \$24,676 is reported due to other governments.

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 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 2.50% 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 Annual Comprehensive 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.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member’s base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member’s base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2022 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50 %	0.50 %
Total Employer	19.50 %	24.00 %
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 \$526,252 for 2022. Of this amount, \$60,123 is reported as due to other governments.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 OPERS was measured as of December 31, 2021, 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, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. 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:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Proportion of the net pension liability/asset prior measurement date	0.01353800%	0.02788600%	0.00690500%	0.07706780%	
Proportion of the net pension liability/asset current measurement date	<u>0.01334400%</u>	<u>0.02763300%</u>	<u>0.00039700%</u>	<u>0.08545120%</u>	
Change in proportionate share	<u>-0.00019400%</u>	<u>-0.00025300%</u>	<u>-0.00650800%</u>	<u>0.00838340%</u>	
Proportionate share of the net pension liability	\$ 1,160,982	\$ -	\$ -	\$ 5,338,497	\$ 6,499,479
Proportionate share of the net pension asset	-	(108,875)	(72)	-	(108,947)
Pension expense	(217,741)	(3,929)	(12)	664,091	442,409

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CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2022, 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	\$ 59,185	\$ 675	\$ 67	\$ 153,930	\$ 213,857
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-
Changes of assumptions	145,180	5,471	4	975,648	1,126,303
Changes in employer's proportionate percentage/difference between employer contributions	-	-	-	1,094,898	1,094,898
Contributions subsequent to the measurement date	332,837	17,908	-	526,252	876,997
Total deferred outflows of resources	<u>\$ 537,202</u>	<u>\$ 24,054</u>	<u>\$ 71</u>	<u>\$ 2,750,728</u>	<u>\$ 3,312,055</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 25,463	\$ 12,174	\$ -	\$ 277,527	\$ 315,164
Net difference between projected and actual earnings on pension plan investments	1,380,943	23,341	19	1,399,670	2,803,973
Changes of assumptions	-	-	-	-	-
Changes in employer's proportionate percentage/difference between employer contributions	37,035	-	-	60,128	97,163
Total deferred inflows of resources	<u>\$ 1,443,441</u>	<u>\$ 35,515</u>	<u>\$ 19</u>	<u>\$ 1,737,325</u>	<u>\$ 3,216,300</u>

\$876,997 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/increase to the net pension liability/asset in the year ending December 31, 2023.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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
2023	\$ (212,468)	\$ (7,156)	\$ 3	\$ 304,905	\$ 85,284
2024	(482,215)	(9,893)	5	(153,168)	(645,271)
2025	(324,715)	(6,483)	6	118,391	(212,801)
2026	(219,676)	(4,796)	6	46,588	(177,878)
2027	(2)	(632)	7	170,435	169,808
Thereafter	-	(409)	25	-	(384)
Total	<u>\$ (1,239,076)</u>	<u>\$ (29,369)</u>	<u>\$ 52</u>	<u>\$ 487,151</u>	<u>\$ (781,242)</u>

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, 2021, 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, 2021, are presented below.

Wage inflation	
Current measurement date	2.75%
Prior measurement date	3.25%
Future salary increases, including inflation	
Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	
Current measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 3.00%, simple through 2022, then 2.05% simple
Prior measurement date	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, then 2.15% simple
Investment rate of return	
Current measurement date	6.90%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In July 2021, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 0.50% simple through 2021 then 2.15% simple to 3.00% simple through 2022 then 2.05% simple.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, 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 of 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 a gain of 15.3% for 2021.

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, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	24.00 %	1.03 %
Domestic equities	21.00	3.78
Real estate	11.00	3.66
Private equity	12.00	7.43
International equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00 %</u>	<u>4.21 %</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 6.90%, 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, 2021 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.

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 6.90%, 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 (5.90%) or one-percentage-point higher (7.90%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 3,060,980	\$ 1,160,982	\$ (420,069)
Combined Plan	(81,241)	(108,875)	(130,428)
Member-Directed Plan	(64)	(72)	(79)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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, 2022, are presented below.

Valuation date	1/1/21 with actuarial liabilities rolled forward to 12/31/21
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	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	2.20% per year simple

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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%

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.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
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, 2021 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 7.50%. A discount rate of 8.00% was used in the previous measurement date. 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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 7,916,916	\$ 5,338,497	\$ 3,191,310

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive 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.

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 2022, 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. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2022 was 4.00%.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$0 for 2022. Of this amount, \$0 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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

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.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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.

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 2022, 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 \$12,387 for 2022. Of this amount, \$1,415 is reported as due to other governments.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, 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, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability/asset 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:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.13689000%	0.07706780%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.01323700%</u>	<u>0.08545120%</u>	
Change in proportionate share	<u>-0.12365300%</u>	<u>0.00838340%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 936,619	\$ 936,619
Proportionate share of the net OPEB asset	(414,603)	-	(414,603)
OPEB expense	(382,325)	179,410	(202,915)

At December 31, 2022, 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	\$ -	\$ 42,608	\$ 42,608
Changes of assumptions	-	414,578	414,578
Changes in employer's proportionate percentage/difference between employer contributions	-	329,066	329,066
Contributions subsequent to the measurement date	-	12,387	12,387
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 798,639</u>	<u>\$ 798,639</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	OPERS	OP&F	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 62,889	\$ 123,789	\$ 186,678
Net difference between projected and actual earnings on OPEB plan investments	197,655	84,610	282,265
Changes of assumptions	167,826	108,783	276,609
Changes in employer's proportionate percentage/difference between employer contributions	29,578	36,626	66,204
Total deferred inflows of resources	<u>\$ 457,948</u>	<u>\$ 353,808</u>	<u>\$ 811,756</u>

\$12,387 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/increase to the net OPEB liability/asset in the year ending December 31, 2023.

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

	OPERS	OP&F	Total
Year Ending December 31:			
2023	\$ (291,199)	\$ 121,097	\$ (170,102)
2024	(95,175)	108,538	13,363
2025	(43,186)	100,699	57,513
2026	(28,387)	26,018	(2,369)
2027	(1)	37,222	37,221
Thereafter	-	38,871	38,871
Total	<u>\$ (457,948)</u>	<u>\$ 432,445</u>	<u>\$ (25,503)</u>

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, 2020, rolled forward to the measurement date of December 31, 2021.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	
Current measurement date	2.75%
Prior Measurement date	3.25%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	3.25 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	6.00%
Prior Measurement date	6.00%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	1.84%
Prior Measurement date	2.00%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2034
Prior Measurement date	8.50% initial, 3.50% ultimate in 2035
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on 130% of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170% of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115% of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

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 2021, 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, contributions into the plans are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made, and 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 a gain of 14.3% for 2021.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00 %	0.91 %
Domestic equities	25.00	3.78
Real Estate Investment Trusts (REITs)	7.00	3.71
International equities	25.00	4.88
Risk parity	2.00	2.92
Other investments	7.00	1.93
Total	<u>100.00 %</u>	<u>3.45 %</u>

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2021. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 1.84%. 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 the year 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (5.00%) or one-percentage-point higher (7.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB asset	\$ 243,826	\$ 414,603	\$ 556,351

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of healthcare; the trend starting in 2022 is 5.50%. 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 the health care 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 asset	\$ 419,083	\$ 414,603	\$ 409,288

Actuarial Assumptions - OP&F

OP&F’s total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.84%
Prior measurement date	2.96%
Cost of Living Adjustments	2.20% simple per year

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 Buck 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%

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 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2020, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	21.00	3.60
Non-US equity	14.00	4.40
Private markets	8.00	6.80
Core fixed income *	23.00	1.10
High yield fixed income	7.00	3.00
Private credit	5.00	4.50
U.S. inflation linked bonds *	17.00	0.80
Midstream energy infrastructure	5.00	5.00
Real assets	8.00	5.90
Gold	5.00	2.40
Private real estate	12.00	4.80
Total	125.00 %	

Note: assumptions are geometric.

* levered 2x

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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. 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 7.50%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payment of current plan members. Therefore, a municipal bond rate of 2.05% at December 31, 2021 and 2.12% at December 31, 2020 was blended with the long-term rate of 7.50%, which resulted in a blended discount rate of 2.84%.

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 2.84%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84%), or one percentage point higher (3.84%) than the current rate.

	Current		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 1,177,350	\$ 936,619	\$ 738,737

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.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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.

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.

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CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 14- LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2022 were as follows:

	Balance			Balance	Amounts
	<u>12/31/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/22</u>	<u>Due in</u>
<u>Governmental Activities:</u>					<u>One Year</u>
General Obligation Bonds:					
2010 Roadway Improvement					
Term Bonds - 4.0-4.5%	\$ 805,000	\$ -	\$ (75,000)	\$ 730,000	\$ 75,000
Premium on Debt Issue	28,974	-	(1,525)	27,449	-
2013 Various Purpose Refunding Bonds					
Serial Bonds - 1.25-3%	1,545,000	-	(240,000)	1,305,000	245,000
Term Bonds - 3.25%	535,000	-	-	535,000	-
Premium on Debt Issue	58,328	-	(7,865)	50,463	-
2016 Road Improvement Bonds					
Serial Bonds - 1.0 - 4%	3,795,000	-	(380,000)	3,415,000	385,000
Premium on Debt Issue	229,882	-	(25,781)	204,101	-
Total General Obligation Bonds	<u>6,997,184</u>	<u>-</u>	<u>(730,171)</u>	<u>6,267,013</u>	<u>705,000</u>
Other Governmental Obligations:					
Financed Purchase Agreements	464,872	1,067,031	(327,708)	1,204,195	189,219
Compensated Absences	445,490	298,744	(208,783)	535,451	272,928
Total Other Governmental Obligations	<u>910,362</u>	<u>1,365,775</u>	<u>(536,491)</u>	<u>1,739,646</u>	<u>462,147</u>
Net pension liability	7,258,464	84,716	(843,701)	6,499,479	-
Net OPEB liability	816,546	120,073	-	936,619	-
Total Governmental Activities					
Long-Term Obligations	<u>\$ 15,982,556</u>	<u>\$ 1,570,564</u>	<u>\$ (2,110,363)</u>	<u>\$ 15,442,757</u>	<u>\$ 1,167,147</u>
					Amounts
	Balance			Balance	Due in
<u>Business-Type Activities:</u>	<u>12/31/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/22</u>	<u>One Year</u>
<u>Direct borrowing</u>					
2005 OWDA Loan - 4%	\$ 2,140,823	\$ -	\$ (116,716)	\$ 2,024,107	\$ 121,431
Total Business-Type Activities					
Long-Term Obligations	<u>\$ 2,140,823</u>	<u>\$ -</u>	<u>\$ (116,716)</u>	<u>\$ 2,024,107</u>	<u>\$ 121,431</u>

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, 2022

NOTE 14 - 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</u> <u>December 31,</u>	<u>Amount</u>
2023	\$ 75,000
2024	80,000
2025	85,000
2026	85,000
2027	100,000
2028 - 2030	<u>305,000</u>
Total	<u>\$ 730,000</u>

The capital appreciation bonds, issued at \$35,000, are not subject to prior redemption. The capital appreciation bonds matured in 2019 and 2020.

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 paid from the Bond Retirement Fund and Other Governmental Funds.

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</u> <u>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. Financed purchase 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, 2022

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The City has an OWDA Loan outstanding at December 31, 2022, 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 entered financed purchase agreements for the purchase of vehicles and equipment including a fire vehicle, street sweeper, golf equipment and a dump truck. These agreements have various repayment terms and interest rates. The City has \$787,497 held in escrow related to the lease purchase agreement for the dump truck, as the vehicle has not yet been purchased. The repayment schedule is not available until the proceeds are disbursed.

The City's overall legal debt margin was \$22,881,235 at December 31, 2022, and the unvoted debt margin was \$9,135,409.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2022, are as follows:

Year Ending December 31,	Governmental Activities					
	Serial Bonds	Serial Bonds	Term Bonds	Term Bonds	Financed Purchase Agreements	Financed Purchase Agreements
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 630,000	\$ 152,050	\$ 75,000	\$ 44,112	\$ 189,219	\$ 14,835
2024	650,000	137,000	80,000	38,112	53,913	8,121
2025	665,000	121,450	85,000	34,712	55,838	6,196
2026	680,000	114,838	85,000	31,100	57,832	4,203
2027	705,000	90,188	100,000	27,487	59,896	2,138
2028 - 2030	<u>1,390,000</u>	<u>112,600</u>	<u>840,000</u>	<u>45,062</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 4,720,000</u>	<u>\$ 728,126</u>	<u>\$ 1,265,000</u>	<u>\$ 220,585</u>	<u>\$ 416,698</u>	<u>\$ 35,493</u>

Year Ending December 31,	Business - Type Activities	
	OWDA Loan	OWDA Loan
	<u>Principal</u>	<u>Interest</u>
2023	\$ 121,431	\$ 79,762
2024	126,337	74,856
2025	131,441	69,752
2026	136,752	64,442
2027	142,276	58,917
2028 - 2032	802,386	203,579
2033 - 2035	<u>563,484</u>	<u>40,095</u>
Totals	<u>\$ 2,024,107</u>	<u>\$ 591,403</u>

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 15 - INTERFUND ACTIVITY

Interfund Transfers

Interfund transfers for the year ended December 31, 2022, 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>	
Police Fund	\$ 760,000	\$ -	\$ -	\$ 760,000
Fire Fund	670,000	-	-	670,000
Street Fund	892,500	-	-	892,500
Bond Retirement Fund	510,031	-	-	510,031
Nonmajor Governmental Funds	2,500	-	-	2,500
Sewer Operating Fund	-	134,147	67,046	201,193
Total	<u>\$ 2,835,031</u>	<u>\$ 134,147</u>	<u>\$ 67,046</u>	<u>\$ 3,036,224</u>

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. 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 16 - 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, 2022, 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, 2022

NOTE 16 - 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, 2022 and December 31, 2021:

<u>Casualty and Property Coverage</u>	<u>2022</u>	<u>2021</u>
Assets	\$42,310,794	\$41,996,850
Liabilities	<u>15,724,479</u>	<u>14,974,099</u>
Net Position- Unrestricted	<u><u>\$26,586,315</u></u>	<u><u>\$27,022,751</u></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>
2022	\$122,032

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 17 - 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 \$96,064 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, 2022**

NOTE 18 - 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 2022. Financial information may be obtained by writing to Donald Spang, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

Miami Valley Fire/EMS Alliance

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the general fund. The City contributed \$3,194 for the operation of the Alliance during 2022. Financial information can be obtained from Franklin E. Clay, Executive Director, at 444 W. Third Street, Sinclair Building 20, Room 231, Dayton, Ohio 45402.

Hazardous Material Response Team

The City is a member of a Hazardous Material Response Team ("HAZMAT") which is a jointly governed organization with other local governments. The organization was created to provide hazardous material response protection and mutual assistance in the event of a hazardous material incident.

The HAZMAT Advisory Board oversees the operation of HAZMAT and consists of representatives from sixteen organizations. The City's ability to affect operations is limited to its representation on the Board.

The Board established hazardous materials incident response guidelines to provide for response procedures in the event of an incident. In the event of a hazardous material incident within any local government that is a member of this organization, the other members will respond to render assistance. The funding for the operation of the response team is through contributions from each entity. In addition, the persons or company responsible for any hazardous materials emergency is required by State law to reimburse the team any costs associated with clean up. There is no explicit and measurable equity interest in HAZMAT. During 2022, the City did not contribute to HAZMAT during 2022. Financial information can be obtained from Danny Bristow, Coordinator, at 444 West Third Street, Suite 20-231, Dayton, Ohio 45402.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 18 - JOINTLY GOVERNED ORGANIZATIONS – (Continued)

Montgomery County Office of Emergency Management

The Montgomery County Office of Emergency Management (MCOEM) is a jointly governed organization between various political subdivisions in the Miami Valley Region. The MCOEM is responsible for developing plans and programs that prepare the region to effectively prevent, respond to, and recover from catastrophic disasters.

The funding for the operation of the MCOEM is through contributions from each participating entity. Payments to the MCOEM are made from the general fund. The City contributed \$2,642 to the operations of MCOEM during 2022. Financial information can be obtained from Jeff Jordan, Executive Director, 117 South Main Street, Suite 721, Dayton, Ohio 45422.

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.

NOTE 19 - 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.

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 20 - 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	\$ -	\$ -	\$ -	\$ 78,277	\$ -	\$ 31,899	\$ 110,176
Prepays	81,307	18,386	18,807	20,264	-	2,466	141,230
Total nonspendable	81,307	18,386	18,807	98,541	-	34,365	251,406
Restricted:							
Road Improvements	-	-	-	527,545	-	178,995	706,540
Capital Improvements	-	-	-	-	1,993,382	-	1,993,382
Fire Operations	-	-	114,285	-	-	-	114,285
Police Operations	-	80,929	-	-	-	-	80,929
Cemetery Operations	-	-	-	-	-	76,571	76,571
Drug and Alcohol Enforcement	-	-	-	-	-	23,774	23,774
Street Lighting	-	-	-	-	-	36,397	36,397
Economic development	-	-	-	-	-	2,221,127	2,221,127
Emergency Medical Services	-	-	-	-	-	487,826	487,826
Other Purposes	-	-	-	-	-	3,242	3,242
Total restricted	-	80,929	114,285	527,545	1,993,382	3,027,932	5,744,073
Assigned:							
Capital outlay and projects	6,932	-	-	-	-	3,830	10,762
Leisure time activities	5,715	-	-	-	-	-	5,715
Subsequent appropriations	1,425,593	-	-	-	-	-	1,425,593
Total assigned	1,438,240	-	-	-	-	3,830	1,442,070
Unassigned	2,556,410	-	-	-	-	-	2,556,410
Total fund balances	\$ 4,075,957	\$ 99,315	\$ 133,092	\$ 626,086	\$ 1,993,382	\$ 3,066,127	\$ 9,993,959

NOTE 21 – 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	\$ 10,941
Police Fund	18,172
Fire Fund	23,176
Street Fund	484,437
Capital Improvement Fund	1,116,271
Nonmajor Governmental Funds	342,053
Total	\$ 1,995,050

CITY OF CLAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 22 - CONTINGENT LIABILITIES

A. Federal and State Grants

For the period January 1, 2022, to December 31, 2022, 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.

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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 NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.133440%	0.013538%	0.013800%	0.013450%
City's proportionate share of the net pension liability	\$ 1,160,982	\$ 2,004,683	\$ 2,727,664	\$ 3,683,682
City's covered payroll	\$ 1,909,807	\$ 1,880,429	\$ 1,956,843	\$ 1,810,743
City's proportionate share of the net pension liability as a percentage of its covered payroll	60.79%	106.61%	139.39%	203.43%
Plan fiduciary net position as a percentage of the total pension liability	92.62%	86.88%	82.17%	74.70%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.027633%	0.027886%	0.030961%	0.033852%
City's proportionate share of the net pension asset	\$ 108,875	\$ 80,497	\$ 64,561	\$ 37,854
City's covered payroll	\$ 125,979	\$ 122,893	\$ 137,829	\$ 144,786
City's proportionate share of the net pension asset as a percentage of its covered payroll	86.42%	65.50%	46.84%	26.14%
Plan fiduciary net position as a percentage of the total pension asset	169.88%	157.67%	145.28%	126.64%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.000397%	0.006905%	0.013426%	0.012882%
City's proportionate share of the net pension asset	\$ 72	\$ 1,259	\$ 507	\$ 294
City's covered payroll	\$ 2,490	\$ 41,470	\$ 79,810	\$ 73,640
City's proportionate share of the net pension asset as a percentage of its covered payroll	2.89%	3.04%	0.64%	0.40%
Plan fiduciary net position as a percentage of the total pension asset	171.84%	188.21%	118.84%	113.42%

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

2018	2017	2016	2015	2014
0.014383%	0.013947%	0.014240%	0.012650%	0.012650%
\$ 2,256,414	\$ 3,167,127	\$ 2,466,548	\$ 1,525,764	\$ 1,491,301
\$ 1,779,415	\$ 1,914,008	\$ 1,643,903	\$ 1,426,339	\$ 1,662,184
126.81%	165.47%	150.04%	106.97%	89.72%
84.66%	77.25%	81.08%	86.45%	86.36%
0.033639%	0.043238%	0.038160%		
\$ 45,794	\$ 24,065	\$ 18,569		
\$ 137,762	\$ 162,267	\$ 55,633		
33.24%	14.83%	33.38%		
137.28%	116.55%	116.90%		
0.012234%	0.011172%	0.053820%		
\$ 427	\$ 47	\$ 36		
\$ 67,050	\$ 57,989	\$ 53,142		
0.64%	0.08%	0.07%		
124.46%	103.40%	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 NINE YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net pension liability	0.08545120%	0.07706780%	0.06862710%	0.06532600%
City's proportionate share of the net pension liability	\$ 5,338,497	\$ 5,253,781	\$ 4,623,088	\$ 5,332,328
City's covered payroll	\$ 2,182,968	\$ 1,949,502	\$ 1,492,172	\$ 1,474,548
City's proportionate share of the net pension liability as a percentage of its covered payroll	244.55%	269.49%	309.82%	361.62%
Plan fiduciary net position as a percentage of the total pension liability	75.03%	70.65%	69.89%	63.07%

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

2018	2017	2016	2015	2014
0.06695700%	0.05392500%	0.05382000%	0.05289620%	0.05289620%
\$ 4,109,447	\$ 3,415,530	\$ 3,462,275	\$ 2,740,244	\$ 2,576,211
\$ 1,685,008	\$ 1,181,873	\$ 1,075,317	\$ 1,061,660	\$ 1,025,136
243.88%	288.99%	321.98%	258.11%	251.30%
70.91%	68.36%	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 TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 332,837	\$ 267,373	\$ 263,260	\$ 273,958
Contributions in relation to the contractually required contribution	<u>(332,837)</u>	<u>(267,373)</u>	<u>(263,260)</u>	<u>(273,958)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,377,407	\$ 1,909,807	\$ 1,880,429	\$ 1,956,843
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 17,908	\$ 17,637	\$ 17,205	\$ 19,296
Contributions in relation to the contractually required contribution	<u>(17,908)</u>	<u>(17,637)</u>	<u>(17,205)</u>	<u>(19,296)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 127,914	\$ 125,979	\$ 122,893	\$ 137,829
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ -	\$ 249	\$ 4,147	\$ 7,981
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(249)</u>	<u>(4,147)</u>	<u>(7,981)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ -	\$ 2,490	\$ 41,470	\$ 79,810
Contributions as a percentage of covered payroll	0.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 253,504	\$ 231,324	\$ 229,681	\$ 212,804	\$ 186,993	\$ 232,872
<u>(253,504)</u>	<u>(231,324)</u>	<u>(229,681)</u>	<u>(212,804)</u>	<u>(186,993)</u>	<u>(232,872)</u>
<u>\$ -</u>					
\$ 1,810,743	\$ 1,779,415	\$ 1,914,008	\$ 1,643,274	\$ 1,426,339	\$ 1,662,184
14.00%	13.00%	12.00%	12.95%	13.11%	14.01%
\$ 20,270	\$ 17,909	\$ 19,472			
<u>(20,270)</u>	<u>(17,909)</u>	<u>(19,472)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 144,786	\$ 137,762	\$ 162,267			
14.00%	13.00%	12.00%			
\$ 7,364	\$ 6,705	\$ 5,509			
<u>(7,364)</u>	<u>(6,705)</u>	<u>(5,509)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 73,640	\$ 67,050	\$ 57,989			
10.00%	10.00%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 526,252	\$ 462,605	\$ 415,485	\$ 317,347
Contributions in relation to the contractually required contribution	<u>(526,252)</u>	<u>(462,605)</u>	<u>(415,485)</u>	<u>(317,347)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,477,460	\$ 2,182,968	\$ 1,949,502	\$ 1,492,172
Contributions as a percentage of covered payroll	21.24%	21.19%	21.31%	21.27%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 312,687	\$ 295,483	\$ 250,969	\$ 227,419	\$ 221,367	\$ 185,592
<u>(312,687)</u>	<u>(295,483)</u>	<u>(250,969)</u>	<u>(227,419)</u>	<u>(221,367)</u>	<u>(185,592)</u>
<u>\$ -</u>					
\$ 1,474,548	\$ 1,685,008	\$ 1,181,873	\$ 1,075,267	\$ 1,061,660	\$ 1,025,136
21.21%	17.54%	21.23%	21.15%	20.85%	18.10%

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability/asset	0.013237%	0.013689%	0.014287%	0.014026%
City's proportionate share of the net OPEB liability/(asset)	\$ (414,603)	\$ (243,880)	\$ 1,973,406	\$ 1,828,659
City's covered payroll	\$ 2,038,276	\$ 2,044,792	\$ 2,174,482	\$ 2,029,169
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.34%	11.93%	90.75%	90.12%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	128.23%	115.57%	47.80%	46.33%

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

	<u>2018</u>	<u>2017</u>
	0.014840%	0.014557%
\$	1,611,515	\$ 1,470,309
\$	1,984,227	\$ 2,134,264
	81.22%	68.89%
	54.14%	54.05%

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 SIX YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB liability	0.08545120%	0.07706780%	0.06862710%	0.06532600%
City's proportionate share of the net OPEB liability	\$ 936,619	\$ 816,546	\$ 677,880	\$ 594,893
City's covered payroll	\$ 2,182,968	\$ 1,949,502	\$ 1,492,172	\$ 1,474,548
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.91%	41.88%	45.43%	40.34%
Plan fiduciary net position as a percentage of the total OPEB liability	46.86%	45.42%	47.08%	46.57%

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

<u>2018</u>	<u>2017</u>
0.06695700%	0.05392500%
\$ 3,793,690	\$ 2,559,698
\$ 1,685,008	\$ 1,181,873
225.14%	216.58%
14.13%	15.96%

CITY OF CLAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ -	\$ 100	\$ 1,659	\$ 3,192
Contributions in relation to the contractually required contribution	<u>-</u>	<u>(100)</u>	<u>(1,659)</u>	<u>(3,192)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,505,321	\$ 2,038,276	\$ 2,044,792	\$ 2,174,482
Contributions as a percentage of covered payroll	0.00%	0.00%	0.08%	0.15%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 2,945	\$ 21,854	\$ 41,780	\$ 45,738	\$ 26,757	\$ 65,365
<u>(2,945)</u>	<u>(21,854)</u>	<u>(41,780)</u>	<u>(45,738)</u>	<u>(26,757)</u>	<u>(65,365)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,029,169	\$ 1,984,227	\$ 2,134,264	\$ 1,643,274	\$ 1,426,339	\$ 1,662,184
0.15%	1.10%	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 12,387	\$ 10,915	\$ 9,748	\$ 7,462
Contributions in relation to the contractually required contribution	<u>(12,387)</u>	<u>(10,915)</u>	<u>(9,748)</u>	<u>(7,462)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,477,460	\$ 2,182,968	\$ 1,949,502	\$ 1,492,172
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 7,373	\$ 6,948	\$ 5,910	\$ 5,429	\$ 5,114	\$ 28,013
<u>(7,373)</u>	<u>(6,948)</u>	<u>(5,910)</u>	<u>(5,429)</u>	<u>(5,114)</u>	<u>(28,013)</u>
<u>\$ -</u>					
\$ 1,474,548	\$ 1,685,008	\$ 1,181,873	\$ 1,075,267	\$ 1,061,660	\$ 1,025,136
0.50%	0.41%	0.50%	0.50%	0.48%	2.73%

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 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.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) wage inflation was changed from 3.25% to 2.75%, (b) future salary increases, including inflation were changed from 3.25%-10.75% to 2.75%-10.75%, (c) COLA for post 1/7/2013 retirees were changed from 0.50%, simple through 2021, then 2.15% simple to 3.00%, simple through 2022, then 2.05% simple and (d) the actuarially assumed rate of return was changed from 7.20% to 6.90%.

(Continued)

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

PENSION

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.
- There were no changes in benefit terms from the amounts reported for 2015.
- There were no changes in benefit terms from the amounts reported for 2016.
- There were no changes in benefit terms from the amounts reported for 2017.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

Changes in assumptions :

- There were no changes in assumptions for 2014.
- There were no changes in assumptions for 2015.
- There were no changes in assumptions for 2016.
- There were no changes in assumptions for 2017.
- For 2018, 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 8.25% 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.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.
- For 2022, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the actuarially assumed rate of return was changed from 8.00% to 7.50%.

(Continued)

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022
(SEE ACCOUNTANT'S COMPILATION REPORT)

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.
- There were no changes in benefit terms from the amounts reported for 2018.
- There were no changes in benefit terms from the amounts reported for 2019.
- There were no changes in benefit terms from the amounts reported for 2020.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.
- There were no changes in benefit terms from the amounts reported for 2022.

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.
- For 2021, 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 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) wage inflation changed from 3.25% to 2.75%, (b) projected salary increases, including inflation changed from 3.25%-10.75% to 2.75%-10.75%, (c) the municipal bond rate was changed from 2.00% to 1.84% and (d) the health care cost trend rate was changed from 8.50% initial, 3.50% ultimate in 2035 to 5.50% initial, 3.50% ultimate in 2034.

(Continued)

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022
(SEE ACCOUNTANT'S COMPILATION REPORT)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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.
- There were no changes in benefit terms from the amounts reported for 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 from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.
- There were no changes in benefit terms from the amounts reported for 2022.

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%.
- For 2021, 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 3.56% down to 2.96%.
- For 2022, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the investment rate of return was changed from 8.00% to 7.50% and (b) the discount rate was changed from 2.96% to 2.84%.

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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 (TIF) 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.

OneOhio Opioid Fund

To account for funds received from the OneOhio settlement between the State and opioid drug manufacturers and distributors to address the needs of residents related to prevention, treatment and recovery support services.

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.

Funds Included in the General Fund

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis):

Emergency Fund

This fund accounts for resources transferred the the general fund to be used for emergency expenditures.

Fire Insurance Fund

This fund accounts escrow payments held by the City after a fire and are returned after repair or demolition of the damaged property.

Impact Fee Fund

This fund accounts for a one-time payment imposed by the City on new construction

CITY OF CLAYTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 2,765,914	\$ 3,830	\$ 2,769,744
Receivables:			
Real and other taxes	178,991	-	178,991
Accounts	145,052	-	145,052
Payments in lieu of taxes	685,134	-	685,134
Special assessments	37,422	-	37,422
Accrued interest	1,742	-	1,742
Due from other governments	68,499	-	68,499
Materials and supplies inventory	31,899	-	31,899
Prepayments	2,466	-	2,466
Land held for resale	274,088	-	274,088
Total assets	<u>\$ 4,191,207</u>	<u>\$ 3,830</u>	<u>\$ 4,195,037</u>
Liabilities:			
Accounts payable	\$ 12,659	\$ -	\$ 12,659
Accrued wages and benefits payable	1,427	-	1,427
Due to other governments	26,336	-	26,336
Total liabilities	<u>40,422</u>	<u>-</u>	<u>40,422</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	176,279	-	176,279
Delinquent property tax revenue not available	2,712	-	2,712
Accrued interest not available	980	-	980
Special assessments revenue not available	37,422	-	37,422
Miscellaneous revenue not available	131,138	-	131,138
Intergovernmental revenue not available	54,823	-	54,823
PILOTs levied for next fiscal year	685,134	-	685,134
Total deferred inflows of resources	<u>1,088,488</u>	<u>-</u>	<u>1,088,488</u>
Fund balances:			
Nonspendable	34,365	-	34,365
Restricted	3,027,932	-	3,027,932
Assigned	-	3,830	3,830
Total fund balances	<u>3,062,297</u>	<u>3,830</u>	<u>3,066,127</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 4,191,207</u>	<u>\$ 3,830</u>	<u>\$ 4,195,037</u>

CITY OF CLAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Real and other taxes	\$ 186,994	\$ -	\$ 186,994
Other local taxes	98,871	-	98,871
Payment in lieu of taxes	473,674	-	473,674
Charges for services	463,101	-	463,101
Fines and forfeitures	4,493	-	4,493
Intergovernmental	196,647	-	196,647
Special assessments	30,271	-	30,271
Investment income	27,005	-	27,005
Change in FMV of investments	(48,864)	-	(48,864)
Other	10,692	-	10,692
	<u>1,442,884</u>	<u>-</u>	<u>1,442,884</u>
Total revenues			
Expenditures:			
<i>Current:</i>			
General government	179,229	-	179,229
Security of persons and property	658,137	-	658,137
Public health and welfare	2,038	-	2,038
Transportation	227,598	-	227,598
Capital outlay	-	-	-
<i>Debt service:</i>			
Principal retirement	84,000	-	84,000
Interest and fiscal charges	21,468	-	21,468
	<u>1,172,470</u>	<u>-</u>	<u>1,172,470</u>
Total expenditures			
Excess of revenues over expenditures	<u>270,414</u>	<u>-</u>	<u>270,414</u>
Other financing sources (uses):			
Transfers in	2,500	-	2,500
Transfers out	(67,046)	-	(67,046)
	<u>(64,546)</u>	<u>-</u>	<u>(64,546)</u>
Total other financing sources/(uses)			
Net change in fund balances	205,868	-	205,868
Fund balances at beginning of year	<u>2,856,429</u>	<u>3,830</u>	<u>2,860,259</u>
Fund balances at end of year	<u>\$ 3,062,297</u>	<u>\$ 3,830</u>	<u>\$ 3,066,127</u>

CITY OF CLAYTON, OHIO
COMBINING BALANCE SHEET
INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	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	\$ 4,774	\$ 12,447	\$ 6,528	\$ 505,057	\$ 119,021
Receivables:					
Real and other taxes	-	-	-	178,991	-
Accounts	-	-	-	145,052	-
Payments in lieu of taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accrued interest	-	-	-	-	973
Due from other governments	25	-	-	14,939	32,602
Materials and supplies inventory	-	-	-	-	31,899
Prepayments	-	-	-	2,420	-
Land held for resale	-	-	-	-	-
Total assets	\$ 4,799	\$ 12,447	\$ 6,528	\$ 846,459	\$ 184,495
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 3,629	\$ 6,986
Accrued wages and benefits payable	-	-	-	1,427	-
Due to other governments	-	-	-	26,089	-
Total liabilities	-	-	-	31,145	6,986
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	-	-	-	176,279	-
Delinquent property tax revenue not available	-	-	-	2,712	-
Accrued interest not available	-	-	-	-	547
Special assessments revenue not available	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	131,138	-
Intergovernmental revenue not available	-	-	-	14,939	27,281
PILOTs levied for next fiscal year	-	-	-	-	-
Total deferred inflows of resources	-	-	-	325,068	27,828
Fund balances:					
Nonspendable	-	-	-	2,420	31,899
Restricted	4,799	12,447	6,528	487,826	117,782
Total fund balances	4,799	12,447	6,528	490,246	149,681
Total liabilities, deferred inflows of resources & fund balance	\$ 4,799	\$ 12,447	\$ 6,528	\$ 846,459	\$ 184,495

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cemetery Fund	JEDD Fund	Tax Increment Fund	TIF Towne Center Fund	OneOhio Opioid	Total Nonmajor Special Revenue Funds
\$ 54,838	\$ 36,397	\$ 76,571	\$ 647,218	\$ 766,660	\$ 533,161	\$ 3,242	\$ 2,765,914
-	-	-	-	-	-	-	178,991
-	-	-	-	-	-	-	145,052
-	-	-	-	416,434	268,700	-	685,134
-	37,422	-	-	-	-	-	37,422
769	-	-	-	-	-	-	1,742
8,330	-	-	-	-	12,603	-	68,499
-	-	-	-	-	-	-	31,899
-	-	46	-	-	-	-	2,466
-	-	-	-	150,599	123,489	-	274,088
<u>\$ 63,937</u>	<u>\$ 73,819</u>	<u>\$ 76,617</u>	<u>\$ 647,218</u>	<u>\$ 1,333,693</u>	<u>\$ 937,953</u>	<u>\$ 3,242</u>	<u>\$ 4,191,207</u>
\$ 2,044	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,659
-	-	-	-	-	-	-	1,427
247	-	-	-	-	-	-	26,336
<u>2,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,422</u>
-	-	-	-	-	-	-	176,279
-	-	-	-	-	-	-	2,712
433	-	-	-	-	-	-	980
-	37,422	-	-	-	-	-	37,422
-	-	-	-	-	-	-	131,138
-	-	-	-	-	12,603	-	54,823
-	-	-	-	416,434	268,700	-	685,134
<u>433</u>	<u>37,422</u>	<u>-</u>	<u>-</u>	<u>416,434</u>	<u>281,303</u>	<u>-</u>	<u>1,088,488</u>
-	-	46	-	-	-	-	34,365
61,213	36,397	76,571	647,218	917,259	656,650	3,242	3,027,932
<u>61,213</u>	<u>36,397</u>	<u>76,617</u>	<u>647,218</u>	<u>917,259</u>	<u>656,650</u>	<u>3,242</u>	<u>3,062,297</u>
<u>\$ 63,937</u>	<u>\$ 73,819</u>	<u>\$ 76,617</u>	<u>\$ 647,218</u>	<u>\$ 1,333,693</u>	<u>\$ 937,953</u>	<u>\$ 3,242</u>	<u>\$ 4,191,207</u>

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, 2022

	Enforcement and Education Fund	Drug Law Enforcement Fund	Law Enforcement Trust Fund	EMS Fund	State Highway Fund
Revenues:					
Real and other taxes	\$ -	\$ -	\$ -	\$ 186,994	\$ -
Other local taxes	-	-	-	-	-
Payment in lieu of taxes	-	-	-	-	-
Charges for services	-	-	-	452,551	-
Fines and forfeitures	75	50	4,368	-	-
Intergovernmental	-	-	-	34,816	66,244
Special assessments	-	-	-	-	-
Investment income	-	-	-	-	15,116
Change in FMV of investments	-	-	-	-	(29,595)
Other	-	-	-	1,272	5,397
Total revenues	75	50	4,368	675,633	57,162
Expenditures:					
<i>Current:</i>					
General government	-	-	-	-	-
Security of persons and property	-	-	-	658,137	-
Public health and welfare	-	-	-	-	-
Transportation	-	-	-	-	54,485
<i>Debt service:</i>					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	-	658,137	54,485
Excess (deficiency) of revenues over/(under) expenditures	75	50	4,368	17,496	2,677
Other financing sources (uses):					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-
Net change in fund balances	75	50	4,368	17,496	2,677
Fund balances at beginning of year	4,724	12,397	2,160	472,750	147,004
Fund balances at end of year	\$ 4,799	\$ 12,447	\$ 6,528	\$ 490,246	\$ 149,681

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cemetery Fund	JEDD Fund	Tax Increment Fund	TIF Towne Center Fund	OneOhio Opioid Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 186,994
98,871	-	-	-	-	-	-	98,871
-	-	-	-	318,741	154,933	-	473,674
-	-	10,550	-	-	-	-	463,101
-	-	-	-	-	-	-	4,493
-	-	-	62,380	-	29,965	3,242	196,647
-	30,271	-	-	-	-	-	30,271
11,889	-	-	-	-	-	-	27,005
(19,269)	-	-	-	-	-	-	(48,864)
-	-	-	-	4,023	-	-	10,692
<u>91,491</u>	<u>30,271</u>	<u>10,550</u>	<u>62,380</u>	<u>322,764</u>	<u>184,898</u>	<u>3,242</u>	<u>1,442,884</u>
-	-	-	-	114,196	65,033	-	179,229
-	-	-	-	-	-	-	658,137
-	-	2,038	-	-	-	-	2,038
138,115	34,998	-	-	-	-	-	227,598
-	-	-	-	84,000	-	-	84,000
-	-	-	-	21,468	-	-	21,468
<u>138,115</u>	<u>34,998</u>	<u>2,038</u>	<u>-</u>	<u>219,664</u>	<u>65,033</u>	<u>-</u>	<u>1,172,470</u>
<u>(46,624)</u>	<u>(4,727)</u>	<u>8,512</u>	<u>62,380</u>	<u>103,100</u>	<u>119,865</u>	<u>3,242</u>	<u>270,414</u>
2,500	-	-	-	-	-	-	2,500
-	-	-	-	-	(67,046)	-	(67,046)
<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,046)</u>	<u>-</u>	<u>(64,546)</u>
(44,124)	(4,727)	8,512	62,380	103,100	52,819	3,242	205,868
<u>105,337</u>	<u>41,124</u>	<u>68,105</u>	<u>584,838</u>	<u>814,159</u>	<u>603,831</u>	<u>-</u>	<u>2,856,429</u>
<u>\$ 61,213</u>	<u>\$ 36,397</u>	<u>\$ 76,617</u>	<u>\$ 647,218</u>	<u>\$ 917,259</u>	<u>\$ 656,650</u>	<u>\$ 3,242</u>	<u>\$ 3,062,297</u>

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, 2022

	Joint Economic Development District Fund	North Clayton Development Fund	Total Custodial Funds
Assets:			
Receivables (net of allowances for uncollectibles):			
Income tax	\$ 14,294	\$ -	\$ 14,294
Accounts	-	10,615	10,615
Total assets	<u>\$ 14,294</u>	<u>\$ 10,615</u>	<u>\$ 24,909</u>
Net Position			
Restricted for individuals, organizations and other governments	\$ 14,294	\$ 10,615	\$ 24,909
Total net position	<u>\$ 14,294</u>	<u>\$ 10,615</u>	<u>\$ 24,909</u>

CITY OF CLAYTON, OHIO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Joint Economic Development District Fund	North Clayton Development Fund	Total Custodial Funds
Additions:			
Income taxes	\$ 143,998	\$ -	\$ 143,998
Licenses, permits and fees for other governments	-	13,000	13,000
Special assessments collections for other governments	-	3,695	3,695
Total additions	<u>143,998</u>	<u>16,695</u>	<u>160,693</u>
Deductions:			
Other custodial fund disbursements	<u>137,874</u>	<u>17,445</u>	<u>155,319</u>
Total deductions	<u>137,874</u>	<u>17,445</u>	<u>155,319</u>
Net change in fiduciary net position	6,124	(750)	5,374
Net position at beginning of year	<u>8,170</u>	<u>11,365</u>	<u>19,535</u>
Net position at end of year	<u><u>\$ 14,294</u></u>	<u><u>\$ 10,615</u></u>	<u><u>\$ 24,909</u></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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Municipal income taxes	\$ 3,235,950	\$ 3,235,950	\$ 3,650,916	\$ 414,966
Property taxes	356,809	356,809	380,305	23,496
Charges for services	614,200	625,500	671,108	45,608
Licenses and permits	59,500	100,700	199,290	98,590
Intergovernmental	229,594	264,594	341,062	76,468
Investment income	150,000	150,000	(842,673)	(992,673)
Other local taxes	190,000	190,000	182,994	(7,006)
Other	19,600	28,580	45,703	17,123
<i>Total revenues</i>	<u>4,855,653</u>	<u>4,952,133</u>	<u>4,628,705</u>	<u>(323,428)</u>
Expenditures:				
Current:				
General government				
Personal services	1,331,438	1,688,824	1,177,188	511,636
Contractual services	1,041,596	1,321,183	920,925	400,258
Materials and supplies	9,144	11,599	8,085	3,514
Total general government	<u>2,382,178</u>	<u>3,021,606</u>	<u>2,106,198</u>	<u>915,408</u>
Leisure time activities				
Personal services	676,620	858,239	598,232	260,007
Contractual services	298,086	378,098	263,552	114,546
Materials and supplies	171,718	217,811	151,824	65,987
Total leisure time activities	<u>1,146,424</u>	<u>1,454,148</u>	<u>1,013,608</u>	<u>440,540</u>
Capital outlay	<u>170,871</u>	<u>216,736</u>	<u>151,075</u>	<u>65,661</u>
<i>Debt service:</i>				
Principal retirement	<u>58,980</u>	<u>58,980</u>	<u>58,980</u>	<u>-</u>
<i>Total expenditures</i>	<u>3,758,453</u>	<u>4,751,470</u>	<u>3,329,861</u>	<u>1,421,609</u>
<i>Excess of revenues over expenditures</i>	<u>1,097,200</u>	<u>200,663</u>	<u>1,298,844</u>	<u>1,098,181</u>
Other financing sources (uses):				
Transfers out	<u>(2,914,323)</u>	<u>(2,914,323)</u>	<u>(2,835,031)</u>	<u>79,292</u>
<i>Total other financing sources (uses)</i>	<u>(2,914,323)</u>	<u>(2,914,323)</u>	<u>(2,835,031)</u>	<u>79,292</u>
<i>Net change in fund balance</i>	<u>(1,817,123)</u>	<u>(2,713,660)</u>	<u>(1,536,187)</u>	<u>1,177,473</u>
<i>Fund balance at beginning of year</i>	5,125,290	5,125,290	5,125,290	-
<i>Prior year encumbrances appropriated</i>	<u>140,501</u>	<u>140,501</u>	<u>140,501</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 3,448,668</u>	<u>\$ 2,552,131</u>	<u>\$ 3,729,604</u>	<u>\$ 1,177,473</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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 1,150,000	\$ 1,150,000	\$ 1,170,892	\$ 20,892
Charges for services	125,000	125,000	124,582	(418)
Fines and forfeitures	11,477	18,191	26,000	7,809
Intergovernmental	208,168	208,168	209,066	898
Other	-	-	3,775	3,775
<i>Total revenues</i>	<u>1,494,645</u>	<u>1,501,359</u>	<u>1,534,315</u>	<u>32,956</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	2,471,434	2,471,434	2,123,971	347,463
Contractual services	388,165	388,165	333,592	54,573
Materials and supplies	96,979	96,979	83,345	13,634
Total security of persons and property	<u>2,956,578</u>	<u>2,956,578</u>	<u>2,540,908</u>	<u>415,670</u>
Capital outlay	<u>17,055</u>	<u>23,769</u>	<u>20,427</u>	<u>3,342</u>
<i>Total expenditures</i>	<u>2,973,633</u>	<u>2,980,347</u>	<u>2,561,335</u>	<u>419,012</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,478,988)</u>	<u>(1,478,988)</u>	<u>(1,027,020)</u>	<u>451,968</u>
Other financing sources:				
Transfers in	<u>1,150,000</u>	<u>1,150,000</u>	<u>760,000</u>	<u>(390,000)</u>
<i>Total other financing sources</i>	<u>1,150,000</u>	<u>1,150,000</u>	<u>760,000</u>	<u>(390,000)</u>
<i>Net change in fund balance</i>	(328,988)	(328,988)	(267,020)	61,968
<i>Fund balance at beginning of year</i>	330,856	330,856	330,856	-
<i>Prior year encumbrances appropriated</i>	<u>3,715</u>	<u>3,715</u>	<u>3,715</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 5,583</u>	<u>\$ 5,583</u>	<u>\$ 67,551</u>	<u>\$ 61,968</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, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 715,000	\$ 715,000	\$ 844,352	\$ 129,352
Fines and forfeitures	500	500	920	420
Intergovernmental	141,363	141,363	101,521	(39,842)
Contributions and donations	1,496	1,496	1,428	(68)
Other	-	-	338	338
<i>Total revenues</i>	<u>858,359</u>	<u>858,359</u>	<u>948,559</u>	<u>90,200</u>
Expenditures:				
Current:				
Security of persons and property				
Personal services	1,533,522	1,533,522	1,513,340	20,182
Contractual services	275,330	275,330	271,706	3,624
Materials and supplies	58,956	58,956	58,180	776
Total security of persons and property	<u>1,867,808</u>	<u>1,867,808</u>	<u>1,843,226</u>	<u>24,582</u>
Capital outlay	<u>7,073</u>	<u>7,073</u>	<u>6,980</u>	<u>93</u>
<i>Total expenditures</i>	<u>1,874,881</u>	<u>1,874,881</u>	<u>1,850,206</u>	<u>24,675</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,016,522)</u>	<u>(1,016,522)</u>	<u>(901,647)</u>	<u>114,875</u>
Other financing sources:				
Transfers in	<u>670,000</u>	<u>670,000</u>	<u>670,000</u>	<u>-</u>
<i>Total other financing sources</i>	<u>670,000</u>	<u>670,000</u>	<u>670,000</u>	<u>-</u>
<i>Net change in fund balance</i>	(346,522)	(346,522)	(231,647)	114,875
<i>Fund balance at beginning of year</i>	296,865	296,865	296,865	-
<i>Prior year encumbrances appropriated</i>	57,608	57,608	57,608	-
<i>Fund balance at end of year</i>	<u>\$ 7,951</u>	<u>\$ 7,951</u>	<u>\$ 122,826</u>	<u>\$ 114,875</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
STREET FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:				
Charges for services	\$ 16,500	\$ 16,500	\$ 13,863	\$ (2,637)
Intergovernmental	870,000	870,000	819,102	(50,898)
Investment income	4,000	4,000	(97,023)	(101,023)
Contributions and donations	-	-	750	750
Other	-	-	9,001	9,001
<i>Total revenues</i>	<u>890,500</u>	<u>890,500</u>	<u>745,693</u>	<u>(144,807)</u>
Expenditures:				
Current:				
Transportation				
Personal services	1,004,834	1,044,054	940,839	103,215
Contractual services	245,927	255,526	230,265	25,261
Materials and supplies	213,571	221,907	199,969	21,938
Total transportation	<u>1,464,332</u>	<u>1,521,487</u>	<u>1,371,073</u>	<u>150,414</u>
Capital outlay	<u>697,170</u>	<u>724,383</u>	<u>652,770</u>	<u>71,613</u>
<i>Total expenditures</i>	<u>2,161,502</u>	<u>2,245,870</u>	<u>2,023,843</u>	<u>222,027</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,271,002)</u>	<u>(1,355,370)</u>	<u>(1,278,150)</u>	<u>77,220</u>
Other financing sources:				
Transfers in	<u>875,000</u>	<u>959,368</u>	<u>892,500</u>	<u>(66,868)</u>
<i>Net change in fund balance</i>	(396,002)	(396,002)	(385,650)	10,352
<i>Fund balance at beginning of year</i>	69,675	69,675	69,675	-
<i>Prior year encumbrances appropriated</i>	<u>353,041</u>	<u>353,041</u>	<u>353,041</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 26,714</u>	<u>\$ 26,714</u>	<u>\$ 37,066</u>	<u>\$ 10,352</u>

CITY OF CLAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
LOCAL FISCAL RECOVERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 698,039	\$ 698,039	\$ -
<i>Total revenues</i>	<u>698,039</u>	<u>698,039</u>	<u>-</u>
Expenditures:			
Current:			
General government			
Contractual services	1,320,378	591,350	729,028
Materials and supplies	7,278	6,425	853
Total general government	<u>1,327,656</u>	<u>597,775</u>	<u>729,881</u>
Capital outlay	<u>2,150</u>	<u>2,150</u>	<u>-</u>
<i>Total expenditures</i>	<u>1,329,806</u>	<u>599,925</u>	<u>729,881</u>
<i>Net change in fund balance</i>	(631,767)	98,114	729,881
<i>Fund balance at beginning of year</i>	<u>631,767</u>	<u>631,767</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ -</u>	<u>\$ 729,881</u>	<u>\$ 729,881</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessment	\$ 340,000	\$ 335,281	\$ (4,719)
<i>Total revenues</i>	<u>340,000</u>	<u>335,281</u>	<u>(4,719)</u>
Expenditures:			
Current:			
General government			
Contractual services	18,500	16,445	2,055
Total general government	<u>18,500</u>	<u>16,445</u>	<u>2,055</u>
<i>Debt service:</i>			
Principal retirement	615,367	612,703	2,664
Interest and fiscal charges	<u>216,164</u>	<u>216,164</u>	<u>-</u>
<i>Total expenditures</i>	<u>850,031</u>	<u>845,312</u>	<u>4,719</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(510,031)</u>	<u>(510,031)</u>	<u>-</u>
Other financing sources:			
Transfers in	510,031	510,031	-
<i>Total other financing sources</i>	<u>510,031</u>	<u>510,031</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-
<i>Fund balance at beginning of year</i>	-	-	-
<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)
CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Municipal income taxes	\$ 1,615,550	\$ 1,823,023	\$ 207,473
Intergovernmental	195,145	124,040	(71,105)
Other	7,500	53,291	45,791
<i>Total revenues</i>	<u>1,818,195</u>	<u>2,000,354</u>	<u>182,159</u>
Expenditures:			
Current:			
General government			
Contractual services	1,209,028	1,132,735	76,293
Total general government	<u>1,209,028</u>	<u>1,132,735</u>	<u>76,293</u>
Capital outlay	1,562,557	1,507,291	55,266
Debt service:			
Principal retirement	519,645	454,645	65,000
<i>Total expenditures</i>	<u>3,291,230</u>	<u>3,094,671</u>	<u>196,559</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,473,035)</u>	<u>(1,094,317)</u>	<u>378,718</u>
Other financing sources:			
Transfers in	60,000	-	(60,000)
Lease proceeds	1,067,031	1,067,031	-
Sale of capital assets	2,000	21,500	19,500
<i>Total other financing sources</i>	<u>1,129,031</u>	<u>1,088,531</u>	<u>(40,500)</u>
<i>Net change in fund balance</i>	(344,004)	(5,786)	338,218
<i>Fund balance at beginning of year</i>	636,774	636,774	-
<i>Prior year encumbrances appropriated</i>	125,272	125,272	-
<i>Fund balance at end of year</i>	<u>\$ 418,042</u>	<u>\$ 756,260</u>	<u>\$ 338,218</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 300	\$ 175	\$ (125)
<i>Net change in fund balance</i>	300	175	(125)
<i>Fund balance at beginning of year</i>	<u>4,599</u>	<u>4,599</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 4,899</u>	<u>\$ 4,774</u>	<u>\$ (125)</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ -	\$ 50	\$ 50
<i>Net change in fund balance</i>	-	50	50
<i>Fund balance at beginning of year</i>	<u>12,397</u>	<u>12,397</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 12,397</u>	<u>\$ 12,447</u>	<u>\$ 50</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fines and forfeitures	\$ 1,500	\$ 4,368	\$ 2,868
<i>Net change in fund balance</i>	1,500	4,368	2,868
<i>Fund balance at beginning of year</i>	<u>2,160</u>	<u>2,160</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 3,660</u>	<u>\$ 6,528</u>	<u>\$ 2,868</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ 185,000	\$ 217,122	\$ 32,122
Charges for services	385,000	438,637	53,637
Intergovernmental	57,953	4,688	(53,265)
Contributions and donations	-	1,272	1,272
<i>Total revenues</i>	<u>627,953</u>	<u>661,719</u>	<u>33,766</u>
Expenditures:			
Current:			
Security of persons and property			
Personal services	730,337	597,579	132,758
Contractual services	32,117	28,752	3,365
Materials and supplies	23,700	23,086	614
Total security of persons and property	<u>786,154</u>	<u>649,417</u>	<u>136,737</u>
<i>Total expenditures</i>	<u>786,154</u>	<u>649,417</u>	<u>136,737</u>
<i>Net change in fund balance</i>	(158,201)	12,302	170,503
<i>Fund balance at beginning of year</i>	480,699	480,699	-
<i>Prior year encumbrances appropriated</i>	8,317	8,317	-
<i>Fund balance at end of year</i>	<u>\$ 330,815</u>	<u>\$ 501,318</u>	<u>\$ 170,503</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 66,500	\$ 66,231	\$ (269)
Investment income	2,500	(11,387)	(13,887)
Other	-	5,397	5,397
<i>Total revenues</i>	<u>69,000</u>	<u>60,241</u>	<u>(8,759)</u>
Expenditures:			
Current:			
Transportation			
Contractual services	40,366	25,180	15,186
Materials and supplies	62,173	38,783	23,390
Total transportation	<u>102,539</u>	<u>63,963</u>	<u>38,576</u>
Capital outlay		-	-
<i>Total expenditures</i>	<u>102,539</u>	<u>63,963</u>	<u>38,576</u>
<i>Net change in fund balance</i>	(33,539)	(3,722)	29,817
<i>Fund balance at beginning of year</i>	119,710	119,710	-
<i>Prior year encumbrances appropriated</i>	4,539	4,539	-
<i>Fund balance at end of year</i>	<u>\$ 90,710</u>	<u>\$ 120,527</u>	<u>\$ 29,817</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Property taxes	\$ -	\$ 13	\$ 13
Other local taxes	110,000	99,484	(10,516)
Investment income	2,500	(10,562)	(13,062)
<i>Total revenues</i>	<u>112,500</u>	<u>88,935</u>	<u>(23,565)</u>
Expenditures:			
Current:			
Transportation			
Personal services	53,145	40,435	12,710
Contractual services	100,687	76,607	24,080
Materials and supplies	5,842	4,445	1,397
Total transportation	<u>159,674</u>	<u>121,487</u>	<u>38,187</u>
<i>Total expenditures</i>	<u>159,674</u>	<u>121,487</u>	<u>38,187</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(47,174)</u>	<u>(32,552)</u>	<u>14,622</u>
Other financing sources:			
Transfers in	14,924	2,500	(12,424)
<i>Total other financing sources</i>	<u>14,924</u>	<u>2,500</u>	<u>(12,424)</u>
<i>Net change in fund balance</i>	(32,250)	(30,052)	2,198
<i>Fund balance at beginning of year</i>	90,522	90,522	-
<i>Prior year encumbrances appropriated</i>	3,977	3,977	-
<i>Fund balance at end of year</i>	<u>\$ 62,249</u>	<u>\$ 64,447</u>	<u>\$ 2,198</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Special assessments	\$ 32,000	\$ 30,271	\$ (1,729)
Expenditures:			
Current:			
Security of persons and property			
Contractual services	38,000	34,998	3,002
<i>Net change in fund balance</i>	(6,000)	(4,727)	1,273
<i>Fund balance at beginning of year</i>	41,124	41,124	-
<i>Fund balance at end of year</i>	<u>\$ 35,124</u>	<u>\$ 36,397</u>	<u>\$ 1,273</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	\$ 3,000	\$ 10,550	\$ 7,550
Expenditures:			
Current:			
Public health			
Contractual services	7,925	1,603	6,322
Materials and supplies	1,500	435	1,065
Total public health	<u>9,425</u>	<u>2,038</u>	<u>7,387</u>
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>
<i>Total expenditures</i>	<u>9,925</u>	<u>2,038</u>	<u>7,887</u>
<i>Net change in fund balance</i>	(6,925)	8,512	15,437
<i>Fund balance at beginning of year</i>	67,709	67,709	-
<i>Prior year encumbrances appropriated</i>	<u>350</u>	<u>350</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 61,134</u>	<u>\$ 76,571</u>	<u>\$ 15,437</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 51,000	\$ 62,380	\$ 11,380
<i>Net change in fund balance</i>	51,000	62,380	11,380
<i>Fund balance at beginning of year</i>	584,838	584,838	-
<i>Fund balance at end of year</i>	<u>\$ 635,838</u>	<u>\$ 647,218</u>	<u>\$ 11,380</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes	\$ 315,000	\$ 318,741	\$ 3,741
Intergovernmental	18,000	-	(18,000)
Other	-	4,023	4,023
<i>Total revenues</i>	<u>333,000</u>	<u>322,764</u>	<u>(10,236)</u>
Expenditures:			
Current:			
General government			
Contractual services	82,530	114,196	(31,666)
Capital outlay	75,000	75,000	-
<i>Debt service:</i>			
Principal retirement	84,000	84,000	-
Interest and fiscal charges	21,468	21,468	-
<i>Total expenditures</i>	<u>262,998</u>	<u>294,664</u>	<u>(31,666)</u>
<i>Net change in fund balance</i>	70,002	28,100	(41,902)
<i>Fund balance at beginning of year</i>	738,560	738,560	-
<i>Fund balance at end of year</i>	<u>\$ 808,562</u>	<u>\$ 766,660</u>	<u>\$ (41,902)</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Payment in lieu of taxes	\$ 210,000	\$ 29,965	\$ (180,035)
Intergovernmental	5,000	154,933	149,933
Other	2,530	-	(2,530)
<i>Total revenues</i>	<u>217,530</u>	<u>184,898</u>	<u>(32,632)</u>
Expenditures:			
Current:			
General government			
Contractual services	78,336	65,033	13,303
<i>Debt service:</i>			
Principal retirement	40,013	40,013	-
Interest and fiscal charges	27,033	27,033	-
<i>Total expenditures</i>	<u>145,382</u>	<u>132,079</u>	<u>13,303</u>
<i>Net change in fund balance</i>	72,148	52,819	(19,329)
<i>Fund balance at beginning of year</i>	480,342	480,342	-
<i>Fund balance at end of year</i>	<u>\$ 552,490</u>	<u>\$ 533,161</u>	<u>\$ (19,329)</u>

CITY OF CLAYTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ONEOHIO OPIOID FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ -	\$ 3,242	\$ 3,242
<i>Total revenues</i>	<u>-</u>	<u>3,242</u>	<u>3,242</u>
<i>Net change in fund balance</i>	-	3,242	3,242
<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>\$ 3,242</u>	<u>\$ 3,242</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, 2022

	<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)
EMERGENCY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Other financing sources:			
<i>Fund balance at beginning of year</i>	\$ 181,870	\$ 181,870	\$ -
<i>Fund balance at end of year</i>	<u>\$ 181,870</u>	<u>\$ 181,870</u>	<u>\$ -</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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 14,000	\$ 14,000	\$ -
<i>Total revenues</i>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
Expenditures:			
Current:			
Other			
Contractual services	14,000	14,000	-
<i>Total expenditures</i>	<u>14,000</u>	<u>14,000</u>	<u>-</u>
<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>

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, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 2,666	\$ -	\$ (2,666)
<i>Net change in fund balance</i>	2,666	-	(2,666)
<i>Fund balance at beginning of year</i>	<u>114,106</u>	<u>114,106</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 116,772</u>	<u>\$ 114,106</u>	<u>\$ (2,666)</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 Annual Comprehensive 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.	154
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.	164
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.	174
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.	181
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.	182

Sources: Sources are noted on the individual schedules.

CITY OF CLAYTON, OHIO

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

	2013	2014 (1)	2015	2016
Governmental activities				
Net investment in capital assets	\$ 7,073,297	\$ 7,273,119	\$ 7,410,232	\$ 6,497,189
Restricted	3,329,404	3,742,366	3,420,732	3,378,498
Unrestricted (deficit)	5,679,868	2,085,034	2,202,430	2,852,600
Total governmental activities net assets/position	<u>\$ 16,082,569</u>	<u>\$ 13,100,519</u>	<u>\$ 13,033,394</u>	<u>\$ 12,728,287</u>
Business-type activities				
Net investment in capital assets	\$ (427,817)	\$ (459,447)	\$ 2,481,770	\$ 3,206,675
Unrestricted (deficit)	106,735	138,360	(33,394)	(186,042)
Total business-type activities net assets/position	<u>\$ (321,082)</u>	<u>\$ (321,087)</u>	<u>\$ 2,448,376</u>	<u>\$ 3,020,633</u>
Primary government				
Net investment in capital assets	\$ 6,645,480	\$ 6,813,672	\$ 9,892,002	\$ 9,703,864
Restricted	3,329,404	3,742,366	3,420,732	3,378,498
Unrestricted (deficit)	5,786,603	2,223,394	2,169,036	2,666,558
Total primary government net assets/position	<u>\$ 15,761,487</u>	<u>\$ 12,779,432</u>	<u>\$ 15,481,770</u>	<u>\$ 15,748,920</u>

(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.

2017	2018 (2)	2019	2020	2021	2022
\$ 5,965,178	\$ 12,214,182	\$ 13,102,615	\$ 13,478,573	\$ 14,846,909	\$ 15,255,494
6,256,638	5,710,496	5,126,149	4,765,875	4,881,578	6,444,076
2,607,500	(3,469,794)	(894,434)	(109,596)	1,191,423	(912,453)
<u>\$ 14,829,316</u>	<u>\$ 14,454,884</u>	<u>\$ 17,334,330</u>	<u>\$ 18,134,852</u>	<u>\$ 20,919,910</u>	<u>\$ 20,787,117</u>
\$ 3,164,792	\$ 282,132	\$ 295,562	\$ 313,179	\$ 335,152	\$ 361,657
(98,793)	136,389	17,949	25,730	-	
<u>\$ 3,065,999</u>	<u>\$ 418,521</u>	<u>\$ 313,511</u>	<u>\$ 338,909</u>	<u>\$ 335,152</u>	<u>\$ 361,657</u>
\$ 9,129,970	\$ 12,496,314	\$ 13,398,177	\$ 13,791,752	\$ 15,182,061	\$ 15,617,151
6,256,638	5,710,496	5,126,149	4,765,875	4,881,578	6,444,076
2,508,707	(3,333,405)	(876,485)	(83,866)	1,191,423	(912,453)
<u>\$ 17,895,315</u>	<u>\$ 14,873,405</u>	<u>\$ 17,647,841</u>	<u>\$ 18,473,761</u>	<u>\$ 21,255,062</u>	<u>\$ 21,148,774</u>

CITY OF CLAYTON, OHIO

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

	<u>2013</u>	<u>2014 (1)</u>	<u>2015</u>	<u>2016</u>
Expenses				
Governmental activities:				
General Government	\$ 2,026,231	\$ 2,335,282	\$ 2,928,788	\$ 3,876,815
Security of Persons and Property	3,513,534	3,531,717	3,630,121	3,631,194
Public Health and Welfare	1,662	390	6,873	5,898
Economic Development	20,952	15,303	10,277	1,107
Transportation	1,521,183	1,490,066	1,812,643	1,651,932
Leisure Time Activity	-	-	-	-
Interest and Fiscal Charges	249,304	182,614	164,670	361,360
Total governmental activities expenses	<u>7,332,866</u>	<u>7,555,372</u>	<u>8,553,372</u>	<u>9,528,306</u>
Business type activities:				
Water	140,683	152,186	153,496	49,439
Sewer	209,360	206,708	202,948	208,162
Golf	-	-	669,535	995,042
Total business-type activities expenses	<u>350,043</u>	<u>358,894</u>	<u>1,025,979</u>	<u>1,252,643</u>
Total primary government expenses	<u>\$ 7,682,909</u>	<u>\$ 7,914,266</u>	<u>\$ 9,579,351</u>	<u>\$ 10,780,949</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General Government	\$ 778,361	\$ 735,784	\$ 752,368	\$ 818,718
Security of Persons and Property	693,824	363,014	499,638	507,810
Public Health and Welfare	8,650	7,700	15,275	5,850
Transportation	8,318	5,330	25,116	25,734
Leisure Time Activity	-	-	-	-
Operating grants and contributions	1,016,512	1,049,206	1,168,499	663,362
Capital grants and contributions	-	100,000	78,557	-
Total governmental activities program revenue	<u>2,505,665</u>	<u>2,261,034</u>	<u>2,539,453</u>	<u>2,021,474</u>
Business type activities:				
Charges for services:				
Water	68,432	52,659	74,248	78,590
Sewer	20	4	-	-
Golf	-	-	462,038	456,367
Total business-type activities program revenue	<u>68,452</u>	<u>52,663</u>	<u>536,286</u>	<u>534,957</u>
Total primary government program revenue	<u>\$ 2,574,117</u>	<u>\$ 2,313,697</u>	<u>\$ 3,075,739</u>	<u>\$ 2,556,431</u>

	2017	2018 (2)	2019	2020	2021	2022
\$	3,634,390	\$ 3,617,491	\$ 3,373,787	\$ 3,215,976	\$ 2,036,120	\$ 2,874,560
	3,943,836	4,767,750	2,108,856	4,467,551	4,657,352	5,518,108
	3,877	2,884	3,570	780,866	11,151	2,038
	-	-	-	-	-	-
	1,768,373	2,027,677	2,671,943	1,995,699	1,640,982	2,535,182
	-	619,867	1,113,517	898,166	580,782	997,665
	259,926	279,111	306,772	283,989	248,805	231,624
	<u>9,610,402</u>	<u>11,314,780</u>	<u>9,578,445</u>	<u>11,642,247</u>	<u>9,175,192</u>	<u>12,159,177</u>
	-	-	22,182	-	-	-
	220,780	191,452	187,415	175,794	179,220	174,688
	798,691	-	-	-	-	-
	<u>1,019,471</u>	<u>191,452</u>	<u>209,597</u>	<u>175,794</u>	<u>179,220</u>	<u>174,688</u>
\$	<u>10,629,873</u>	<u>\$ 11,506,232</u>	<u>\$ 9,788,042</u>	<u>\$ 11,818,041</u>	<u>\$ 9,354,412</u>	<u>\$ 12,333,865</u>
\$	2,201,130	\$ 2,044,840	\$ 766,668	\$ 305,568	\$ 267,426	\$ 361,522
	362,227	463,559	498,775	704,214	532,253	593,705
	6,480	8,200	11,400	18,150	7,580	14,573
	33,277	69,428	31,919	90,814	60,340	33,905
	-	450,309	602,474	592,649	598,429	616,079
	633,459	998,494	906,114	2,127,404	1,081,391	1,356,201
	222,678	2,842	261,405	154,322	309,550	332,426
	<u>3,459,251</u>	<u>4,037,672</u>	<u>3,078,755</u>	<u>3,993,121</u>	<u>2,856,969</u>	<u>3,308,411</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	482,975	-	-	-	-	-
	482,975	-	-	-	-	-
\$	<u>3,942,226</u>	<u>\$ 4,037,672</u>	<u>\$ 3,078,755</u>	<u>\$ 3,993,121</u>	<u>\$ 2,856,969</u>	<u>\$ 3,308,411</u>

-- Continued

CITY OF CLAYTON, OHIO

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

	2013	2014 (1)	2015	2016
Net (Expense)/Revenue				
Governmental activities	\$ (4,827,201)	\$ (5,294,338)	\$ (6,013,919)	\$ (7,506,832)
Business-type activities	(281,591)	(306,231)	(489,693)	(717,686)
Total primary government net expense	<u>\$ (5,108,792)</u>	<u>\$ (5,600,569)</u>	<u>\$ (6,503,612)</u>	<u>\$ (8,224,518)</u>
General Revenues and Other Changes in Net Assets/Position				
Governmental activities:				
Property taxes Levied For General Purposes	\$ 333,899	\$ 330,846	\$ 319,977	\$ 323,244
Property taxes Levied For Police	1,146,874	1,139,035	1,117,627	1,130,372
Property taxes Levied For General Fire	726,977	720,557	698,407	705,553
Property taxes Levied For EMS	179,153	178,301	178,464	180,699
Other Local Taxes	281,529	291,372	296,470	366,029
Payment in Lieu of Taxes	413,584	336,282	402,260	408,841
Municipal Income Taxes Levied for General Purposes	1,578,366	1,889,466	1,897,729	2,308,409
Municipal Income Taxes Levied for Capital Outlay	788,569	944,136	947,187	1,145,735
Grants and entitlements not specific to Specific Programs	401,933	223,988	248,671	926,747
Investment Earnings / Change in Fair Value	109,373	117,739	(21,121)	93,215
Investment in Joint Venture	(5,678)	5,191	1,349	55,830
Miscellaneous	254,207	96,317	110,967	10,245
Transfers	(100,596)	(301,790)	(251,193)	(453,194)
Total governmental activities general revenues	<u>6,108,190</u>	<u>5,971,440</u>	<u>5,946,794</u>	<u>7,201,725</u>
Business type activities:				
Other	11,897	4,436	6,113	38,036
Extraordinary Item/Special Item	-	-	3,001,850	798,713
Transfers	100,596	301,790	251,193	453,194
<i>Total Business-Type Activities General Revenues, Extraordinary Items and Transfers</i>	<u>\$ 112,493</u>	<u>\$ 306,226</u>	<u>\$ 3,259,156</u>	<u>\$ 1,289,943</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	\$ 1,280,989	\$ 677,102	\$ (67,125)	\$ (305,107)
Business-type activities	(169,098)	(5)	2,769,463	572,257
Total primary government	<u>\$ 1,111,891</u>	<u>\$ 677,097</u>	<u>\$ 2,702,338</u>	<u>\$ 267,150</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

2017	2018 (2)	2019	2020	2021	2022
\$ (6,151,151)	\$ (7,277,108)	\$ (6,499,690)	\$ (7,649,126)	\$ (6,318,223)	\$ (8,850,766)
(536,496)	(191,452)	(209,597)	(175,794)	(179,220)	(174,688)
<u>\$ (6,687,647)</u>	<u>\$ (7,468,560)</u>	<u>\$ (6,709,287)</u>	<u>\$ (7,824,920)</u>	<u>\$ (6,497,443)</u>	<u>\$ (9,025,454)</u>
\$ 324,456	\$ 337,673	\$ 349,890	\$ 350,501	\$ 376,977	\$ 369,677
1,132,699	1,121,162	1,146,733	1,167,382	1,167,980	1,131,185
706,720	698,604	714,063	726,032	726,073	702,737
181,198	179,345	183,284	186,688	186,701	180,756
351,136	361,591	339,963	352,218	359,659	344,245
438,870	407,083	497,829	479,990	525,057	473,674
3,315,607	2,962,548	3,250,430	2,937,953	3,500,581	3,650,561
1,657,843	1,481,274	1,624,935	1,468,703	1,742,363	1,822,071
596,659	604,839	583,312	761,671	671,311	730,636
79,143	20,193	447,639	149,948	(28,468)	(563,752)
7,898	10,154	12,715	-	-	-
23,625	261,519	270,969	69,754	50,510	77,376
(563,674)	(201,193)	(78,070)	(201,192)	(175,463)	(201,193)
<u>8,252,180</u>	<u>8,244,792</u>	<u>9,343,692</u>	<u>8,449,648</u>	<u>9,103,281</u>	<u>8,717,973</u>
18,188	1,870	26,517	-	-	-
-	-	-	-	-	-
<u>563,674</u>	<u>201,193</u>	<u>78,070</u>	<u>201,192</u>	<u>175,463</u>	<u>201,193</u>
<u>\$ 581,862</u>	<u>\$ 203,063</u>	<u>\$ 104,587</u>	<u>\$ 201,192</u>	<u>\$ 175,463</u>	<u>\$ 201,193</u>
\$ -	\$ 13,487,200	\$ 14,490,328	\$ -	\$ -	\$ -
<u>-</u>	<u>406,910</u>	<u>418,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 2,101,029	\$ 967,684	\$ 2,844,002	\$ 800,522	\$ 2,785,058	\$ (132,793)
45,366	11,611	(105,010)	25,398	(3,757)	26,505
<u>\$ 2,146,395</u>	<u>\$ 979,295</u>	<u>\$ 2,738,992</u>	<u>\$ 825,920</u>	<u>\$ 2,781,301</u>	<u>\$ (106,288)</u>

CITY OF CLAYTON, OHIO

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 13,342	\$ 26,785	\$ 34,762	\$ 25,831
Restricted	-	-	-	-
Committed	-	-	-	62,403
Assigned	786,246	1,007,559	1,091,413	658,950
Unassigned	4,215,425	3,958,798	4,090,815	4,291,989
Total general fund	<u>\$ 5,015,013</u>	<u>\$ 4,993,142</u>	<u>\$ 5,216,990</u>	<u>\$ 5,039,173</u>
All Other Governmental Funds				
Nonspendable	\$ 10,476	\$ 38,595	\$ 38,074	\$ 46,596
Restricted	2,132,183	2,796,535	2,446,186	6,989,972
Assigned	168,105	100,000	28,830	3,830
Unassigned	(240,845)	(29,579)	-	-
Total All Other Governmental Funds	<u>\$ 2,069,919</u>	<u>\$ 2,905,551</u>	<u>\$ 2,513,090</u>	<u>\$ 7,040,398</u>
Total Governmental Funds	<u>\$ 7,084,932</u>	<u>\$ 7,898,693</u>	<u>\$ 7,730,080</u>	<u>\$ 12,079,571</u>

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

2017	2018 (1)	2019	2020	2021	2022
\$ 38,610	\$ 61,770	\$ 76,966	\$ 73,453	\$ 79,941	\$ 81,307
-	-	56,029	-	-	-
-	-	11,883	3,883	-	-
802,601	1,611,341	1,552,224	1,875,583	1,810,923	1,438,240
4,330,666	3,166,731	3,442,278	3,443,817	3,244,414	2,556,410
<u>\$ 5,171,877</u>	<u>\$ 4,839,842</u>	<u>\$ 5,139,380</u>	<u>\$ 5,396,736</u>	<u>\$ 5,135,278</u>	<u>\$ 4,075,957</u>
\$ 42,486	\$ 202,038	\$ 163,100	\$ 247,922	\$ 175,669	\$ 170,099
4,950,494	3,533,495	3,444,092	4,267,616	4,806,711	5,744,073
3,830	3,830	3,830	3,830	3,830	3,830
(45,431)	-	-	-	-	-
<u>\$ 4,951,379</u>	<u>\$ 3,739,363</u>	<u>\$ 3,611,022</u>	<u>\$ 4,519,368</u>	<u>\$ 4,986,210</u>	<u>\$ 5,918,002</u>
<u>\$ 10,123,256</u>	<u>\$ 8,579,205</u>	<u>\$ 8,750,402</u>	<u>\$ 9,916,104</u>	<u>\$ 10,121,488</u>	<u>\$ 9,993,959</u>

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

	2013	2014	2015	2016
Revenues				
Income Taxes	\$ 2,617,576	\$ 2,924,160	\$ 2,958,434	\$ 3,472,885
Property Taxes	2,376,210	2,367,292	2,309,641	2,345,442
Other Local Taxes	282,234	287,697	296,570	299,341
Payments in Lieu of Taxes	343,127	456,042	388,219	398,182
Charges for Services	1,134,310	1,196,793	1,242,095	1,261,589
Licenses and Permits	3,754	7,625	7,605	11,244
Fines and Forfeitures	27,163	30,987	27,495	29,676
Intergovernmental	1,402,068	1,380,501	1,490,170	1,589,183
Special Assessments	40,385	28,352	27,484	27,687
Investment income	112,403	115,848	(27,856)	94,879
Contributions and Donations	4,410	1,346	480	351
Change in fair value of investments	-	-	-	-
Other	254,263	96,329	111,037	91,541
Total revenues	<u>8,597,903</u>	<u>8,892,972</u>	<u>8,831,374</u>	<u>9,622,000</u>
Expenditures				
Current:				
General Government	2,689,597	2,612,744	2,874,076	4,377,484
Security of Persons and Property	3,358,850	3,364,352	3,449,030	3,508,016
Public Health and Welfare	1,662	390	6,873	5,898
Economic Development	20,952	15,303	10,277	1,107
Transportation	895,671	873,304	1,105,680	1,161,223
Leisure Time Activity	-	-	-	-
Capital outlay	293,233	327,248	719,956	982,937
Debt service:				
Principal retirement	459,187	428,157	374,923	838,976
Interest and fiscal charges	290,218	155,923	145,647	235,097
Issuance Costs	-	-	-	90,491
Capital Appreciation Bond Interest	-	-	62,332	-
Total expenditures	<u>8,009,370</u>	<u>7,777,421</u>	<u>8,686,462</u>	<u>11,201,229</u>
Excess of revenues				
Over (Under) expenditures	588,533	1,115,551	144,912	(1,579,229)
Other Financing Sources (Uses)				
Refunding bonds issued	3,665,000	-	-	-
Sale of Capital Assets	34,496	-	-	3,790
General Obligation Bonds Issued	-	-	-	6,000,000
Premium on Debt Issued	125,836	-	-	378,124
Financed Purchased Agreements	-	-	-	-
Transfers-In	703,047	1,470,778	1,262,069	1,582,034
Payment to Refunded Escrow Agent	(3,703,516)	-	-	-
Transfers-Out	(803,643)	(1,772,568)	(1,513,262)	(2,035,228)
Total other financing sources (uses)	<u>21,220</u>	<u>(301,790)</u>	<u>(251,193)</u>	<u>5,928,720</u>
Net change in fund balance	<u>\$ 609,753</u>	<u>\$ 813,761</u>	<u>\$ (106,281)</u>	<u>\$ 4,349,491</u>
Debt service as a percentage of noncapital expenditures (1)	10.7%	8.2%	7.3%	11.7%

(1) 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.

	2017	2018 (2)	2019	2020	2021	2022
\$	4,335,247	\$ 4,355,066	\$ 4,922,930	\$ 4,330,028	\$ 5,231,581	\$ 5,284,567
	2,319,490	2,375,889	2,405,436	2,391,054	2,422,739	2,467,843
	283,600	298,674	281,956	293,710	305,331	281,865
	410,586	403,260	589,634	471,351	537,872	473,674
	1,255,775	1,807,937	1,606,391	1,217,647	1,235,830	1,422,676
	8,825	19,047	16,099	11,069	62,680	37,744
	43,031	23,925	28,175	21,844	22,426	31,193
	1,509,340	1,477,258	1,682,807	3,248,136	2,082,585	2,383,747
	55,145	225,839	349,953	366,759	384,023	365,552
	157,783	187,739	335,326	244,627	495,216	349,860
	480	200	250	2,500	500	2,178
	(74,826)	(169,577)	142,363	(84,522)	(523,773)	(843,009)
	338,336	473,992	378,897	104,228	129,694	137,357
	<u>10,642,812</u>	<u>11,479,249</u>	<u>12,740,217</u>	<u>12,618,431</u>	<u>12,386,704</u>	<u>12,395,247</u>
	5,980,398	5,531,149	4,078,657	2,944,866	3,047,388	3,485,983
	3,596,863	3,880,300	4,196,033	3,878,244	4,915,523	5,026,548
	3,877	2,884	3,570	780,866	11,151	2,038
	-	-	-	-	-	-
	1,156,871	1,052,532	1,455,879	1,303,904	1,491,736	1,584,519
	-	619,867	904,048	748,746	839,602	1,080,509
	301,212	2,210,934	862,076	344,923	472,927	975,684
	742,552	855,817	905,428	914,591	1,000,335	1,022,708
	256,150	272,545	297,398	284,877	257,820	232,125
	-	-	-	-	-	-
	-	-	56,159	58,841	-	-
	<u>12,037,923</u>	<u>14,426,028</u>	<u>12,759,248</u>	<u>11,259,858</u>	<u>12,036,482</u>	<u>13,410,114</u>
	(1,395,111)	(2,946,779)	(19,031)	1,358,573	350,222	(1,014,867)
	-	-	-	-	30,625	-
	2,470	288,610	6,560	8,321	-	21,500
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	1,289,291	226,294	-	-	1,067,031
	1,463,818	2,277,504	2,321,230	2,134,665	2,780,260	2,835,031
	-	-	-	-	-	-
	<u>(2,027,492)</u>	<u>(2,478,697)</u>	<u>(2,399,300)</u>	<u>(2,335,857)</u>	<u>(2,955,723)</u>	<u>(3,036,224)</u>
	<u>(561,204)</u>	<u>1,376,708</u>	<u>154,784</u>	<u>(192,871)</u>	<u>(144,838)</u>	<u>887,338</u>
\$	<u>(1,956,315)</u>	<u>(1,570,071)</u>	<u>135,753</u>	<u>1,165,702</u>	<u>205,384</u>	<u>(127,529)</u>
	11.3%	11.5%	12.1%	12.4%	12.2%	10.7%

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>
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
2021	2,728,070	-0.62%	5,231,581	20.82%	7,959,651
2022	2,749,708	0.79%	5,284,567	1.01%	8,034,275

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
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
2021	252,157,000	14,660,060	762,334,457	8,343,360	9,481,091
2022	251,535,720	14,540,620	760,218,114	8,840,180	10,045,659

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.

Assessed Value	Total		Ratio	Weighted Average Tax Rate (per \$1,000 of assessed value)
	Estimated	Actual Value		
\$ 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
275,160,420	771,815,548		35.65	10.21
274,916,520	770,263,773		35.69	10.21

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

	2013	2014	2015	2016
Unvoted Millage				
Operating	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000
Voted Millage- By Levy				
1976 Police				
Residential/Agricultural Real	0.6335	0.6563	0.6581	0.6589
Commercial/Industrial and Public Utility Real	0.9758	1.0277	1.0299	1.0327
General Business and Public Utility Personal	2.6800	2.6800	2.6800	2.6800
1998 Police				
Residential/Agricultural Real	1.2989	1.3456	1.3493	1.3508
Commercial/Industrial and Public Utility Real	1.1531	1.2146	1.2117	1.2205
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	3.4024	3.5000	3.5000	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	3.4002	3.5000	3.5000	3.5000
General Business and Public Utility Personal	3.5000	3.5000	3.5000	3.5000
1998 Fire District				
Residential/Agricultural Real	0.8661	0.8970	0.8895	0.9005
Commercial/Industrial and Public Utility Real	0.7685	0.8095	0.8112	0.8134
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	9.7985	9.8989	9.8970	9.9103
Commercial/Industrial and Public Utility Real	9.7000	10.0518	10.0528	10.0666
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	11.3985	11.4989	11.4970	11.5103
Commercial/Industrial and Public Utility Real	11.3000	11.6518	11.6528	11.6666
General Business and Public Utility Personal	13.7800	13.7800	13.7800	13.7800
<hr/>				
Weighted Average	11.45	11.57	11.57	11.57

	2017	2018	2019	2020	2021	2022
\$	1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000
	0.6212	0.6217	0.6217	0.5681	0.5692	0.5692
	1.0294	1.0268	1.0268	1.0213	1.0218	1.0218
	2.6800	2.6800	2.6800	2.6800	2.6800	2.6800
	1.2736	1.2745	1.2745	1.1648	1.1678	1.1678
	1.2165	1.2135	1.2135	1.2069	1.2075	1.2075
	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
	3.2999	3.3023	3.3023	3.0180	3.0259	3.0259
	3.4886	3.4800	3.4800	3.3823	3.3839	3.3839
	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
	3.2997	3.3021	3.3021	3.0179	3.0258	3.0258
	3.4886	3.4800	3.4800	3.3821	3.3837	3.3837
	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
	0.8490	0.8496	0.8496	0.7765	0.7785	0.7785
	0.8108	0.8087	0.8087	0.8044	0.8047	0.8047
	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
	9.3433	9.3501	9.3502	8.5453	8.5672	8.5672
	10.0339	10.0090	10.0090	9.7970	9.8016	9.8016
	12.1800	12.1800	12.1800	12.1800	12.1800	12.1800
	10.9433	10.9501	10.9502	10.1453	10.1672	10.1672
	11.6339	11.6090	11.6090	11.3970	11.4016	11.4016
	13.7800	13.7800	13.7800	13.7800	13.7800	13.7800
	11.29	11.28	10.91	10.21	10.21	10.21

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

	2013	2014	2015	2016
Overlapping Rates by Taxing District				
Northmont School District				
Residential/Agricultural Real	\$ 49.7128	\$ 50.4860	\$ 50.5216	\$ 56.4221
Commercial/Industrial and Public Utility Real	52.7101	52.4390	52.9312	58.9066
General Business and Public Utility Personal	75.9500	75.9500	75.9500	81.8500
Trotwood-Madison School District				
Residential/Agricultural Real	49.9155	52.0057	52.5911	52.6248
Commercial/Industrial and Public Utility Real	56.4753	58.3794	52.0576	59.4426
General Business and Public Utility Personal	61.0600	61.5600	62.0600	62.0600
Brookville School District				
Residential/Agricultural Real	37.9222	42.6383	42.7465	42.7427
Commercial/Industrial and Public Utility Real	42.1393	48.3030	47.8145	46.9535
General Business and Public Utility Personal	69.0000	74.2500	74.2500	74.2500
Sinclair Community College				
Residential/Agricultural Real	3.2000	3.2000	4.2000	4.2000
Commercial/Industrial and Public Utility Real	3.2000	3.2000	4.2000	4.1739
General Business and Public Utility Personal	3.2000	3.2000	4.2000	4.2000
Montgomery County				
Residential/Agricultural Real	17.0355	18.0498	18.0510	18.0511
Commercial/Industrial and Public Utility Real	17.2391	18.2547	18.2569	18.1539
General Business and Public Utility Personal	17.7400	18.7400	18.7400	18.7400
Special Taxing Districts (1)				
Residential/Agricultural Real	5.7660	5.9500	5.6926	5.6686
Commercial/Industrial and Public Utility Real	5.8209	6.1800	5.8383	5.8068
General Business and Public Utility Personal	5.8900	6.2900	5.8900	5.8900

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

	2017	2018	2019	2020	2021	2022
\$	54.5853	\$ 54.6199	\$ 54.5813	\$ 54.5813	\$ 49.1396	\$ 49.1396
	58.9771	59.0432	58.7034	58.7035	57.5162	57.5162
	81.8500	81.8500	81.8500	81.8500	81.4000	81.4000
	52.4326	52.4937	52.5399	52.5399	48.0537	48.0537
	59.7198	59.4404	59.8073	59.8073	56.5836	56.5836
	62.0600	62.0600	62.0600	62.0600	62.0600	62.0600
	41.1663	40.6547	40.4550	40.4550	37.4248	37.4248
	47.1691	46.6251	45.4671	45.4672	41.1233	41.1233
	74.2300	73.7300	73.5300	73.5300	73.0100	73.0100
	3.9776	3.9810	3.9790	3.9790	3.4829	3.4829
	4.1876	4.1809	4.1441	4.1442	4.0076	4.0076
	4.2000	4.2000	4.2000	4.2000	4.5000	4.5000
	17.1854	17.4924	17.4845	17.4846	15.5165	15.5165
	18.1724	18.3899	18.2430	18.2431	17.6979	17.6979
	18.7400	18.9400	18.9400	18.9400	18.9400	18.9400
	6.9751	6.9709	6.7711	6.7694	6.2325	6.2325
	7.2418	7.2423	7.0217	7.0218	6.8078	6.8078
	7.3200	7.3200	7.1600	7.1600	7.0500	7.0500

CITY OF CLAYTON, OHIO

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Fiscal Year 2022		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power And Light Co	\$ 7,438,560	2.70%
DBC Stoneridge Limited Partner	2,700,800	0.98%
Vectren Energy Delivery of Ohio	2,064,930	0.75%
Pleasant Real Estate LLC IV	2,301,590	0.84%
Garden Woods Investors LLC	1,456,880	0.53%
Caterpillar Inc	918,990	0.33%
Randolph Investments LLC	895,920	0.33%
Cf Ohio Owner LLC	662,260	0.24%
Rex Residential Property Owner	590,790	0.21%
GW Clayton LLC	422,360	0.15%
Total Real and Personal Property	19,453,080	7.07%
All Others	255,707,340	92.93%
Total Assessed Valuation	275,160,420	100.00%

Fiscal Year 2013		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light Company	\$ 5,062,490	1.98%
Tilak Nagar/Stoneridge	2,514,150	0.98%
Pleasant Real Estate LLC	1,796,250	0.70%
Garden Woods Apartment LLC	1,313,450	0.51%
LGH Properties	1,309,250	0.51%
Randolph Investments LLC	933,290	0.36%
Caterpillar	906,350	0.35%
Greenglen Aparatments of Dayton	626,520	0.24%
Vectren Energy	556,640	0.22%
Hi-Tek Holdings LLC	300,570	0.12%
Total Real and Personal Property	\$ 15,318,960	5.99%
All Others	240,559,580	94.01%
Total Assessed Valuation	\$ 255,878,540	100.00%

Source: Montgomery County Auditor

CITY OF CLAYTON, OHIO

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

<u>Fiscal year</u>	<u>Total tax levy (1)</u>	<u>Current tax collections (1)</u>	<u>Percent of levy collected</u>	<u>Delinquent tax collections (2)</u>	<u>Total tax collections</u>	<u>Percent of total tax collections to tax levy</u>
<u>Montgomery County</u>						
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%
2021	2,840,248	2,808,141	98.87%	38,041	2,846,182	100.21%
2022	2,845,129	2,832,922	99.57%	56,671.00	2,889,593	101.56%

(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 delinquent tax collections by tax year. Outstanding delinquencies are tracked 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	Financed Purchase Agreements	Water Line Loan	OWDA Loans	
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
2021	-	6,997,184	464,872	-	2,140,823	9,602,879
2022	-	6,267,013	1,204,195	-	2,024,107	9,495,315

- (1) Computation of per capita personal income multiplied by population-
See Demographic and Economic Statistical Table
- (2) Source: 2010 and 2020 Census

Total Personal Income (1)	Population (2)	Ratio of Debt to Personal Income	Debt Per Capita
\$ 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
483,565,610	13,310	1.99%	721.48
492,756,808	13,249	1.93%	716.68

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

<u>Fiscal Year</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value (1)</u>	<u>Population (2)</u>	<u>Ration of Debt to Estimated Actual Value</u>	<u>Net General Obligation Bonded Debt Per Capita</u>
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
2021	6,997,184	771,815,548	13,310	0.91%	525.71
2022	5,440,727	770,263,773	13,249	0.71%	410.65

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CITY OF CLAYTON, OHIO

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Assessed Valuation	\$ 255,878,540	\$ 246,086,630	\$ 246,086,630	\$ 237,464,760
Overall debt limitation- 10.5% of assessed valuation	<u>26,867,247</u>	<u>25,839,096</u>	<u>25,839,096</u>	<u>24,933,800</u>
Gross indebtedness authorized by the City	12,440,147	12,274,255	11,681,190	13,130,757
Less: Exempt Debt				
Backhoe Promissory Note	70,438	57,393	43,947	-
Plow/Frieghtliner Promissory Note	150,007	113,770	76,702	38,786
Water Line Loan	4,213,092	4,208,656	4,208,656	-
OWDA Loan	<u>2,966,610</u>	<u>2,840,325</u>	<u>2,751,869</u>	<u>2,659,839</u>
Total Exempt Debt	<u>7,400,147</u>	<u>7,220,144</u>	<u>7,081,174</u>	<u>2,698,625</u>
Net Debt Subject to Limitation	5,040,000	5,054,111	4,600,016	10,432,132
Less Amount available in the Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,037</u>
Total Net Debt Subject to Limitation	<u>5,040,000</u>	<u>5,054,111</u>	<u>4,600,016</u>	<u>10,241,095</u>
Legal debt margin within 10.5% limitation	<u>21,827,247</u>	<u>20,784,985</u>	<u>21,239,080</u>	<u>14,692,705</u>
Legal Debt Margin as a Percentage of the Debt limit	81.2%	80.4%	82.2%	58.9%

Total Assessed Valuation	\$ 255,878,540	\$ 246,086,630	\$ 246,086,630	\$ 237,464,760
Overall debt limitation- 5.5% of assessed valuation	14,073,320	13,534,765	13,534,765	13,060,562
Gross indebtedness authorized by the City	12,440,147	12,274,255	11,681,190	13,130,757
Less: Exempt Debt				
Backhoe Promissory Note	70,438	57,393	43,947	-
Plow/Frieghtliner Promissory Note	150,007	113,770	76,702	38,786
Water Line Loan	4,213,092	4,208,656	4,208,656	-
OWDA Loan	<u>2,966,610</u>	<u>2,840,325</u>	<u>2,751,869</u>	<u>2,659,839</u>
Total Exempt Debt	<u>7,400,147</u>	<u>7,220,144</u>	<u>7,081,174</u>	<u>2,698,625</u>
Net Debt Subject to Limitation	5,040,000	5,054,111	4,600,016	10,432,132
Less Amount available in the Debt Service Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>191,037</u>
Total Net Debt Subject to Limitation	<u>5,040,000</u>	<u>5,054,111</u>	<u>4,600,016</u>	<u>10,241,095</u>
Legal debt margin within 5.5% limitation	<u>9,033,320</u>	<u>8,480,654</u>	<u>8,934,749</u>	<u>2,819,467</u>
Legal Debt Margin as a Percentage of the Debt limit	64.2%	62.7%	66.0%	21.6%

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

	2017	2018	2019	2020	2021	2022
\$	237,810,170	\$ 251,666,570	\$ 252,038,740	\$ 251,927,720	\$ 275,160,420	\$ 274,916,520
	24,970,068	26,424,990	26,464,068	26,452,411	28,891,844	28,866,235
	12,334,091	11,559,763	10,774,235	9,618,007	8,820,823	(317,184)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,564,091	2,464,475	2,360,835	2,253,007	2,140,823	2,024,107
	2,564,091	2,464,475	2,360,835	2,253,007	2,140,823	2,024,107
	9,770,000	9,095,288	8,413,400	7,365,000	6,680,000	(2,341,291)
	42,772	-	9,609	-	-	-
	9,727,228	9,095,288	8,403,791	7,365,000	6,680,000	(2,341,291)
	15,242,840	17,329,702	18,060,277	19,087,411	22,211,844	31,207,526
	61.0%	65.6%	68.2%	72.2%	76.9%	108.1%
<hr/>						
\$	237,810,170	\$ 251,666,570	\$ 252,038,740	\$ 251,927,720	\$ 275,160,420	\$ 274,916,520
	13,079,559	13,841,661	13,862,131	13,856,025	15,133,823	15,120,409
	12,334,091	11,559,763	10,774,235	9,618,007	8,820,823	(317,184)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,564,091	2,464,475	2,360,835	2,253,007	2,140,823	2,024,107
	2,564,091	2,464,475	2,360,835	2,253,007	2,140,823	2,024,107
	9,770,000	9,095,288	8,413,400	7,365,000	6,680,000	(2,341,291)
	42,772	-	9,609	-	-	-
	9,727,228	9,095,288	8,403,791	7,365,000	6,680,000	(2,341,291)
	3,352,331	4,746,373	5,458,340	6,491,025	8,453,823	17,461,700
	25.6%	34.3%	39.4%	46.8%	55.9%	115.5%

CITY OF CLAYTON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2022

Political subdivision of State of Ohio	Debt Outstanding	Percentage applicable to Clayton (1)	Amount applicable to Clayton
Direct			
City of Clayton - General Obligation Bonds	\$ 6,267,013	100.00%	\$ 6,267,013
Financed Purchase Obligations	<u>1,204,195</u>	100.00%	<u>1,204,195</u>
Total Direct Debt	<u>7,471,208</u>		<u>7,471,208</u>
Overlapping			
Montgomery County			
General Obligation	13,454,000	2.65%	356,499
Special Assesment Bonds	702,486	2.65%	18,614
Northmont School District (2)			
General Obligation	54,076,913	97.8%	52,887,859
Trotwood-Madison (2)			
School Improvement Bonds, Refunding	28,749,722	1.88%	539,135
Energy Conservation Note Payable	791,384	1.88%	14,841
Brookville School District (2)			
Levy Tax Anticipation Notes	607,000	0.086%	524
School Contruction Bonds, Refunding	<u>9,311,725</u>	0.086%	<u>8,042</u>
Total Overlapping Debt	<u>107,693,230</u>		<u>53,825,515</u>
Total Direct and Overlapping Debt	<u>\$ 115,164,438</u>		<u>\$ 61,296,723</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, 2022.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries 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>
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
2021	13,310	483,565,610	36,331	75,545	47.0	92.9%	5.0%	275,160,420
2022	13,249	492,756,808	37,192	75,545	47.0	94.2%	5.5%	274,916,520

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

	2013		2014		2015		2016	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
Governmental activities:								
Administration	7	15	7	15	7	15	8	16
Police	15	20	14	20	15	21	14	20
Fire/EMS	7	33	7	26	7	35	10	35
Golf/Banquet								
Street	8	12	8	10	9	14	11	16
Total Number of Employees	<u>37</u>	<u>80</u>	<u>36</u>	<u>71</u>	<u>38</u>	<u>85</u>	<u>43</u>	<u>87</u>

Source: City's Records

Note: Banquet staff added in 2022

2017		2018		2019		2020		2021		2022	
Full-Time	All										
8	15	9	16	8	16	8	17	8	15	8	15
14	20	14	19	16	18	17	19	18	19	19	19
9	27	10	28	13	29	13	27	13	20	13	24
		4	25	4	38	4	38	4	16	5	39
11	16	10	14	11	16	11	16	14	17	13	17
42	78	47	102	52	117	53	117	57	87	58	114

CITY OF CLAYTON, OHIO

OPERATING INDICATORS BY FUNCTION AND PROGRAM
LAST TEN FISCAL YEARS

	2013	2014	2015	2016
<i>Police</i>				
Police Calls	7,446	8,363	8,394	8,802
<i>Fire/EMS</i>				
Fire and EMS Calls	1,879	1,885	2,090	2,051
<i>Street</i>				
Dollars for Road Improvement	\$ 545,732	\$ 412,960	\$ 105,889	\$ 1,607,068
Miles of Roads (Lane Miles)	212	212	212	212
Tons of Salt Spread	1,143	1,206	914	1,112
Tons of Grit Spread	-	-	-	-

Source: City's records

2017	2018	2019	2020	2021	2022
8,097	8,292	10,008	9,902	18,837	18,837
2,182	1,635	2,374	2,765	2,300	2,394
\$ 2,803,838	\$ 2,943,139	\$ 1,172,839	\$ 891,545	\$ 897,082	\$ 789,529
212	212	212	212	214	214
1,400	1,421	1,455	725	1,559	1,163
-	-	-	-	12	-

CITY OF CLAYTON, OHIO

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government				
Government Center	1	1	1	1
Community Center	1	1	1	1
Gazebo	1	1	1	1
Parks	3	3	4	4
Cemeteries	2	2	2	2
Golf Course	0	0	1	1
Vehicles	1	1	2	2
Police				
Stations	1	1	1	1
Patrol Vehicles				
Active	8	8	7	6
Auxilliary	4	4	4	2
Support Vehicles/Trailers	1	1	1	1
Fire				
Stations	3	3	3	3
Response Vehicles	5	5	5	5
Support Vehicles	2	2	2	2
EMS				
Medics Vehicles	2	2	2	2
Street				
Buildings	2	2	2	2
Trucks	11	11	12	12
Pickups	4	4	4	5
Mowers	5	5	5	5

Source: City's records

2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
3	3	3	2	1	2
1	1	1	1	1	1
7	7	8	8	8	8
2	2	2	2	2	5
1	1	1	1	1	1
3	3	3	1	1	1
5	5	5	4	4	4
2	2	2	2	4	4
2	2	2	2	2	2
3	3	3	3	3	3
11	10	10	10	9	9
6	6	7	9	9	8
3	3	3	3	3	3

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