



## City of Clayton, Ohio



## Annual Comprehensive Financial Report

For The Year Ended December 31, 2023

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**CITY OF CLAYTON, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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## **Introductory Section**

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June 14, 2024

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, 2023, 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, 2023.

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, 2023. 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 2023 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 2023 were as follows:

- In November 2023, the City of Clayton placed on the ballot a request to residents approve a 1% income tax increase taking the tax rate to 2.5% and restoring the 100% income tax credit. The voters in 2023 rejected the proposal. The City Council then recertified the measure to the ballot for the March 2024 election.
- City Council authorized the purchase of the property at 3916 Old Salem Road that abuts the administrative building site. The city purchased this site with a plan to build a new fire station in the future. The City utilized JEDD funds for this purchase.
- Development in Clayton continued with the development of three residential developments. Hunter's Path, Grand Villas, and Wenger Meadows section three. Road Star Trucking on State Route 49 continued.

- One of the recommendations from the Plan Clayton Implementation Committee was the continued improvements to Main Street. The City demolished and 8051 2023. The city now has control of approximately two acres of land at the corner of Main Street and Hacker Road being marketed for Development.
- The City completed or scheduled several ARPA funded projects:
  - A new all-inclusive park play structure was installed at Northview Park. This was funded through ARPA and CDBG funding.
  - A new tension fabric salt barn was installed.
  - The City implemented an intersection camera program through partnership with the cities of Englewood and Union.

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 during a Goal Setting Workshop. 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 the goals. Priorities are measurable and time-based outcomes in support of your strategic goals.

They were derived from input from citizens via a survey. The Council then met in a special workshop with Department Directors to prioritize goals and lead discussion on how to possibly meet the goals.

#### GOALS

A. Secure new revenue streams to maintain the city’s financial security.

Priorities:

- Pass an increased tax levy in the next 6 months.
- Increase Meadowbrook revenue and maintain expenses.
- Achieve an 80% recovery rate in the next 5 years.

- Add one new revenue-generating feature/service by Dec. 31, 2024, and then every year after.
- Increase rental revenue by 10% by July 1, 2024.
- Increase revenue to CIP by 25% for paving by Dec. 31, 2025.
- Foster 2-3 other collaborative ventures with surrounding cities in the next 5 years.
- Grow the tax base by growing the population 5% by 2033 (2.5% in the next 5 years).

B. Attract and retain new business to the City of Clayton.

Priorities:

- Continue implementation of Plan Clayton initiatives through 2030.
- Develop North Clayton business ventures by 2030.
- Finish streetscape on Main Street by 2035.

C. Diversify housing options and community amenities to attract a more diversified population (i.e. young families) while also supporting older community members so they can age in place.

Priorities:

- Develop North Clayton residential project by 2033.
- Complete 1 new community amenity project (ex: new walking path) by Dec. 31, 2024.
- Establish 1 new community event per target population segment by Dec. 31, 2027 and continue annually (ex: Senior Living Fair for older population, Easter Egg Hunt at Meadowbrook for young families).

D. Further develop a more connected community (both physically and socially).

Priorities:

- Create a more walkable city with the creation of new developments.
- Cultivate more citizen involvement with achieving city goals.
- Connection of walking paths between neighborhoods.

## 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 and the program began in the fall of 2023.
- The City continued to work with ODOT and the City's engineer on the Congestion Mitigation and Air Quality Improvement (CMAQ) Program funding for the Phase I Hoke Road widening from Smith Drive to Wenger Road. Notice was sent to the public concerning the installation of a roundabout at the intersection of Wenger and Hoke Road. This project is slated to be completed in the fiscal year 2026
- City Council dedicated ARPA fund money to the Wenger Storm Sewer Project and the Talmage Road Storm Sewer Project. Meetings were held with both citizen groups to begin these projects. Montgomery County Soil and Water and engineering work began in 2023.

- The parking lot on Salem Street at Hardscrabble Park was completed in 2023 with the 2023 paving work.
- City Council authorized the purchase of the property at 3916 Old Salem Road that abuts the administrative building site. The city purchased this site with a plan to build a new fire station in the future.
- 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 and striping was completed in 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 Comprehensive Financial Report (ACFR) 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 ACFR. 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 ACFR 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, 2022

*Christopher P. Morill*

Executive Director/CEO

# City of Clayton, Ohio

*Principal Officials  
December 31, 2023*

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## **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

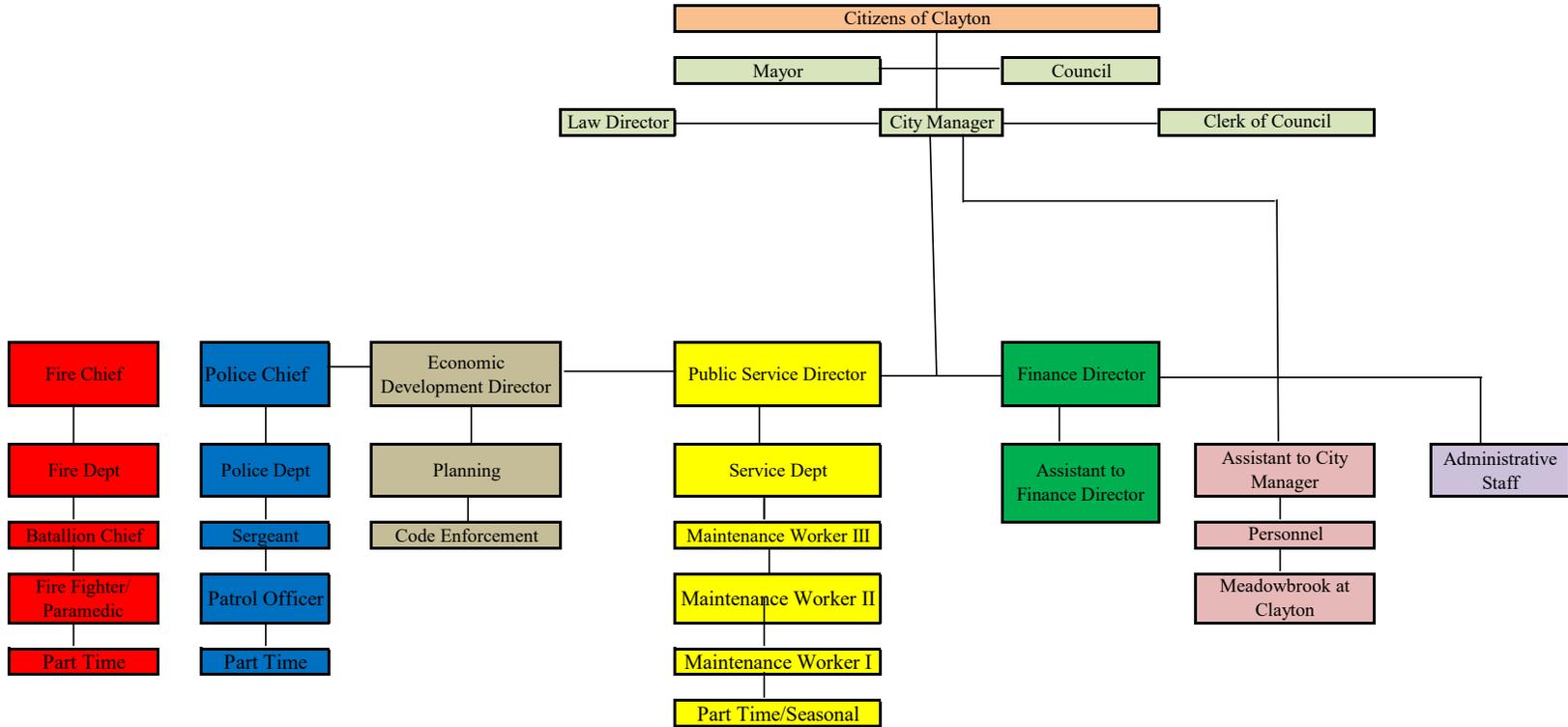
# CITY OF CLAYTON ORGANIZATIONAL CHART

## 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.



## **Financial Section**

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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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparisons for the General, Police, Fire, and Street 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 14, 2024, 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 14, 2024

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## CITY OF CLAYTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (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, 2023. 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 2023 are as follows:

- The total net position of the City decreased \$1,520,540. Net position of governmental activities decreased \$1,551,760 or 7.47% from 2022's net position, and net position of business-type activities increased \$31,220 or 8.63% from 2022's net position.
- General revenues accounted for \$9,933,616 or 71.08% of total governmental activities revenue. Program specific revenues accounted for \$4,040,967 or 28.92% of total governmental activities revenue.
- The City had \$15,325,151 in expenses related to governmental activities; \$4,040,967 of these expenses were offset by program specific charges for services, grants, or contributions. The remaining expenses of the governmental activities of \$11,284,184 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$9,933,616.
- The general fund had revenues of \$6,283,772 in 2023. This represents an increase of \$1,283,419 from 2022 revenues. The expenditures and other financing uses of the general fund, which totaled \$6,302,960 in 2023, increased \$243,286 from 2022. The net decrease in fund balance for the general fund was \$19,188 or 0.47% compared with the 2022 balance.
- The police fund had revenues and other financing sources of \$2,573,278 in 2023. This represents an increase of \$290,040 from 2022 revenues and other sources. The expenditures of the police fund, which totaled \$2,584,889 in 2023, increased \$22,486 from 2022. The net decrease in fund balance for the police fund was \$11,611, resulting in a fund balance of \$87,704.
- The fire fund had revenues and other financing sources of \$1,717,777 in 2023. This represents an increase of \$98,805 from 2022 revenues and other financing sources. The expenditures of the fire fund, which totaled \$1,774,756 in 2023, decreased \$53,391 from 2022. The net decrease in the fund balance for the fire fund was \$56,979 or 42.81%.
- The street fund had revenues and other financing sources of \$1,405,432 in 2023. This represents a decrease of \$219,991 from 2022 revenues and other financing sources. The expenditures of the street fund, which totaled \$1,453,507 in 2023, decreased \$56,003 from 2022. The net decrease in the fund balance for the street fund was \$48,075 or 7.68%.
- The capital improvement fund had revenues and other financing sources of \$2,345,734 in 2023. The expenditures of the capital improvement fund totaled \$3,001,931 in 2023. The net decrease in the fund balance for the capital improvement fund was \$656,197 or 32.92%. This decrease was a result of the timing of financed purchased transactions which were entered into during the prior year, but the assets were paid for in fiscal year 2023.
- Net position for the business-type activities, which is made up of the sewer operating department, increased in 2023 by \$31,220.
- In the general fund, the actual revenues came in \$614,585 more than they were in the final budget and actual expenditures and other financing uses were \$698,286 less than the amount in the final budget. Final budgeted revenues were \$204,337 more than the original budgeted revenues. Budgeted expenditures and other financing uses increased \$182,871 from the original to the final budget.

#### Using this Annual Financial Report

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

## CITY OF CLAYTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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 2023?" 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.

#### **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

## CITY OF CLAYTON, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2023 (UNAUDITED)

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, 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 36-39 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 40-41 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 42-93 of this report.

#### ***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 96-115 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 2023 compared to 2022.

**CITY OF CLAYTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)

			<b>Net Position</b>			
	2023	2022	2023	2022	2023	2022
	<u>Governmental</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Business-type</u>	<u>Total</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>	<u>Activities</u>		
<b><u>Assets</u></b>						
Current and other assets	\$ 16,278,915	\$ 18,612,797	\$ -	\$ -	\$ 16,278,915	\$ 18,612,797
Capital assets, net	<u>21,620,345</u>	<u>21,765,349</u>	<u>2,295,553</u>	<u>2,385,764</u>	<u>23,915,898</u>	<u>24,151,113</u>
Total assets	<u>37,899,260</u>	<u>40,378,146</u>	<u>2,295,553</u>	<u>2,385,764</u>	<u>40,194,813</u>	<u>42,763,910</u>
<b><u>Deferred outflows</u></b>	<u>6,434,931</u>	<u>4,284,550</u>	<u>-</u>	<u>-</u>	<u>6,434,931</u>	<u>4,284,550</u>
<b><u>Liabilities</u></b>						
Current liabilities	728,461	1,395,105	-	-	728,461	1,395,105
Long-term liabilities:						
Due within one year	1,211,071	1,167,147	126,337	121,431	1,337,408	1,288,578
Net pension liability	12,285,910	6,499,479	-	-	12,285,910	6,499,479
Net OPEB liability	727,948	936,619	-	-	727,948	936,619
Other liabilities	<u>5,829,028</u>	<u>6,839,512</u>	<u>1,776,339</u>	<u>1,902,676</u>	<u>7,605,367</u>	<u>8,742,188</u>
Total liabilities	<u>20,782,418</u>	<u>16,837,862</u>	<u>1,902,676</u>	<u>2,024,107</u>	<u>22,685,094</u>	<u>18,861,969</u>
<b><u>Deferred inflows</u></b>	<u>4,316,416</u>	<u>7,037,717</u>	<u>-</u>	<u>-</u>	<u>4,316,416</u>	<u>7,037,717</u>
<b><u>Net Position</u></b>						
Net investment in capital assets	15,327,730	15,255,494	392,877	361,657	15,720,607	15,617,151
Restricted	5,170,058	6,444,076	-	-	5,170,058	6,444,076
Unrestricted (deficit)	<u>(1,262,431)</u>	<u>(912,453)</u>	<u>-</u>	<u>-</u>	<u>(1,262,431)</u>	<u>(912,453)</u>
Total net position	<u>\$ 19,235,357</u>	<u>\$ 20,787,117</u>	<u>\$ 392,877</u>	<u>\$ 361,657</u>	<u>\$ 19,628,234</u>	<u>\$ 21,148,774</u>

The net pension liability for governmental activities increased approximately \$5.8 million, deferred outflows of resources related to pension increased approximately \$2 million and deferred inflows of resources related to pension decreased approximately \$2.7 million. These changes were the result of changes at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund. Primarily, net investment income on investments at the pension systems were negative for the 2022 measurement date that are used for the 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous year's large positive investment returns.

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.

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.

CITY OF CLAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)

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, 2023, the City's governmental assets and deferred outflows exceeded liabilities and deferred inflows by \$19,235,357. At year-end, net position was \$19,235,357 and \$392,877 for the governmental activities and the business-type activities, respectively.

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 59.50% 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, 2023, was \$15,327,730 and \$392,877 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, \$5,170,058, 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 \$(1,262,431).

The table below shows the changes in net position for years 2022 and 2023.

**CITY OF CLAYTON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

	<b>Change in Net Position</b>					
	2023	2022	2023	2022	2023	2022
	Governmental	Governmental	Business-Type	Business-Type	2023	2022
	Activities	Activities	Activities	Activities	Total	Total
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,154,351	\$ 1,619,784	\$ -	\$ -	\$ 2,154,351	\$ 1,619,784
Operating grants and contributions	1,649,381	1,356,201	-	-	1,649,381	1,356,201
Capital grants and contributions	<u>237,235</u>	<u>332,426</u>	<u>-</u>	<u>-</u>	<u>237,235</u>	<u>332,426</u>
Total program revenues	<u>4,040,967</u>	<u>3,308,411</u>	<u>-</u>	<u>-</u>	<u>4,040,967</u>	<u>3,308,411</u>
General revenues:						
Property taxes	2,475,084	2,384,355	-	-	2,475,084	2,384,355
Other local taxes	357,678	344,245	-	-	357,678	344,245
Unrestricted grants and entitlements	730,982	730,636	-	-	730,982	730,636
Payment in lieu of taxes	540,489	473,674	-	-	540,489	473,674
Municipal income taxes	5,450,208	5,472,632	-	-	5,450,208	5,472,632
Investment earnings	179,033	279,257	-	-	179,033	279,257
Change in fair value	129,086	(843,009)	-	-	129,086	(843,009)
Miscellaneous	<u>71,056</u>	<u>77,376</u>	<u>-</u>	<u>-</u>	<u>71,056</u>	<u>77,376</u>
Total general revenues	<u>9,933,616</u>	<u>8,919,166</u>	<u>-</u>	<u>-</u>	<u>9,933,616</u>	<u>8,919,166</u>
Total revenues	<u>13,974,583</u>	<u>12,227,577</u>	<u>-</u>	<u>-</u>	<u>13,974,583</u>	<u>12,227,577</u>
Expenses:						
General government	4,809,178	2,874,560	-	-	4,809,178	2,874,560
Security of persons and property	6,298,210	5,518,108	-	-	6,298,210	5,518,108
Public health and welfare	17,906	2,038	-	-	17,906	2,038
Transportation	2,680,763	2,535,182	-	-	2,680,763	2,535,182
Leisure time activities	1,230,998	997,665	-	-	1,230,998	997,665
Economic Development	48,625	-	-	-	48,625	-
Interest and fiscal charges	239,471	231,624	-	-	239,471	231,624
Sewer	<u>-</u>	<u>-</u>	<u>169,972</u>	<u>174,688</u>	<u>169,972</u>	<u>174,688</u>
Total expenses	<u>15,325,151</u>	<u>12,159,177</u>	<u>169,972</u>	<u>174,688</u>	<u>15,495,123</u>	<u>12,333,865</u>
Change in net position before transfers	(1,350,568)	68,400	(169,972)	(174,688)	(1,520,540)	(106,288)
Transfers	<u>(201,192)</u>	<u>(201,193)</u>	<u>201,192</u>	<u>201,193</u>	<u>-</u>	<u>-</u>
Change in net position	<u>(1,551,760)</u>	<u>(132,793)</u>	<u>31,220</u>	<u>26,505</u>	<u>(1,520,540)</u>	<u>(106,288)</u>
Net position at beginning 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>
Net position at end of year	<u>\$ 19,235,357</u>	<u>\$ 20,787,117</u>	<u>\$ 392,877</u>	<u>\$ 361,657</u>	<u>\$ 19,628,234</u>	<u>\$ 21,148,774</u>

**Governmental Activities**

Governmental activities net position decreased 7.47% or \$1,551,760 in 2023.

Overall, expenses of the governmental activities increased approximately \$3.2 million. This increase is primarily the result of an increase in pension expense. Pension expense increased approximately \$1.5 million. This increase was the result of an increase in expenses incurred at the pension system level for Ohio Public Employees Retirement System (OPERS) and the Ohio Police and Fire (OP&F) Pension Fund due to a decrease in net investment income on investments compared to previous years.

Security of persons and property, which primarily supports the operations of the police and fire departments accounted for \$6,298,210 of the total governmental expenses of the City. These expenses were partially funded by \$708,982 in direct charges to users of the services and \$87,133 in operating grants and contributions. Transportation expenses totaled \$2,680,763.

**CITY OF CLAYTON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

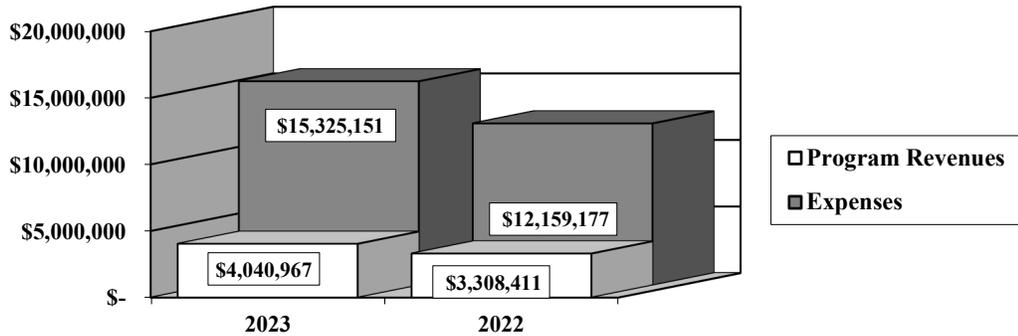
Transportation expenses were partially funded by \$121,278 in direct charges to users of the services and \$858,980 in operating grants and contributions. General government expenses totaled \$4,809,178. General government expenses were partially funded by \$577,030 in direct charges to users of the services, \$703,268 in operating grants and contributions and \$237,235 in capital grants and contributions.

The state and federal government contributed to the City a total of \$1,649,381 in operating grants and contributions. These revenues are restricted to a particular program or purpose.

General revenues totaled \$9,933,616 and amounted to 71.08% of total governmental revenues. These revenues primarily consist of property taxes, other local taxes, and income tax revenue of \$2,832,762. Unrestricted grants and entitlements of \$730,982, which includes local government funds, is the other primary source of general revenues.

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

**Governmental Activities - Program Revenues vs. Total Expenses**



**CITY OF CLAYTON, OHIO**

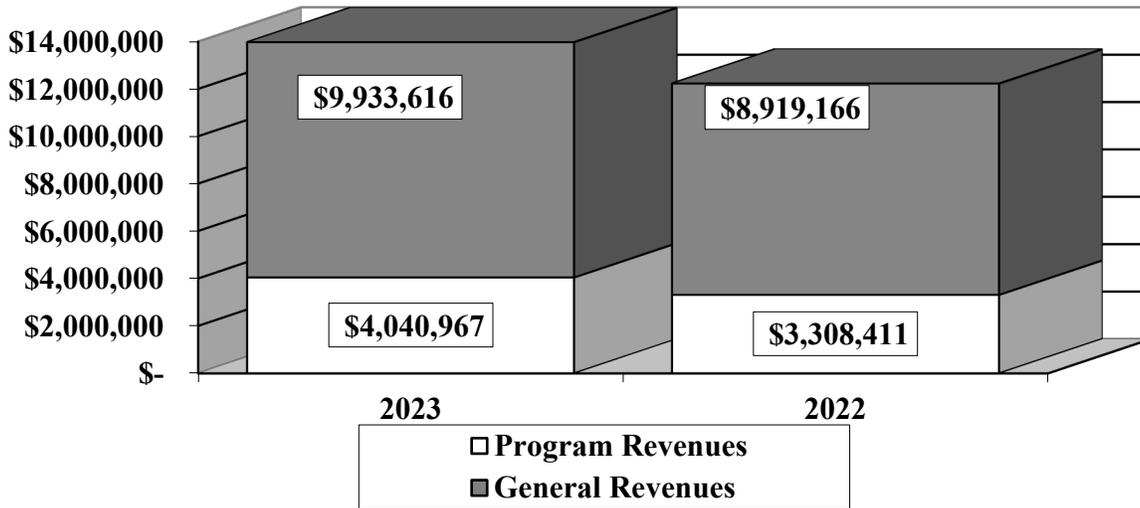
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

**Governmental Activities**

	Total Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2023</u>	Net Cost of Services <u>2022</u>
Program Expenses:				
General government	\$ 4,809,178	\$ 2,874,560	\$ 3,291,645	\$ 1,914,632
Security of persons and property	6,298,210	5,518,108	5,502,095	4,789,310
Public health and welfare	17,906	2,038	2,300	(12,535)
Transportation	2,680,763	2,535,182	1,700,505	1,546,149
Leisure time activity	1,230,998	997,665	500,768	381,586
Economic Development	48,625	-	47,400	-
Interest and Fiscal Charges	<u>239,471</u>	<u>231,624</u>	<u>239,471</u>	<u>231,624</u>
<b>Total Expenses</b>	<b><u>\$ 15,325,151</u></b>	<b><u>\$ 12,159,177</u></b>	<b><u>\$ 11,284,184</u></b>	<b><u>\$ 8,850,766</u></b>

The dependence upon general revenues for governmental activities is apparent, with 73.63% of expenses supported through taxes and other general revenues.

**Governmental Activities - General and Program Revenues**



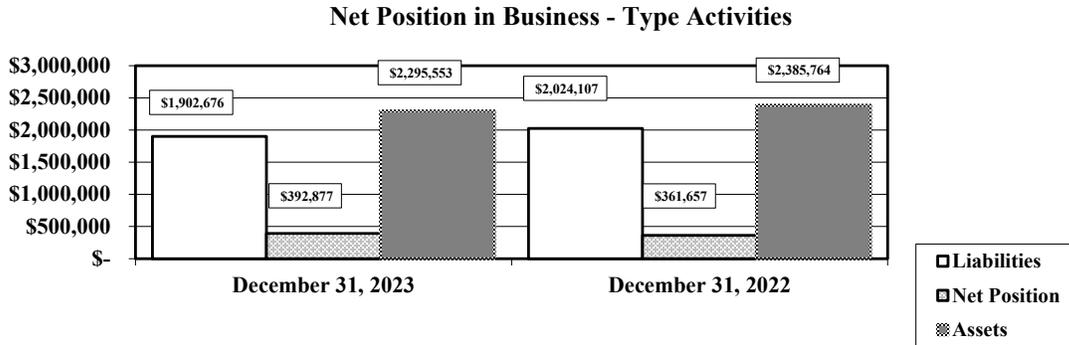
**Business-Type Activities**

Business-type activities include the sewer operating department. These programs had expenses of \$169,972, and transfers in from governmental activities of \$201,192 for 2023.

**CITY OF CLAYTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
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The graph below shows the business-type activities assets, liabilities, and net position at year-end 2023 and 2022.



**Financial Analysis of the Government's Funds**

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

**Governmental Funds**

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

The City's governmental funds (as presented on the balance sheet on page 24-25) reported a combined fund balance of \$9,147,827 which is \$846,132 below last year's balance of \$9,993,959. The schedule below indicates the fund balances and the total change in fund balances as of December 31, 2023 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/23</u>	Fund Balances <u>12/31/22</u>	Increase <u>(Decrease)</u>
Major Funds:			
General	\$ 4,056,769	\$ 4,075,957	\$ (19,188)
Police	87,704	99,315	(11,611)
Fire	76,113	133,092	(56,979)
Street	578,011	626,086	(48,075)
Capital improvement	1,337,185	1,993,382	(656,197)
Other nonmajor governmental funds	<u>3,012,045</u>	<u>3,066,127</u>	<u>(54,082)</u>
Total	<u>\$ 9,147,827</u>	<u>\$ 9,993,959</u>	<u>\$ (846,132)</u>

**CITY OF CLAYTON, OHIO**

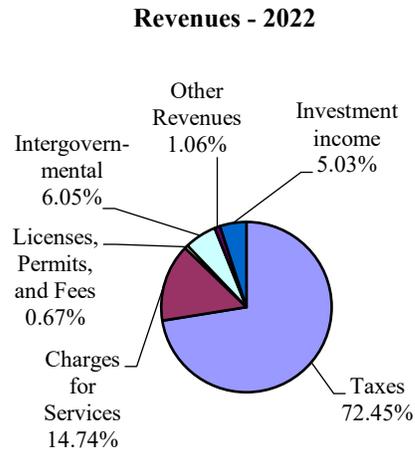
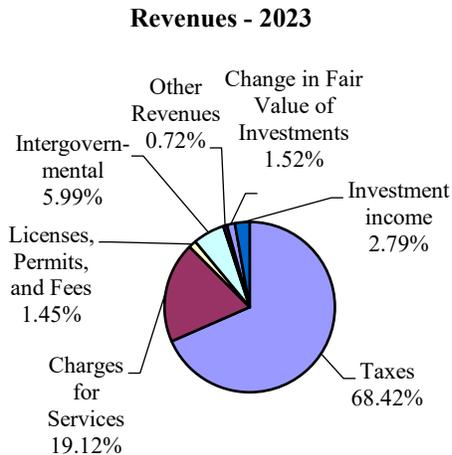
**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

**General Fund**

The City’s general fund balance decreased \$19,188. The City had \$2,806,407 in transfers out in fiscal year 2023 for police, fire, debt service and street repair. The table that follows assists in illustrating the revenues of the general fund.

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 4,299,433	\$ 4,090,378	5.11 %
Charges for services	1,201,281	831,987	44.39 %
Licenses, permits, and fees	90,937	37,744	140.93 %
Change in fair value	95,216	(645,455)	(114.75) %
Investment income	175,513	284,118	(38.23) %
Intergovernmental	376,450	341,734	10.16 %
Other	<u>44,942</u>	<u>59,847</u>	(24.91) %
<b>Total</b>	<b><u>\$ 6,283,772</u></b>	<b><u>\$ 5,000,353</u></b>	25.67 %

Tax revenue represents 68.42% 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 different than in previous years due to the market performance. The most significant change in revenues occurred in Licenses, Permits, and Fees, increasing 140.93%, mainly due to an increase in impact fees.



**CITY OF CLAYTON, OHIO**

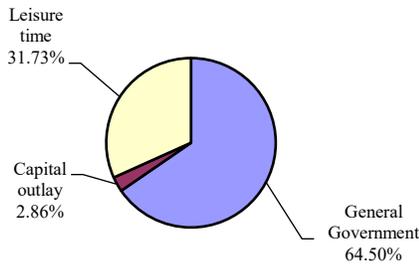
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

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

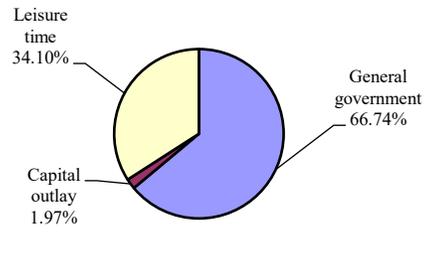
	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>			
General government	\$ 2,287,083	\$ 2,079,990	9.96 %
Leisure time activities	1,109,538	1,080,509	2.69 %
Capital outlay	<u>99,932</u>	<u>64,144</u>	55.79 %
<b>Total</b>	<b><u>\$ 3,496,553</u></b>	<b><u>\$ 3,224,643</u></b>	8.43 %

Expenditures increased 8.43% from 2022. The largest expenditure line item, general government, increased 9.96%. This was the result of an increase in the amount of contractual services utilized.

**Expenditures - 2023**



**Expenditures - 2022**



***Police Fund***

The police fund had revenues and other financing sources of \$2,573,278 in 2023. This represents an increase of \$290,040 from 2022 revenues and other sources, the largest factor being an increase in transfers-in. The expenditures of the police fund, which totaled \$2,584,889 in 2023, increased \$22,486 from 2022. 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 2023. The net decrease in fund balance for the police fund was \$11,611.

***Fire Fund***

The fire fund had revenues and other financing sources of \$1,717,777 in 2023. This represents an increase of \$98,805 from 2022 revenues and other financing sources. The expenditures of the fire fund, which totaled \$1,774,756 in 2023, decreased \$53,391 from 2022. 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 \$56,979 or 42.81%.

***Street Fund***

The street fund had revenues and other financing sources of \$1,405,432 in 2023. This represents a decrease of \$219,991 from 2022 revenues and other financing sources. The decrease is attributable to a decrease in transfers-in from the General fund. The expenditures of the street fund, which totaled \$1,453,507 in 2023, decreased \$56,003 from 2022. This is mainly due to decreased capital outlay and repair and maintenance costs. The net decrease in the fund balance for the street fund was \$48,075 or 7.68%.

**CITY OF CLAYTON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

***Capital Improvement Fund***

The capital improvement fund had revenues and other financing sources of \$2,345,734 in 2023. The expenditures of the capital improvement fund totaled \$3,001,931 in 2023. The increase in expenditures was mainly due to increased capital outlay amounts. The net decrease in the fund balance for the capital improvement fund was \$656,197 or 32.92%. This decrease was related to financed purchase transactions, of which \$119,700 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 \$614,585 more than they were in the final budget and actual expenditures and other financing uses were \$698,286 less than the amount in the final budget. Final budgeted revenues were \$204,337 more than original budgeted revenues. Budgeted expenditures and other financing uses increased \$182,871 from the original to the final budget.

The variance between actual revenues and other financing sources compared to final budget was a result of charges for services associated with banquet room rental and food and alcohol sales at the golf course as well as market changes contributing to investment income. 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 in net position of \$31,220. The sewer fund receives operating transfers to pay an outstanding OWDA loan associated with sewer line construction. The City transferred \$201,192 to the fund to support operations.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of 2023, the City had \$23,915,898 (net of accumulated depreciation) invested in land, buildings, improvements other than buildings, furniture, fixtures and equipment, vehicles, and infrastructure. Of this total, \$21,620,345 was reported in governmental activities and \$2,295,553 was reported in business-type activities. See Note 10 in the basic financial statements for additional capital asset disclosure. The following table shows 2023 balances compared to 2022:

**CITY OF CLAYTON, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 5,777,025	\$ 5,597,025	\$ -	\$ -	\$ 5,777,025	\$ 5,597,025
Improvements other than buildings	847,796	462,080	-	-	847,796	462,080
Buildings	1,232,957	1,182,431	-	-	1,232,957	1,182,431
Furniture, fixtures and equipment	2,044,271	1,246,513	-	-	2,044,271	1,246,513
Vehicles	1,974,743	2,408,658	-	-	1,974,743	2,408,658
Infrastructure	<u>9,743,553</u>	<u>10,868,642</u>	<u>2,295,553</u>	<u>2,385,764</u>	<u>12,039,106</u>	<u>13,254,406</u>
Totals	<u>\$ 21,620,345</u>	<u>\$ 21,765,349</u>	<u>\$ 2,295,553</u>	<u>\$ 2,385,764</u>	<u>\$ 23,915,898</u>	<u>\$ 24,151,113</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 45.07% of the City's total governmental capital assets.

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

***Debt Administration***

The City had the following long-term obligations outstanding at December 31, 2023 and 2022:

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
General obligation bonds	\$ 5,526,842	\$ 6,267,013
Financed purchase obligations	<u>1,032,234</u>	<u>1,204,195</u>
Total long-term obligations	<u>\$ 6,559,076</u>	<u>\$ 7,471,208</u>
	<u>Business-type Activities</u>	
	<u>2023</u>	<u>2022</u>
OWDA loans	<u>\$ 1,902,676</u>	<u>\$ 2,024,107</u>
Total long-term obligations	<u>\$ 1,902,676</u>	<u>\$ 2,024,107</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 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.

**CITY OF CLAYTON, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(UNAUDITED)**

**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.

BASIC  
FINANCIAL STATEMENTS

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CITY OF CLAYTON, OHIO

STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Equity in pooled cash and cash equivalents	\$ 8,611,012	\$ -	\$ 8,611,012
Cash with escrow agent	119,700	-	119,700
Receivables:			
Income taxes	1,680,199	-	1,680,199
Real and other taxes	2,572,509	-	2,572,509
Accounts	388,420	-	388,420
Payment in lieu of taxes receivable	627,835	-	627,835
Special assessments	709,623	-	709,623
Accrued interest	23,407	-	23,407
Due from other governments	748,144	-	748,144
Inventory held for resale	5,479	-	5,479
Materials and supplies inventory	169,650	-	169,650
Prepayments	175,575	-	175,575
Investment in joint venture	108,299	-	108,299
Land held for resale	274,088	-	274,088
Net pension asset	64,975	-	64,975
Capital assets:			
Land and construction in progress	5,777,025	-	5,777,025
Depreciable capital assets, net	15,843,320	2,295,553	18,138,873
Total capital assets, net	<u>21,620,345</u>	<u>2,295,553</u>	<u>23,915,898</u>
Total assets	<u>37,899,260</u>	<u>2,295,553</u>	<u>40,194,813</u>
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refunding	146,761	-	146,761
OPEB	944,876	-	944,876
Pension	5,343,294	-	5,343,294
Total deferred outflows of resources	<u>6,434,931</u>	<u>-</u>	<u>6,434,931</u>
<b>Liabilities:</b>			
Accounts payable	144,587	-	144,587
Accrued wages and benefits payable	101,000	-	101,000
Due to other governments	91,452	-	91,452
Accrued interest payable	30,864	-	30,864
Unearned revenue	360,558	-	360,558
Long-term liabilities:			
Due within one year	1,211,071	126,337	1,337,408
Due greater than one year:			
Net pension liability	12,285,910	-	12,285,910
Net OPEB liability	727,948	-	727,948
Other amounts due in more than one year	5,829,028	1,776,339	7,605,367
Total liabilities	<u>20,782,418</u>	<u>1,902,676</u>	<u>22,685,094</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	2,494,895	-	2,494,895
Payment in lieu of taxes	627,696	-	627,696
OPEB	717,630	-	717,630
Pension	476,195	-	476,195
Total deferred inflows of resources	<u>4,316,416</u>	<u>-</u>	<u>4,316,416</u>
<b>Net position:</b>			
Net investment in capital assets	15,327,730	392,877	15,720,607
Restricted for:			
Debt service	644,457	-	644,457
Road improvements	350,024	-	350,024
Capital projects	1,678,487	-	1,678,487
Cemetery operations	66,711	-	66,711
Other purposes	11,719	-	11,719
Drug and alcohol enforcement	27,419	-	27,419
Street lighting	58,411	-	58,411
Economic development	2,267,855	-	2,267,855
Pension	64,975	-	64,975
Unrestricted	<u>(1,262,431)</u>	<u>-</u>	<u>(1,262,431)</u>
Total net position	<u>\$ 19,235,357</u>	<u>\$ 392,877</u>	<u>\$ 19,628,234</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CLAYTON, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 4,809,178	\$ 577,030	\$ 703,268	\$ 237,235
Security of persons and property	6,298,210	708,982	87,133	-
Public health and welfare	17,906	15,606	-	-
Transportation	2,680,763	121,278	858,980	-
Leisure time activity	1,230,998	730,230	-	-
Economic development	48,625	1,225	-	-
Interest and fiscal charges	239,471	-	-	-
Total governmental activities	<u>15,325,151</u>	<u>2,154,351</u>	<u>1,649,381</u>	<u>237,235</u>
<b>Business-type activities:</b>				
Sewer Department	169,972	-	-	-
Total business-type activities	<u>169,972</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 15,495,123</u>	<u>\$ 2,154,351</u>	<u>\$ 1,649,381</u>	<u>\$ 237,235</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**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (3,291,645)	\$ -	\$ (3,291,645)
(5,502,095)	-	(5,502,095)
(2,300)	-	(2,300)
(1,700,505)	-	(1,700,505)
(500,768)	-	(500,768)
(47,400)	-	(47,400)
(239,471)	-	(239,471)
<u>(11,284,184)</u>	<u>-</u>	<u>(11,284,184)</u>
-	(169,972)	(169,972)
-	(169,972)	(169,972)
<u>(11,284,184)</u>	<u>(169,972)</u>	<u>(11,454,156)</u>
382,805	-	382,805
1,174,748	-	1,174,748
729,778	-	729,778
187,753	-	187,753
357,678	-	357,678
3,633,055	-	3,633,055
1,817,153	-	1,817,153
540,489	-	540,489
730,982	-	730,982
129,086	-	129,086
179,033	-	179,033
71,056	-	71,056
<u>9,933,616</u>	<u>-</u>	<u>9,933,616</u>
<u>(201,192)</u>	<u>201,192</u>	<u>-</u>
<u>9,732,424</u>	<u>201,192</u>	<u>9,933,616</u>
(1,551,760)	31,220	(1,520,540)
<u>20,787,117</u>	<u>361,657</u>	<u>21,148,774</u>
<u>\$ 19,235,357</u>	<u>\$ 392,877</u>	<u>\$ 19,628,234</u>

CITY OF CLAYTON, OHIO

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

	<u>General</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Street Fund</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 3,786,715	\$ 78,661	\$ 135,805	\$ 443,381
Cash with escrow agent	-	-	-	-
Receivables:				
Income taxes	1,120,157	-	-	-
Real and other taxes	543,825	1,140,662	706,212	-
Accounts	111,074	-	-	124,845
Payments in lieu of taxes	-	-	-	-
Special assessments	-	-	-	-
Accrued interest	20,074	-	-	2,481
Due from other governments	135,568	151,171	54,887	339,087
Inventory held for resale	5,479	-	-	-
Materials and supplies inventory	-	-	-	124,943
Prepayments	82,783	17,199	9,442	36,206
Land held for resale	-	-	-	-
Total assets	<u>\$ 5,805,675</u>	<u>\$ 1,387,693</u>	<u>\$ 906,346</u>	<u>\$ 1,070,943</u>
<b>Liabilities:</b>				
Accounts payable	\$ 7,224	\$ 8,198	\$ 11,483	\$ 68,778
Accrued wages and benefits payable	21,530	32,555	30,901	13,753
Due to other governments	15,413	31,413	26,750	9,704
Unearned revenue	-	-	-	-
Total liabilities	<u>44,167</u>	<u>72,166</u>	<u>69,134</u>	<u>92,235</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	494,710	1,124,819	696,142	-
Delinquent property tax revenue not available	7,270	15,843	10,070	-
Accrued interest not available	14,016	-	-	1,732
Special assessments revenue not available	-	-	-	-
Miscellaneous revenue not available	149,809	-	-	124,845
Income tax revenue not available	922,078	-	-	-
Intergovernmental revenue not available	116,856	87,161	54,887	274,120
Payment in lieu of taxes levied for the next fiscal year	-	-	-	-
Delinquent payment in lieu of tax revenue not available	-	-	-	-
Total deferred inflows of resources	<u>1,704,739</u>	<u>1,227,823</u>	<u>761,099</u>	<u>400,697</u>
<b>Fund balances:</b>				
Nonspendable	82,783	17,199	9,442	161,149
Restricted	-	70,505	66,671	416,862
Assigned	1,171,376	-	-	-
Unassigned	2,802,610	-	-	-
Total fund balances	<u>4,056,769</u>	<u>87,704</u>	<u>76,113</u>	<u>578,011</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,805,675</u>	<u>\$ 1,387,693</u>	<u>\$ 906,346</u>	<u>\$ 1,070,943</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Capital Improvement Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,143,461	\$ 3,022,989	\$ 8,611,012
119,700	-	119,700
560,042	-	1,680,199
-	181,810	2,572,509
-	152,501	388,420
-	627,835	627,835
-	709,623	709,623
-	852	23,407
-	67,431	748,144
-	-	5,479
-	44,707	169,650
-	29,945	175,575
-	274,088	274,088
<u>\$ 1,823,203</u>	<u>\$ 5,111,781</u>	<u>\$ 16,105,641</u>
\$ 25,016	\$ 23,888	\$ 144,587
-	2,261	101,000
-	8,172	91,452
-	360,558	360,558
<u>25,016</u>	<u>394,879</u>	<u>697,597</u>
-	179,224	2,494,895
-	2,586	35,769
-	595	16,343
-	709,623	709,623
-	130,790	405,444
461,002	-	1,383,080
-	54,204	587,228
-	627,696	627,696
-	139	139
<u>461,002</u>	<u>1,704,857</u>	<u>6,260,217</u>
-	74,652	345,225
1,337,185	2,933,563	4,824,786
-	3,830	1,175,206
-	-	2,802,610
<u>1,337,185</u>	<u>3,012,045</u>	<u>9,147,827</u>
<u>\$ 1,823,203</u>	<u>\$ 5,111,781</u>	<u>\$ 16,105,641</u>

**CITY OF CLAYTON, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2023

<b>Total governmental fund balances</b>		\$	9,147,827
<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.			21,620,345
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Income taxes receivable	\$	1,383,080	
Real and other taxes receivable		35,769	
Accounts receivable		195,012	
Intergovernmental receivable		587,228	
Special assessments receivable		920,055	
Payment in lieu of taxes		139	
Accrued interest receivable		16,343	
Total		3,137,626	3,137,626
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(30,864)
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.			108,299
Unamortized deferred amounts on refundings are not recognized in the governmental funds.			146,761
Unamortized premiums on bond issuances are not recognized in the funds.			(246,842)
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		64,975	
Deferred outflows of resources		5,343,294	
Deferred inflows of resources		(476,195)	
Net pension liability		(12,285,910)	
Total		(7,353,836)	(7,353,836)
The net OPEB liability is not available to pay for current period expenditures and are not due and payable in the current period, respectively; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows of resources		944,876	
Deferred inflows of resources		(717,630)	
Net OPEB liability		(727,948)	
Total		(500,702)	(500,702)
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		(481,023)	
Financed purchase agreements		(1,032,234)	
General obligation bonds payable		(5,280,000)	
Total		(6,793,257)	(6,793,257)
<b>Net position of governmental activities</b>		\$	19,235,357

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, 2023

	<u>General</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Street Fund</u>
<b>Revenues:</b>				
Income taxes	\$ 3,741,915	\$ -	\$ -	\$ -
Real and other taxes	381,623	1,177,188	730,267	-
Other local taxes	175,895	-	-	-
Payments in lieu of taxes	-	-	-	-
Charges for services	1,201,281	134,251	-	18,679
Licenses, permits, and fees	90,937	-	-	-
Fines and forfeitures	-	29,510	2,103	-
Intergovernmental	376,450	192,383	184,808	827,006
Special assessments	-	-	-	-
Investment income	175,513	-	-	21,602
Contributions and donations	-	-	1,111	-
Change in fair value of investments	95,216	-	-	14,717
Other	44,942	27,871	13,438	93,413
<b>Total revenues</b>	<u>6,283,772</u>	<u>1,561,203</u>	<u>931,727</u>	<u>975,417</u>
<b>Expenditures:</b>				
Current:				
General government	2,287,083	-	-	-
Security of persons and property	-	2,569,201	1,772,184	-
Public health and welfare	-	-	-	-
Transportation	-	-	-	1,311,451
Leisure time activity	1,109,538	-	-	-
Economic development	-	-	-	-
Capital outlay	99,932	15,688	2,572	142,056
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>3,496,553</u>	<u>2,584,889</u>	<u>1,774,756</u>	<u>1,453,507</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,787,219</u>	<u>(1,023,686)</u>	<u>(843,029)</u>	<u>(478,090)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	-	5,015
Financed purchase transaction	-	-	-	-
Transfers in	-	1,012,075	786,050	425,000
Transfers out	(2,806,407)	-	-	-
<b>Total other financing sources (uses)</b>	<u>(2,806,407)</u>	<u>1,012,075</u>	<u>786,050</u>	<u>430,015</u>
Net change in fund balances	(19,188)	(11,611)	(56,979)	(48,075)
<b>Fund balances at beginning of year</b>	<u>4,075,957</u>	<u>99,315</u>	<u>133,092</u>	<u>626,086</u>
<b>Fund balances at end of year</b>	<u>\$ 4,056,769</u>	<u>\$ 87,704</u>	<u>\$ 76,113</u>	<u>\$ 578,011</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>Capital Improvement Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,870,838	\$ -	\$ 5,612,753
-	187,879	2,476,957
-	108,006	283,901
-	540,350	540,350
-	485,622	1,839,833
-	-	90,937
-	3,645	35,258
237,235	907,593	2,725,475
-	282,643	282,643
-	7,033	204,148
-	-	1,111
-	19,153	129,086
16,935	10,433	207,032
<u>2,125,008</u>	<u>2,552,357</u>	<u>14,429,484</u>
985,160	915,802	4,188,045
-	758,438	5,099,823
-	17,906	17,906
-	251,327	1,562,778
-	-	1,109,538
-	48,625	48,625
1,485,821	197,692	1,943,761
469,573	619,250	1,088,823
61,377	179,489	240,866
<u>3,001,931</u>	<u>2,988,529</u>	<u>15,300,165</u>
<u>(876,923)</u>	<u>(436,172)</u>	<u>(870,681)</u>
8,864	-	13,879
211,862	-	211,862
-	583,282	2,806,407
-	(201,192)	(3,007,599)
<u>220,726</u>	<u>382,090</u>	<u>24,549</u>
(656,197)	(54,082)	(846,132)
1,993,382	3,066,127	9,993,959
<u>\$ 1,337,185</u>	<u>\$ 3,012,045</u>	<u>\$ 9,147,827</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, 2023

<b>Net change in fund balances - total governmental funds</b>	\$	(846,132)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the current period.		
Capital asset additions	\$ 1,814,676	
Current year depreciation	<u>(1,766,482)</u>	
Total		48,194
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(193,198)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Income taxes	(162,545)	
Real and other taxes	(44,861)	
Intergovernmental revenues	(84,288)	
Special assessments	32,164	
Investment income	3,466	
Payment in lieu of taxes	139	
Other	<u>(225,090)</u>	
Total		(481,015)
Proceeds of financed purchase transactions are reported as an other financing source in the governmental funds, however, in the statement of activities, they are not reported as revenues as they increase the liabilities on the statement of net position.		
		(211,862)
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.		
		1,088,823
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	875,081	
OPEB	<u>16,728</u>	
Total		891,809
Except for amounts reported as deferred inflows/outflows, changes in the net pension asset/liability and net OPEB liability are reported as pension/OPEB expenses or reductions in expenses in the statement of activities.		
Pension	(1,934,140)	
OPEB	<u>17,703</u>	
Total		(1,916,437)
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.		
		12,235
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	(6,681)	
Amortization of deferred amounts on refunding	(27,095)	
Amortization of bond premiums	<u>35,171</u>	
Total		1,395
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.		
		54,428
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(1,551,760)</u></b>

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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Municipal income taxes	\$ 3,473,574	\$ 3,597,070	\$ 3,685,538	\$ 88,468
Property taxes	368,845	381,650	382,137	487
Charges for services	895,666	935,916	1,201,194	265,278
Licenses and permits	39,682	41,405	51,400	9,995
Intergovernmental	252,117	264,824	379,225	114,401
Investment income/fair value adjustment	54,110	60,061	177,613	117,552
Other local tax	184,167	190,061	175,895	(14,166)
Other	11,005	12,516	45,086	32,570
Total revenues	<u>5,279,166</u>	<u>5,483,503</u>	<u>6,098,088</u>	<u>614,585</u>
<b>Expenditures:</b>				
Current:				
General government	2,320,800	2,387,624	2,273,039	114,585
Leisure time activity	1,123,073	1,154,633	1,073,534	81,099
Capital outlay	24,474	25,155	23,146	2,009
Debt service:				
Principal retirement	54,862	56,163	44,235	11,928
Total expenditures	<u>3,523,209</u>	<u>3,623,575</u>	<u>3,413,954</u>	<u>209,621</u>
Excess of revenues over expenditures	<u>1,755,957</u>	<u>1,859,928</u>	<u>2,684,134</u>	<u>824,206</u>
<b>Other financing (uses):</b>				
Transfers out	<u>(3,212,567)</u>	<u>(3,295,072)</u>	<u>(2,806,407)</u>	<u>488,665</u>
Total other financing (uses)	<u>(3,212,567)</u>	<u>(3,295,072)</u>	<u>(2,806,407)</u>	<u>488,665</u>
Net change in fund balances	(1,456,610)	(1,435,144)	(122,273)	1,312,871
<b>Fund balances at beginning of year</b>	3,729,604	3,729,604	3,729,604	-
<b>Prior year encumbrances appropriated</b>	31,017	31,017	31,017	-
<b>Fund balance at end of year</b>	<u>\$ 2,304,011</u>	<u>\$ 2,325,477</u>	<u>\$ 3,638,348</u>	<u>\$ 1,312,871</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CLAYTON, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 POLICE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 1,167,314	\$ 1,172,427	\$ 1,177,188	\$ 4,761
Charges for services	129,333	129,874	124,664	(5,210)
Fines and forfeitures	17,460	17,590	29,856	12,266
Intergovernmental	188,582	189,418	192,383	2,965
Other	11,099	11,220	27,871	16,651
<b>Total revenues</b>	<u>1,513,788</u>	<u>1,520,529</u>	<u>1,551,962</u>	<u>31,433</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property	2,797,885	2,808,953	2,566,166	242,787
Capital outlay	15,664	15,732	15,688	44
<b>Total expenditures</b>	<u>2,813,549</u>	<u>2,824,685</u>	<u>2,581,854</u>	<u>242,831</u>
(Deficiency) of revenues (under) expenditures	<u>(1,299,761)</u>	<u>(1,304,156)</u>	<u>(1,029,892)</u>	<u>274,264</u>
<b>Other financing sources:</b>				
Transfers in	1,287,644	1,292,039	1,012,075	(279,964)
<b>Total other financing sources</b>	<u>1,287,644</u>	<u>1,292,039</u>	<u>1,012,075</u>	<u>(279,964)</u>
Net change in fund balances	(12,117)	(12,117)	(17,817)	(5,700)
<b>Fund balances at beginning of year</b>	67,551	67,551	67,551	-
<b>Prior year encumbrances appropriated</b>	21,381	21,381	21,381	-
<b>Fund balance at end of year</b>	<u>\$ 76,815</u>	<u>\$ 76,815</u>	<u>\$ 71,115</u>	<u>\$ (5,700)</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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 729,696	\$ 729,696	\$ 730,267	\$ 571
Fines and forfeitures	505	505	2,103	1,598
Intergovernmental	166,046	166,046	184,808	18,762
Contributions and donations	-	-	1,111	1,111
Other	-	-	13,851	13,851
<b>Total revenues</b>	896,247	896,247	932,140	35,893
<b>Expenditures:</b>				
Current:				
Security of persons and property	1,826,988	1,826,988	1,755,051	71,937
Capital outlay	9,620	9,620	9,439	181
<b>Total expenditures</b>	1,836,608	1,836,608	1,764,490	72,118
(Deficiency) of revenues (under) expenditures	(940,361)	(940,361)	(832,350)	108,011
<b>Other financing sources:</b>				
Transfers in	893,862	893,862	786,050	(107,812)
<b>Total other financing sources</b>	893,862	893,862	786,050	(107,812)
Net change in fund balances	(46,499)	(46,499)	(46,300)	199
<b>Fund balances at beginning of year</b>	122,826	122,826	122,826	-
<b>Prior year encumbrances appropriated</b>	36,749	36,749	36,749	-
<b>Fund balance at end of year</b>	\$ 113,076	\$ 113,076	\$ 113,275	\$ 199

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for services	\$ 14,832	\$ 15,000	\$ 18,679	\$ 3,679
Intergovernmental	832,565	840,000	827,670	(12,330)
Investment income/fair value adjustment	303	500	21,943	21,443
Other	11,661	12,500	93,413	80,913
Total revenues	859,361	868,000	961,705	93,705
<b>Expenditures:</b>				
Current:				
Transportation	1,487,565	1,496,772	1,425,325	71,447
Capital outlay	510,547	513,840	509,905	3,935
Total expenditures	1,998,112	2,010,612	1,935,230	75,382
(Deficiency) of revenues (under) expenditures	(1,138,751)	(1,142,612)	(973,525)	169,087
<b>Other financing sources:</b>				
Sale of capital assets	-	-	5,015	5,015
Transfers in	592,139	596,000	425,000	(171,000)
Total other financing sources	592,139	596,000	430,015	(165,985)
Net change in fund balances	(546,612)	(546,612)	(543,510)	3,102
<b>Fund balances at beginning of year</b>	37,066	37,066	37,066	-
<b>Prior year encumbrances appropriated</b>	518,346	518,346	518,346	-
<b>Fund balance at end of year</b>	\$ 8,800	\$ 8,800	\$ 11,902	\$ 3,102

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CLAYTON, OHIO**

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 DECEMBER 31, 2023

	<b>Business-type Activities Enterprise Fund</b>
	<b>Sewer Operating Fund</b>
<b>Assets:</b>	
Noncurrent assets:	
Capital assets:	
Depreciable capital assets, net	\$ 2,295,553
Total capital assets, net	2,295,553
Total noncurrent assets	2,295,553
Total assets	\$ 2,295,553
<b>Liabilities:</b>	
Current liabilities:	
OWDA loans payable	\$ 126,337
Total current liabilities	126,337
Long-term liabilities:	
OWDA loans payable	1,776,339
Total long-term liabilities	1,776,339
Total liabilities	1,902,676
<b>Net position:</b>	
Net investment in capital assets	392,877
Total net position	\$ 392,877

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, 2023

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Sewer Operating Fund</b>
<b>Operating expenses:</b>	
Depreciation	\$ 90,211
Total operating expenses	90,211
 Operating loss	 (90,211)
<b>Nonoperating expenses:</b>	
Interest and fiscal charges	(79,761)
Total nonoperating expenses	(79,761)
 Loss before transfers	 (169,972)
 Transfer in	 201,192
 Change in net position	 31,220
 <b>Net position at beginning of year</b>	 361,657
 <b>Net position at end of year</b>	 \$ 392,877

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, 2023

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Sewer Operating Fund</b>
<b>Cash flows from noncapital financing activities:</b>	
Cash received from transfers in	\$ 201,192
Net cash provided by noncapital financing activities	201,192
<b>Cash flows from capital and related financing activities:</b>	
Principal retirement on OWDA loans	(121,431)
Interest and fiscal charges	(79,761)
Net cash used in capital and related financing activities	(201,192)
Net increase (decrease) in cash and cash equivalents	-
<b>Cash and cash equivalents at beginning of year</b>	-
<b>Cash and cash equivalents at end of year</b>	\$ -

**CITY OF CLAYTON, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Business-type Activities - Enterprise Fund</b>	
	<b>Sewer Operating Fund</b>	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
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, 2023

	<b>Private-Purpose Trust</b>	<b>Custodial</b>
<b>Assets:</b>		
Equity in pooled cash and cash equivalents	\$ 11,927	\$ 1,550
Receivables (net of allowances for uncollectibles):		
Income taxes	-	1,550
Accounts	-	10,175
Total assets	11,927	13,275
<b>Liabilities:</b>		
Due to other governments	-	1,550
Total liabilities	-	1,550
<b>Net position:</b>		
Restricted for individuals, organizations and other governments	11,927	11,725
Total net position	\$ 11,927	\$ 11,725

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, 2023

	<b>Private-Purpose Trust</b>	<b>Custodial</b>
<b>Additions:</b>		
Licenses, permits and fees for other governments	\$ -	\$ 18,250
Special assessments collections for other governments	-	17,686
Income tax collections for other governments	-	135,029
	-	170,965
<b>Total additions</b>	-	170,965
<b>Deductions:</b>		
Distributions as fiscal agent	-	184,149
	-	184,149
<b>Total deductions</b>	-	184,149
Net change in fiduciary net position	-	(13,184)
<b>Net position beginning of year</b>	11,927	24,909
<b>Net position end of year</b>	\$ 11,927	\$ 11,725

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## CITY OF CLAYTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### 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 17 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 18 to the Basic Financial Statements.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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 16 and 19 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, 2023

**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, which include motor vehicle license taxes and gasoline taxes.

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

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

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

**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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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.

***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.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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, 2023, but which were levied to finance 2024 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 2023 the City's investments included Federal Home Loan Mortgage Corporation Bonds, Federal National Mortgage Association REMIC Trust Bonds, Federal National Mortgage Association Bonds, U.S. Government money market and Negotiable Certificates of Deposit.

Interest income and gains or losses on investments are distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue and gains or losses on investments credited to the General Fund during 2023 amounted to \$175,513 of which \$91,761 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, 2023, 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.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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:

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

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

J. Interfund Balances

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

K. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences and net pension liability that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds, notes, and capital leases are recognized as liabilities on the governmental fund financial statements when due. Net

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

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**

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. Bond premiums 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.

**N. Net Position**

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

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

**O. Fund Balances**

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

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

*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).

## CITY OF CLAYTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

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

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

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

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

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

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

#### **P. Internal Activity**

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

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.

**CITY OF CLAYTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**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.

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.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For 2023, the City has implemented GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 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, and Street 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).

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

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

	<b>Net Change in Fund Balance</b>			
	<u>General Fund</u>	<u>Police Fund</u>	<u>Fire Fund</u>	<u>Street Fund</u>
Budget basis	\$ (122,273)	\$ (17,817)	\$ (46,300)	\$ (543,510)
Net adjustment for revenue accruals	185,684	9,241	(413)	13,712
Net adjustment for expenditure accruals	(96,813)	(10,581)	(32,796)	25,366
Adjustment for encumbrances	<u>14,214</u>	<u>7,546</u>	<u>22,530</u>	<u>456,357</u>
GAAP basis	<u>\$ (19,188)</u>	<u>\$ (11,611)</u>	<u>\$ (56,979)</u>	<u>\$ (48,075)</u>

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## CITY OF CLAYTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### 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;
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.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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, 2023, \$755,412 of the City’s bank balance of \$1,032,006 was exposed to custodial risk as discussed below, while \$276,594 was covered by the FDIC.

**Cash with Escrow Agent**

As of December 31, 2023, the City had \$119,700 in cash with escrow agent, which is unspent proceeds from a financed purchase agreement.

**Investments**

As of December 31, 2023, the City had the following investments:

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>Investment Maturities</u>				
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair Value:</i>						
Negotiable CD's	\$ 5,573,488	\$ 246,037	\$ 1,111,201	\$ 915,794	\$ 95,588	\$ 3,204,868
FNMA REMIC	833,812	-	-	-	-	833,812
FNMA	800,617	-	-	-	-	800,617
FHLMC	163,527	-	-	-	-	163,527
FHLB	296,454	296,454	-	-	-	-
US Government Money Market	24,972	24,972	-	-	-	-
<b>Total</b>	<b>\$ 7,692,870</b>	<b>\$ 567,463</b>	<b>\$ 1,111,201</b>	<b>\$ 915,794</b>	<b>\$ 95,588</b>	<b>\$ 5,002,824</b>

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 6.10 years.

## CITY OF CLAYTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

##### **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 cannot 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.

##### **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 2023, 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.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

**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	\$ 5,573,488	72.45
FNMA REMIC	833,812	10.84
FNMA	800,617	10.41
FHLMC	163,527	2.13
FHLB	296,454	3.85
US Government Money Market	<u>24,972</u>	<u>0.32</u>
Total	<u>\$ 7,692,870</u>	<u>100.00</u>

**Reconciliation of Cash to the Statement of Net Position**

The following is a reconciliation of cash as of December 31, 2023:

<u>Cash per note</u>	
Carrying amount of deposits	\$ 931,619
Cash with escrow agent	119,700
Investments	<u>7,692,870</u>
Total	<u>\$ 8,744,189</u>
 <u>Cash per statement of net position</u>	
Governmental activities	\$ 8,730,712
Private-purpose trust funds	11,927
Custodial funds	<u>1,550</u>
Total	<u>\$ 8,744,189</u>

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**CITY OF CLAYTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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. 2023 public utility property taxes became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 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, 2023 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 2023 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, 2023 was \$13.78 per \$1,000 of assessed value. The assessed values of real property and public utility personal property upon which 2022 property tax receipts were based are as follows:

<u>Real property</u>	
Residential/agricultural	\$ 350,052,640
Commercial/industrial	17,742,550
<u>Public utility</u>	
Personal	<u>10,865,740</u>
Total assessed value	<u>\$ 378,660,930</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, 2023**

**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 2023 totaled \$35,486.

**NOTE 9 - RECEIVABLES**

Receivables at December 31, 2023, 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 \$34,302. The City has \$127,325 of delinquent special assessments at December 31, 2023. There are \$675,321 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:

<b><u>Governmental activities:</u></b>	<b><u>Amount</u></b>
Local Government	\$ 94,539
Homestead Exemption and Rollbacks	210,099
Gasoline Tax	324,665
Motor Vehicle Tax	45,730
Permissive Tax	7,959
Charges for services	63,568
Fines and forfeitures	1,584
Total Due from Other Governments	<u>\$ 748,144</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, 2023. 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, 2023

**NOTE 10 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 12/31/2022	Additions	Deductions	Balance 12/31/2023
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 5,597,025	\$ 180,000	\$ -	\$ 5,777,025
Total capital assets, not being depreciated	5,597,025	180,000	-	5,777,025
Capital assets, being depreciated:				
Buildings	3,219,044	155,346	-	3,374,390
Improvements Other Than Buildings	769,062	420,554	-	1,189,616
Vehicles	5,018,881	47,696	(962,551)	4,104,026
Furniture, Fixtures and Equipment	3,127,262	1,011,080	-	4,138,342
Infrastructure	20,219,684	-	-	20,219,684
Total capital assets, being depreciated	32,353,933	1,634,676	(962,551)	33,026,058
Less accumulated depreciation:				
Buildings	(2,036,613)	(104,820)	-	(2,141,433)
Improvements Other Than Buildings	(306,982)	(34,838)	-	(341,820)
Vehicles	(2,610,223)	(288,413)	769,353	(2,129,283)
Furniture, Fixtures and Equipment	(1,880,749)	(213,322)	-	(2,094,071)
Infrastructure	(9,351,042)	(1,125,089)	-	(10,476,131)
Total accumulated depreciation	(16,185,609)	(1,766,482)	769,353	(17,182,738)
Total capital assets, being depreciated, net	16,168,324	(131,806)	(193,198)	15,843,320
Governmental activities capital assets, net	\$ 21,765,349	\$ 48,194	\$ (193,198)	\$ 21,620,345

Depreciation expense was charged to governmental functions as follows:

General government	\$ 293,046
Leisure time activities	129,482
Security of persons and property	220,260
Transportation	1,123,694
Total depreciation expense	<u>\$ 1,766,482</u>

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 10 - CAPITAL ASSETS - (Continued)**

Capital asset activity of the business-type activities for the year ended December 31, 2023, was as follows:

	Balance 12/31/22	Additions	Deductions	Balance 12/31/23
<b>Business-type activities</b>				
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	(1,267,429)	(90,211)	-	(1,357,640)
Total accumulated depreciation	(1,267,429)	(90,211)	-	(1,357,640)
Total capital assets, being depreciated, net	2,385,764	(90,211)	-	2,295,553
Business-type activities capital assets, net	\$ 2,385,764	\$ (90,211)	\$ -	\$ 2,295,553

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**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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***

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension/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 is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group.

The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

<b>Group A</b> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<b>Group B</b> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<b>Group C</b> Members not in other Groups and members hired on or after January 7, 2013
<b>State and Local</b>	<b>State and Local</b>	<b>State and Local</b>
<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	<b>Age and Service Requirements:</b> Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	<b>Traditional Plan Formula:</b> 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	<b>Combined Plan Formula:</b> 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 amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible 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 3.00%. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

**CITY OF CLAYTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20.00% each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), 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.

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**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	State and Local	
	Traditional	Combined
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	14.0 %	14.0 %
Employee *	10.0 %	10.0 %
 <b>2023 Actual Contribution Rates</b>		
Employer:		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits **	0.0	2.0
 Total Employer	 14.0 %	 14.0 %
 Employee	 10.0 %	 10.0 %

\* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

\*\* These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

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 \$276,081 for 2023. Of this amount, \$25,322 is reported as 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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

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

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

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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, statutory survivors and annuity beneficiaries. 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
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2023 Actual Contribution Rates</b>		
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 \$599,000 for 2023. Of this amount, \$62,942 is reported as due to other governments.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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, 2022, 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, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. 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	0.013344%	0.027633%	0.000397%	0.0854512%	
Proportion of the net pension liability/asset current measurement date	<u>0.012155%</u>	<u>0.027568%</u>	<u>0.000000%</u>	<u>0.0915390%</u>	
Change in proportionate share	<u>-0.001189%</u>	<u>-0.000065%</u>	<u>-0.000397%</u>	<u>0.0060878%</u>	
Proportionate share of the net pension liability	\$ 3,590,592	\$ -	\$ -	\$ 8,695,318	\$ 12,285,910
Proportionate share of the net pension asset	-	(64,975)	-	-	(64,975)
Pension expense	435,243	8,331	-	1,490,565	1,934,139

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**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
<b>Deferred outflows of resources</b>					
Differences between expected and actual experience	\$ 119,264	\$ 3,994	\$ -	\$ 130,428	\$ 253,686
Net difference between projected and actual earnings on pension plan investments	1,023,429	23,681	-	1,265,934	2,313,044
Changes of assumptions	37,933	4,300	-	784,288	826,521
Changes in employer's proportionate percentage/difference between employer contributions	-	-	-	1,074,962	1,074,962
Contributions subsequent to the measurement date	260,454	15,627	-	599,000	875,081
Total deferred outflows of resources	<u>\$ 1,441,080</u>	<u>\$ 47,602</u>	<u>\$ -</u>	<u>\$ 3,854,612</u>	<u>\$ 5,343,294</u>
<b>Deferred inflows of resources</b>					
Differences between expected and actual experience	\$ -	\$ 9,288	\$ -	\$ 198,104	\$ 207,392
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-
Changes of assumptions	-	-	-	169,556	169,556
Changes in employer's proportionate percentage/difference between employer contributions	90,953	-	-	8,294	99,247
Total deferred inflows of resources	<u>\$ 90,953</u>	<u>\$ 9,288</u>	<u>\$ -</u>	<u>\$ 375,954</u>	<u>\$ 476,195</u>

\$875,081 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, 2024.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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
2024	\$ 75,038	\$ 961	\$ -	\$ 537,320	\$ 613,319
2025	212,044	4,362	-	737,919	954,325
2026	301,244	6,042	-	712,388	1,019,674
2027	501,347	10,190	-	851,913	1,363,450
2028	-	(31)	-	40,119	40,088
Thereafter	-	1,163	-	-	1,163
<b>Total</b>	<b>\$ 1,089,673</b>	<b>\$ 22,687</b>	<b>\$ -</b>	<b>\$ 2,879,659</b>	<b>\$ 3,992,019</b>

**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, 2022, 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, 2022, compared to the December 31, 2021 actuarial valuation, are presented below.

Wage inflation

Current measurement date	2.75%
Prior measurement date	2.75%

Future salary increases, including inflation

Current measurement date	2.75% to 10.75% including wage inflation
Prior measurement date	2.75% 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: 3.00%, simple through 2022, then 2.05% simple

Investment rate of return

Current measurement date	6.90%
Prior measurement date	6.90%

Actuarial cost method

Individual entry age

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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 2022, 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 loss of 12.1% for 2022.

The allocation of investment assets within the Defined Benefit portfolio is approved by the Board 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric 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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed income	22.00 %	2.62 %
Domestic equities	22.00	4.60
Real estate	13.00	3.27
Private equity	15.00	7.53
International equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00 %</u>	<u>                    </u>

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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, 2022 was 6.90%. 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 benefit 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	\$ 5,378,588	\$ 3,590,592	\$ 2,103,301
Combined Plan	(33,909)	(64,975)	(89,596)

**Actuarial Assumptions - OP&F**

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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 retirement 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. Experience study assumptions were performed by OP&F's prior actuary and completed as of December 31, 2016. Changes in demographic and economic actuarial assumptions were made. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth. The changes in assumptions are being amortized over the estimated remaining useful live of the participants which was 5.81 years at December 31, 2022.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of December 31, 2022, compared to December 31, 2021, are presented below.

Valuation date	1/1/22 with actuarial liabilities rolled forward to 12/31/22
Actuarial cost method	Entry age normal (level percent of payroll)
Investment rate of return	
Current measurement date	7.50%
Prior measurement date	7.50%
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, 2023**

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*Health Mortality*

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

*Disabled Mortality*

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

*Contingent Annuitant Mortality*

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

*Pre-Retirement Mortality*

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - DEFINED BENEFIT PENSION 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, 2022 are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
<b>Total</b>	<b>125.00 %</b>	

Note: assumptions are geometric.

\* levered 2x

\*\* Numbers are net of expected inflation.

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 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 7.50% 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 7.50%. 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.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

*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	\$ 11,470,802	\$ 8,695,318	\$ 6,388,058

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability***

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

***Plan Description - Ohio Public Employees Retirement System (OPERS)***

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

CITY OF CLAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Medicare Retirees** Medicare-eligible with a minimum of 20 years of qualifying service credit

**Non-Medicare Retirees** Non-Medicare retirees qualify based on the following age-and-service criteria:

**Group A** 30 years of qualifying service credit at any age;

**Group B** 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

**Group C** 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50.00% of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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.

## CITY OF CLAYTON, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

#### **NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a 2.00% allocation to health care for the 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 2023 was 4.00%; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,604 for 2023. Of this amount, \$239 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.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. 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.

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.

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](http://www.op-f.org) or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, 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 \$14,124 for 2023. Of this amount, \$1,484 is reported as due to other governments.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City’s proportion of the net OPEB liability was based on the City’s share of contributions to the retirement plan relative to the contributions of all participating entities.

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

	OPERS	OP&F	Total
Proportion of the net OPEB liability/asset prior measurement date	0.013237%	0.0854512%	
Proportion of the net OPEB liability current measurement date	<u>0.012088%</u>	<u>0.0915390%</u>	
Change in proportionate share	<u>-0.001149%</u>	<u>0.0060878%</u>	
Proportionate share of the net OPEB liability	\$ 76,217	\$ 651,731	\$ 727,948
OPEB expense	(161,536)	143,833	(17,703)

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 38,891	\$ 38,891
Net difference between projected and actual earnings on OPEB plan investments	151,367	55,897	207,264
Changes of assumptions	74,443	324,785	399,228
Changes in employer's proportionate percentage/difference between employer contributions	-	282,766	282,766
Contributions subsequent to the measurement date	2,604	14,124	16,728
Total deferred outflows of resources	<u>\$ 228,414</u>	<u>\$ 716,463</u>	<u>\$ 944,877</u>
	<u>OPERS</u>	<u>OP&amp;F</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 19,011	\$ 128,511	\$ 147,522
Changes of assumptions	6,126	533,060	539,186
Changes in employer's proportionate percentage/difference between employer contributions	6,265	24,657	30,922
Total deferred inflows of resources	<u>\$ 31,402</u>	<u>\$ 686,228</u>	<u>\$ 717,630</u>

\$16,728 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 in the year ending December 31, 2024.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Year Ending December 31:	OPERS	OP&F	Total
2024	\$ 19,848	\$ 80,846	\$ 100,694
2025	54,237	73,332	127,569
2026	47,200	(2,783)	44,417
2027	73,123	9,261	82,384
2028	-	(33,401)	(33,401)
Thereafter	-	(111,144)	(111,144)
<b>Total</b>	<b>\$ 194,408</b>	<b>\$ 16,111</b>	<b>\$ 210,519</b>

***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, 2021, rolled forward to the measurement date of December 31, 2022.

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**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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	2.75%
Projected Salary Increases, including inflation	
Current measurement date	2.75 to 10.75%
	including wage inflation
Prior Measurement date	2.75 to 10.75%
	including wage inflation
Single Discount Rate:	
Current measurement date	5.22%
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	4.05%
Prior Measurement date	1.84%
Health Care Cost Trend Rate	
Current measurement date	5.50% initial, 3.50% ultimate in 2036
Prior Measurement date	5.50% initial, 3.50% ultimate in 2034
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.

During 2022, 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 loss of 15.6% for 2022.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The allocation of investment assets within the Health Care portfolio is approved by the Board 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. The System’s primary goal is to achieve and maintain a fully funded status for benefits provided through the defined benefit 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 rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric real rates of return were provided by the Board’s investment consultant.

For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2022, 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 (Geometric)</u>
Fixed Income	34.00 %	2.56 %
Domestic equities	26.00	4.60
Real Estate Investment Trusts (REITs)	7.00	4.70
International equities	25.00	5.51
Risk parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00 %</u>	

**Discount Rate** - A single discount rate of 5.22% was used to measure the total OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6.00%. 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 4.05%. 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the City’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate** - The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 5.22%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22%) or one-percentage-point higher (6.22%) 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 liability/(asset)	\$ 259,408	\$ 76,217	\$ (74,946)

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Retiree health care valuations use a health care cost trend assumption with changes over several years built into that assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 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 liability	\$ 71,440	\$ 76,217	\$ 81,594

***Actuarial Assumptions - OP&F***

OP&F’s total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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, 2023

**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, 2022, with actuarial liabilities rolled forward to December 31, 2022
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	
Current measurement date	7.50%
Prior measurement date	7.50%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	4.27%
Prior measurement date	2.84%
Cost of Living Adjustments	2.20% simple per year

*Health Mortality*

Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2% for males and 98.7% for females. All rates are projected using the MP-2021 Improvement Scale.

*Disabled Mortality*

Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135% for males and 97.9% for females. All rates are projected using the MP-2021 Improvement Scale.

*Contingent Annuitant Mortality*

Mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9% for males and 131% for females. All rates are projected using the MP-2021 Improvement Scale.

*Pre-Retirement Mortality*

Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

The most recent experience study was completed for the five-year period ended December 31, 2021.

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 OP&F’s Statement of Investment Policy. A forecasted rate of inflation serves as a 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.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**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, 2022, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and cash equivalents	0.00 %	0.00 %
Domestic equity	18.60	4.80
Non-US equity	12.40	5.50
Private markets	10.00	7.90
Core fixed income *	25.00	2.50
High yield fixed income	7.00	4.40
Private credit	5.00	5.90
U.S. inflation linked bonds *	15.00	2.00
Midstream energy infrastructure	5.00	5.90
Real assets	8.00	5.90
Gold	5.00	3.60
Private real estate	12.00	5.30
Commodities	2.00	3.60
<b>Total</b>	<b>125.00 %</b>	

Note: assumptions are geometric.

\* levered 2x

\*\* Numbers are net of expected inflation.

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate** - For 2022, the total OPEB liability was calculated using the discount rate of 4.27%. For 2021, the total OPEB liability was calculated using the discount rate of 2.84%. The projection of cash flows used to determine the discount rate assumed the contributions 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, the long-term assumed rate of return on investments of 7.50% was applied to periods before December 31, 2035 and the Municipal Bond Index Rate of 3.65% was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27%.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***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 4.27%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%), or one percentage point higher (5.27%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 802,546	\$ 651,731	\$ 524,405

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

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

**Deferred Compensation**

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

**Compensated Absences**

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

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

**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.

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 14- LONG-TERM OBLIGATIONS**

Changes in long-term obligations during 2023 were as follows:

	Balance			Balance	Amounts
	<u>12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/23</u>	<u>Due in</u>
<b><u>Governmental Activities:</u></b>					<u>One Year</u>
<b>General Obligation Bonds:</b>					
2010 Roadway Improvement					
Term Bonds - 4.0-4.5%	\$ 730,000	\$ -	\$ (75,000)	\$ 655,000	\$ 80,000
Premium on Debt Issue	27,449	-	(1,525)	25,924	-
2013 Various Purpose Refunding Bonds					
Serial Bonds - 1.25-3%	1,305,000	-	(245,000)	1,060,000	255,000
Term Bonds - 3.25%	535,000	-	-	535,000	-
Premium on Debt Issue	50,463	-	(7,865)	42,598	-
2016 Road Improvement Bonds					
Serial Bonds - 1.0 - 4%	3,415,000	-	(385,000)	3,030,000	395,000
Premium on Debt Issue	204,101	-	(25,781)	178,320	-
<b>Total General Obligation Bonds</b>	<u>6,267,013</u>	<u>-</u>	<u>(740,171)</u>	<u>5,526,842</u>	<u>730,000</u>
<b>Other Governmental Obligations:</b>					
Financed Purchase Agreements	1,204,195	211,862	(383,823)	1,032,234	255,750
Compensated Absences	535,451	218,500	(272,928)	481,023	225,321
<b>Total Other Governmental Obligations</b>	<u>1,739,646</u>	<u>430,362</u>	<u>(656,751)</u>	<u>1,513,257</u>	<u>481,071</u>
Net pension liability	6,499,479	5,786,431	-	12,285,910	-
Net OPEB liability	936,619	76,217	(284,888)	727,948	-
<b>Total Governmental Activities</b>					
Long-Term Obligations	<u>\$ 15,442,757</u>	<u>\$ 6,293,010</u>	<u>\$ (1,681,810)</u>	<u>\$ 20,053,957</u>	<u>\$ 1,211,071</u>
					Amounts
	Balance			Balance	Due in
<b><u>Business-Type Activities:</u></b>	<u>12/31/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/23</u>	<u>One Year</u>
<b>Direct borrowing</b>					
2005 OWDA Loan - 4%	\$ 2,024,107	\$ -	\$ (121,431)	\$ 1,902,676	\$ 126,337
<b>Total Business-Type Activities</b>					
Long-Term Obligations	<u>\$ 2,024,107</u>	<u>\$ -</u>	<u>\$ (121,431)</u>	<u>\$ 1,902,676</u>	<u>\$ 126,337</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, 2023

**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 December 31,</u>	<u>Amount</u>
2024	\$ 80,000
2025	85,000
2026	85,000
2027	100,000
2028	100,000
2029 - 2030	<u>205,000</u>
Total	<u>\$ 655,000</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 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, 2023

**NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)**

The City has an OWDA Loan outstanding at December 31, 2023, 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 \$119,700 held in escrow related to the lease purchase agreement for the dump truck. When the remaining funds are disbursed, a repayment schedule for the remainder will be available.

The City's overall legal debt margin was \$34,479,398 at December 31, 2023, and the unvoted debt margin was \$15,546,351.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2023, are as follows:

Year Ending <u>December 31,</u>	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>
2024	\$ 650,000	\$ 137,000	\$ 80,000	\$ 38,112	\$ 255,750	\$ 39,184
2025	665,000	121,450	85,000	34,712	266,038	28,896
2026	680,000	114,838	85,000	31,100	276,798	18,140
2027	705,000	90,188	100,000	27,487	233,648	7,702
2028	445,000	55,600	385,000	22,987	-	-
2029 - 2030	<u>945,000</u>	<u>57,000</u>	<u>455,000</u>	<u>22,075</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 4,090,000</u>	<u>\$ 576,076</u>	<u>\$ 1,190,000</u>	<u>\$ 176,473</u>	<u>\$ 1,032,234</u>	<u>\$ 93,922</u>

Year Ending <u>December 31,</u>	Business - Type Activities	
	OWDA Loan	OWDA Loan
	<u>Principal</u>	<u>Interest</u>
2024	\$ 126,337	\$ 74,856
2025	131,441	69,752
2026	136,752	64,442
2027	142,276	58,917
2028	148,024	53,169
2029 - 2033	834,802	171,163
2034 - 2035	<u>383,044</u>	<u>19,342</u>
Totals	<u>\$ 1,902,676</u>	<u>\$ 511,641</u>

**CITY OF CLAYTON, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023

**NOTE 15 - INTERFUND ACTIVITY**

**Interfund Transfers**

Interfund transfers for the year ended December 31, 2023, 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>	Nonmajor Governmental <u>Funds</u>	
Police Fund	\$ 1,012,075	\$ -	\$ 1,012,075
Fire Fund	786,050	-	786,050
Street Fund	425,000	-	425,000
Nonmajor Governmental Funds	583,282	-	583,282
Sewer Operating Fund	-	201,192	201,192
<b>Total</b>	<b><u>\$ 2,806,407</u></b>	<b><u>\$ 201,192</u></b>	<b><u>\$ 3,007,599</u></b>

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 19) 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, 2023

**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 (latest information available) 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>\$26,586,315</u>	<u>\$27,022,751</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>
2023	\$129,318

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 \$108,299 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, 2023**

**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 \$7,054 for the operation of the Commission during 2023. 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 2023. 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. The City contributed \$2,363 for the operation of HAZMAT during 2023. 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, 2023**

**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 2023. 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, 2023**

**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
<b>Nonspendable:</b>							
Materials and supplies inventory	\$ -	\$ -	\$ -	\$ 124,943	\$ -	\$ 44,707	\$ 169,650
Prepays	82,783	17,199	9,442	36,206	-	29,945	175,575
<b>Total nonspendable</b>	<b>82,783</b>	<b>17,199</b>	<b>9,442</b>	<b>161,149</b>	<b>-</b>	<b>74,652</b>	<b>345,225</b>
<b>Restricted:</b>							
Road Improvements	-	-	-	416,862	-	151,216	568,078
Capital Improvements	-	-	-	-	1,337,185	-	1,337,185
Fire Operations	-	-	66,671	-	-	-	66,671
Police Operations	-	70,505	-	-	-	-	70,505
Cemetery Operations	-	-	-	-	-	66,654	66,654
Drug and Alcohol Enforcement	-	-	-	-	-	27,419	27,419
Street Lighting	-	-	-	-	-	24,109	24,109
Economic development	-	-	-	-	-	2,253,671	2,253,671
Emergency Medical Services	-	-	-	-	-	398,775	398,775
Other Purposes	-	-	-	-	-	11,719	11,719
<b>Total restricted</b>	<b>-</b>	<b>70,505</b>	<b>66,671</b>	<b>416,862</b>	<b>1,337,185</b>	<b>2,933,563</b>	<b>4,824,786</b>
<b>Assigned:</b>							
General government	2,437	-	-	-	-	-	2,437
Capital outlay and projects	-	-	-	-	-	3,830	3,830
Leisure time activities	6,654	-	-	-	-	-	6,654
Subsequent appropriations	1,162,285	-	-	-	-	-	1,162,285
<b>Total assigned</b>	<b>1,171,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,830</b>	<b>1,175,206</b>
<b>Unassigned</b>	<b>2,802,610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,802,610</b>
<b>Total fund balances</b>	<b>\$ 4,056,769</b>	<b>\$ 87,704</b>	<b>\$ 76,113</b>	<b>\$ 578,011</b>	<b>\$ 1,337,185</b>	<b>\$ 3,012,045</b>	<b>\$ 9,147,827</b>

**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	\$ 9,091
Police Fund	2,978
Fire Fund	11,191
Street Fund	419,046
Capital Improvement Fund	569,657
Nonmajor Governmental Funds	160,691
<b>Total</b>	<b>\$ 1,172,654</b>

**CITY OF CLAYTON, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**NOTE 22 - CONTINGENT LIABILITIES**

**A. Federal and State Grants**

For the period January 1, 2023, to December 31, 2023, 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 TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.012155%	0.133440%	0.013538%	0.013800%
City's proportionate share of the net pension liability	\$ 3,590,592	\$ 1,160,982	\$ 2,004,683	\$ 2,727,664
City's covered payroll	\$ 2,377,407	\$ 1,909,807	\$ 1,880,429	\$ 1,956,843
City's proportionate share of the net pension liability as a percentage of its covered payroll	151.03%	60.79%	106.61%	139.39%
Plan fiduciary net position as a percentage of the total pension liability	75.74%	92.62%	86.88%	82.17%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.027568%	0.027633%	0.027886%	0.030961%
City's proportionate share of the net pension asset	\$ 64,975	\$ 108,875	\$ 80,497	\$ 64,561
City's covered payroll	\$ 127,914	\$ 125,979	\$ 122,893	\$ 137,829
City's proportionate share of the net pension asset as a percentage of its covered payroll	50.80%	86.42%	65.50%	46.84%
Plan fiduciary net position as a percentage of the total pension asset	137.14%	169.88%	157.67%	145.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.000000%	0.000397%	0.006905%	0.013426%
City's proportionate share of the net pension asset	\$ -	\$ 72	\$ 1,259	\$ 507
City's covered payroll	\$ -	\$ 2,490	\$ 41,470	\$ 79,810
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.00%	2.89%	3.04%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	126.74%	171.84%	188.21%	118.84%

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	0.013450%	0.014383%	0.013947%	0.014240%	0.012650%	0.012650%
\$	3,683,682	\$ 2,256,414	\$ 3,167,127	\$ 2,466,548	\$ 1,525,764	\$ 1,491,301
\$	1,810,743	\$ 1,779,415	\$ 1,914,008	\$ 1,643,903	\$ 1,426,339	\$ 1,662,184
	203.43%	126.81%	165.47%	150.04%	106.97%	89.72%
	74.70%	84.66%	77.25%	81.08%	86.45%	86.36%
	0.033852%	0.033639%	0.043238%	0.038160%		
\$	37,854	\$ 45,794	\$ 24,065	\$ 18,569		
\$	144,786	\$ 137,762	\$ 162,267	\$ 55,633		
	26.14%	33.24%	14.83%	33.38%		
	126.64%	137.28%	116.55%	116.90%		
	0.012882%	0.012234%	0.011172%	0.053820%		
\$	294	\$ 427	\$ 47	\$ 36		
\$	73,640	\$ 67,050	\$ 57,989	\$ 53,142		
	0.40%	0.64%	0.08%	0.07%		
	113.42%	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 TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net pension liability	0.09153900%	0.08545120%	0.07706780%	0.06862710%
City's proportionate share of the net pension liability	\$ 8,695,318	\$ 5,338,497	\$ 5,253,781	\$ 4,623,088
City's covered payroll	\$ 2,477,460	\$ 2,182,968	\$ 1,949,502	\$ 1,492,172
City's proportionate share of the net pension liability as a percentage of its covered payroll	350.98%	244.55%	269.49%	309.82%
Plan fiduciary net position as a percentage of the total pension liability	62.90%	75.03%	70.65%	69.89%

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

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.06532600%	0.06695700%	0.05392500%	0.05382000%	0.05289620%	0.05289620%
\$ 5,332,328	\$ 4,109,447	\$ 3,415,530	\$ 3,462,275	\$ 2,740,244	\$ 2,576,211
\$ 1,474,548	\$ 1,685,008	\$ 1,181,873	\$ 1,075,317	\$ 1,061,660	\$ 1,025,136
361.62%	243.88%	288.99%	321.98%	258.11%	251.30%
63.07%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 260,454	\$ 332,837	\$ 267,373	\$ 263,260
Contributions in relation to the contractually required contribution	<u>(260,454)</u>	<u>(332,837)</u>	<u>(267,373)</u>	<u>(263,260)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,860,386	\$ 2,377,407	\$ 1,909,807	\$ 1,880,429
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 15,627	\$ 17,908	\$ 17,637	\$ 17,205
Contributions in relation to the contractually required contribution	<u>(15,627)</u>	<u>(17,908)</u>	<u>(17,637)</u>	<u>(17,205)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 130,225	\$ 127,914	\$ 125,979	\$ 122,893
Contributions as a percentage of covered payroll	12.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ -	\$ -	\$ 249	\$ 4,147
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>(249)</u>	<u>(4,147)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ -	\$ -	\$ 2,490	\$ 41,470
Contributions as a percentage of covered payroll	0.00%	0.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 273,958	\$ 253,504	\$ 231,324	\$ 229,681	\$ 212,804	\$ 186,993
<u>(273,958)</u>	<u>(253,504)</u>	<u>(231,324)</u>	<u>(229,681)</u>	<u>(212,804)</u>	<u>(186,993)</u>
<u>\$ -</u>					
\$ 1,956,843	\$ 1,810,743	\$ 1,779,415	\$ 1,914,008	\$ 1,643,274	\$ 1,426,339
14.00%	14.00%	13.00%	12.00%	12.95%	13.11%
\$ 19,296	\$ 20,270	\$ 17,909	\$ 19,472		
<u>(19,296)</u>	<u>(20,270)</u>	<u>(17,909)</u>	<u>(19,472)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 137,829	\$ 144,786	\$ 137,762	\$ 162,267		
14.00%	14.00%	13.00%	12.00%		
\$ 7,981	\$ 7,364	\$ 6,705	\$ 5,509		
<u>(7,981)</u>	<u>(7,364)</u>	<u>(6,705)</u>	<u>(5,509)</u>		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
\$ 79,810	\$ 73,640	\$ 67,050	\$ 57,989		
10.00%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 599,000	\$ 526,252	\$ 462,605	\$ 415,485
Contributions in relation to the contractually required contribution	<u>(599,000)</u>	<u>(526,252)</u>	<u>(462,605)</u>	<u>(415,485)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,824,841	\$ 2,477,460	\$ 2,182,968	\$ 1,949,502
Contributions as a percentage of covered payroll	21.20%	21.24%	21.19%	21.31%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 317,347	\$ 312,687	\$ 295,483	\$ 250,969	\$ 227,419	\$ 221,367
<u>(317,347)</u>	<u>(312,687)</u>	<u>(295,483)</u>	<u>(250,969)</u>	<u>(227,419)</u>	<u>(221,367)</u>
<u>\$ -</u>					
\$ 1,492,172	\$ 1,474,548	\$ 1,685,008	\$ 1,181,873	\$ 1,075,267	\$ 1,061,660
21.27%	21.21%	17.54%	21.23%	21.15%	20.85%

**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 SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability/asset	0.012088%	0.013237%	0.013689%	0.014287%
City's proportionate share of the net OPEB liability/(asset)	\$ 76,217	\$ (414,603)	\$ (243,880)	\$ 1,973,406
City's covered payroll	\$ 2,505,321	\$ 2,038,276	\$ 2,044,792	\$ 2,174,482
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	3.04%	20.34%	11.93%	90.75%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	94.79%	128.23%	115.57%	47.80%

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>2019</u>	<u>2018</u>	<u>2017</u>
0.014026%	0.014840%	0.014557%
\$ 1,828,659	\$ 1,611,515	\$ 1,470,309
\$ 2,029,169	\$ 1,984,227	\$ 2,134,264
90.12%	81.22%	68.89%
46.33%	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 SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's proportion of the net OPEB liability	0.09153900%	0.08545120%	0.07706780%	0.06862710%
City's proportionate share of the net OPEB liability	\$ 651,731	\$ 936,619	\$ 816,546	\$ 677,880
City's covered payroll	\$ 2,182,968	\$ 2,182,968	\$ 1,949,502	\$ 1,492,172
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	29.86%	42.91%	41.88%	45.43%
Plan fiduciary net position as a percentage of the total OPEB liability	52.59%	46.86%	45.42%	47.08%

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>2019</u>	<u>2018</u>	<u>2017</u>
0.06532600%	0.06695700%	0.05392500%
\$ 594,893	\$ 3,793,690	\$ 2,559,698
\$ 1,474,548	\$ 1,685,008	\$ 1,181,873
40.34%	225.14%	216.58%
46.57%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,604	\$ -	\$ 100	\$ 1,659
Contributions in relation to the contractually required contribution	<u>(2,604)</u>	<u>-</u>	<u>(100)</u>	<u>(1,659)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 1,990,611	\$ 2,505,321	\$ 2,038,276	\$ 2,044,792
Contributions as a percentage of covered payroll	0.13%	0.00%	0.00%	0.08%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 3,192	\$ 2,945	\$ 21,854	\$ 41,780	\$ 45,738	\$ 26,757
<u>(3,192)</u>	<u>(2,945)</u>	<u>(21,854)</u>	<u>(41,780)</u>	<u>(45,738)</u>	<u>(26,757)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,174,482	\$ 2,029,169	\$ 1,984,227	\$ 2,134,264	\$ 1,643,274	\$ 1,426,339
0.15%	0.15%	1.10%	1.96%	2.78%	1.88%

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 14,124	\$ 12,387	\$ 10,915	\$ 9,748
Contributions in relation to the contractually required contribution	<u>(14,124)</u>	<u>(12,387)</u>	<u>(10,915)</u>	<u>(9,748)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,824,841	\$ 2,477,460	\$ 2,182,968	\$ 1,949,502
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 7,462	\$ 7,373	\$ 6,948	\$ 5,910	\$ 5,429	\$ 5,114
<u>(7,462)</u>	<u>(7,373)</u>	<u>(6,948)</u>	<u>(5,910)</u>	<u>(5,429)</u>	<u>(5,114)</u>
<u>\$ -</u>					
\$ 1,492,172	\$ 1,474,548	\$ 1,685,008	\$ 1,181,873	\$ 1,075,267	\$ 1,061,660
0.50%	0.50%	0.41%	0.50%	0.50%	0.48%

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

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*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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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%.
- There were no changes in assumptions for 2023.

(Continued)

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

PENSION

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*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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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%.
- For 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

(Continued)

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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 10.50%, 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 10.50%, 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.
- For 2023, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the single discount rate changed from 6.00% to 5.22%, (b) the municipal bond rate was changed from 1.84% to 4.05% and (c) the health care cost trend rate was changed from 5.50% initial, 3.50% ultimate in 2034 to 5.50% initial, 3.50% ultimate in 2036.

(Continued)

CITY OF CLAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2023

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*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.
- There were no changes in benefit terms from the amounts reported for 2023.

*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%.
- For 2023, 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 changed from 2.84% to 4.27% and (b) the mortality rates were changed from the RP-2014 Total Employee and Healthy Annuitant mortality tables to various Pub-2010 mortality tables using the MP-2021 Improvement Scale.

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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.

***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, 2023**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 3,019,159	\$ -	\$ 3,830	\$ 3,022,989
Receivables:				
Real and other taxes	181,810	-	-	181,810
Accounts	152,501	-	-	152,501
Payments in lieu of taxes	627,835	-	-	627,835
Special assessments	34,302	675,321	-	709,623
Accrued interest	852	-	-	852
Due from other governments	67,431	-	-	67,431
Materials and supplies inventory	44,707	-	-	44,707
Prepayments	29,945	-	-	29,945
Land held for resale	274,088	-	-	274,088
Total assets	<u>\$ 4,432,630</u>	<u>\$ 675,321</u>	<u>\$ 3,830</u>	<u>\$ 5,111,781</u>
<b>Liabilities:</b>				
Accounts payable	\$ 23,888	\$ -	\$ -	\$ 23,888
Accrued wages and benefits payable	2,261	-	-	2,261
Due to other governments	8,172	-	-	8,172
Unearned revenue	360,558	-	-	360,558
Total liabilities	<u>394,879</u>	<u>-</u>	<u>-</u>	<u>394,879</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	179,224	-	-	179,224
Delinquent property tax revenue not available	2,586	-	-	2,586
Accrued interest not available	595	-	-	595
Special assessments revenue not available	34,302	675,321	-	709,623
Miscellaneous revenue not available	130,790	-	-	130,790
Intergovernmental revenue not available	54,204	-	-	54,204
PILOTs levied for next fiscal year	627,696	-	-	627,696
Delinquent PILOT revenue not available	139	-	-	139
Total deferred inflows of resources	<u>1,029,536</u>	<u>675,321</u>	<u>-</u>	<u>1,704,857</u>
<b>Fund balances:</b>				
Nonspendable	74,652	-	-	74,652
Restricted	2,933,563	-	-	2,933,563
Assigned	-	-	3,830	3,830
Total fund balances	<u>3,008,215</u>	<u>-</u>	<u>3,830</u>	<u>3,012,045</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 4,432,630</u>	<u>\$ 675,321</u>	<u>\$ 3,830</u>	<u>\$ 5,111,781</u>

**CITY OF CLAYTON, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Fund</u>	<u>Nonmajor Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Real and other taxes	\$ 187,879	\$ -	\$ -	\$ 187,879
Other local taxes	108,006	-	-	108,006
Payment in lieu of taxes	540,350	-	-	540,350
Charges for services	485,622	-	-	485,622
Fines and forfeitures	3,645	-	-	3,645
Intergovernmental	907,593	-	-	907,593
Special assessments	22,763	259,880	-	282,643
Investment income	7,033	-	-	7,033
Change in FMV of investments	19,153	-	-	19,153
Other	10,433	-	-	10,433
Total revenues	<u>2,292,477</u>	<u>259,880</u>	<u>-</u>	<u>2,552,357</u>
<b>Expenditures:</b>				
<i>Current:</i>				
General government	902,651	13,151	-	915,802
Security of persons and property	758,438	-	-	758,438
Public health and welfare	17,906	-	-	17,906
Transportation	251,327	-	-	251,327
Economic development	48,625	-	-	48,625
Capital outlay	197,692	-	-	197,692
<i>Debt service:</i>				
Principal retirement	75,000	544,250	-	619,250
Interest and fiscal charges	30,538	148,951	-	179,489
Total expenditures	<u>2,282,177</u>	<u>706,352</u>	<u>-</u>	<u>2,988,529</u>
Excess of revenues over expenditures	<u>10,300</u>	<u>(446,472)</u>	<u>-</u>	<u>(436,172)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	583,282	-	583,282
Transfers out	(64,382)	(136,810)	-	(201,192)
Total other financing sources/(uses)	<u>(64,382)</u>	<u>446,472</u>	<u>-</u>	<u>382,090</u>
Net change in fund balances	(54,082)	-	-	(54,082)
<b>Fund balances at beginning of year</b>	<u>3,062,297</u>	<u>-</u>	<u>3,830</u>	<u>3,066,127</u>
<b>Fund balances at end of year</b>	<u>\$ 3,008,215</u>	<u>\$ -</u>	<u>\$ 3,830</u>	<u>\$ 3,012,045</u>

**CITY OF CLAYTON, OHIO**  
**COMBINING BALANCE SHEET**  
**INDIVIDUAL NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2023**

	<b>Enforcement and Education Fund</b>	<b>Drug Law Enforcement Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>EMS Fund</b>	<b>State Highway Fund</b>	<b>Permissive Motor Vehicle License Tax Fund</b>
<b>Assets:</b>						
Equity in pooled cash and cash equivalents	\$ 5,094	\$ 12,497	\$ 9,828	\$ 402,229	\$ 100,825	\$ 41,450
Receivables:						
Real and other taxes	-	-	-	181,810	-	-
Accounts	-	-	-	152,501	-	-
Payments in lieu of taxes	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Accrued interest	-	-	-	-	594	258
Due from other governments	-	-	-	14,120	31,307	7,959
Materials and supplies inventory	-	-	-	-	44,707	-
Prepayments	-	-	-	29,888	-	-
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$ 5,094</u>	<u>\$ 12,497</u>	<u>\$ 9,828</u>	<u>\$ 780,548</u>	<u>\$ 177,433</u>	<u>\$ 49,667</u>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 15,311	\$ 3,126	\$ 838
Accrued wages and benefits payable	-	-	-	2,261	-	-
Due to other governments	-	-	-	7,593	-	579
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,165</u>	<u>3,126</u>	<u>1,417</u>
<b>Deferred inflows of resources:</b>						
Property taxes levied for the next fiscal year	-	-	-	179,224	-	-
Delinquent property tax revenue not available	-	-	-	2,586	-	-
Accrued interest not available	-	-	-	-	415	180
Special assessments revenue not available	-	-	-	-	-	-
Miscellaneous revenue not available	-	-	-	130,790	-	-
Intergovernmental revenue not available	-	-	-	14,120	26,039	-
PILOTs levied for next fiscal year	-	-	-	-	-	-
Delinquent PILOT revenue not available	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,720</u>	<u>26,454</u>	<u>180</u>
<b>Fund balances:</b>						
Nonspendable	-	-	-	29,888	44,707	-
Restricted	5,094	12,497	9,828	398,775	103,146	48,070
Total fund balances	<u>5,094</u>	<u>12,497</u>	<u>9,828</u>	<u>428,663</u>	<u>147,853</u>	<u>48,070</u>
Total liabilities, deferred inflows of resources & fund balance	<u>\$ 5,094</u>	<u>\$ 12,497</u>	<u>\$ 9,828</u>	<u>\$ 780,548</u>	<u>\$ 177,433</u>	<u>\$ 49,667</u>

Street Lights Fund	Cemetery Fund	JEDD Fund	Tax Increment Fund	TIF Towne Center Fund	Local Fiscal Recovery Fund	OneOhio Opioid	Total Nonmajor Special Revenue Funds
\$ 27,220	\$ 67,635	\$ 481,393	\$ 857,362	\$ 640,828	\$ 361,079	\$ 11,719	\$ 3,019,159
-	-	-	-	-	-	-	181,810
-	-	-	-	-	-	-	152,501
-	-	-	399,799	228,036	-	-	627,835
34,302	-	-	-	-	-	-	34,302
-	-	-	-	-	-	-	852
-	-	-	-	14,045	-	-	67,431
-	-	-	-	-	-	-	44,707
-	57	-	-	-	-	-	29,945
-	-	-	150,599	123,489	-	-	274,088
<u>\$ 61,522</u>	<u>\$ 67,692</u>	<u>\$ 481,393</u>	<u>\$ 1,407,760</u>	<u>\$ 1,006,398</u>	<u>\$ 361,079</u>	<u>\$ 11,719</u>	<u>\$ 4,432,630</u>
\$ 3,111	\$ 981	\$ -	\$ -	\$ -	\$ 521	\$ -	\$ 23,888
-	-	-	-	-	-	-	2,261
-	-	-	-	-	-	-	8,172
-	-	-	-	-	360,558	-	360,558
<u>3,111</u>	<u>981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361,079</u>	<u>-</u>	<u>394,879</u>
-	-	-	-	-	-	-	179,224
-	-	-	-	-	-	-	2,586
-	-	-	-	-	-	-	595
34,302	-	-	-	-	-	-	34,302
-	-	-	-	-	-	-	130,790
-	-	-	-	14,045	-	-	54,204
-	-	-	399,710	227,986	-	-	627,696
-	-	-	89	50	-	-	139
<u>34,302</u>	<u>-</u>	<u>-</u>	<u>399,799</u>	<u>242,081</u>	<u>-</u>	<u>-</u>	<u>1,029,536</u>
-	57	-	-	-	-	-	74,652
24,109	66,654	481,393	1,007,961	764,317	-	11,719	2,933,563
<u>24,109</u>	<u>66,711</u>	<u>481,393</u>	<u>1,007,961</u>	<u>764,317</u>	<u>-</u>	<u>11,719</u>	<u>3,008,215</u>
<u>\$ 61,522</u>	<u>\$ 67,692</u>	<u>\$ 481,393</u>	<u>\$ 1,407,760</u>	<u>\$ 1,006,398</u>	<u>\$ 361,079</u>	<u>\$ 11,719</u>	<u>\$ 4,432,630</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, 2023**

	<b>Enforcement and Education Fund</b>	<b>Drug Law Enforcement Fund</b>	<b>Law Enforcement Trust Fund</b>	<b>EMS Fund</b>	<b>State Highway Fund</b>	<b>Permissive Motor Vehicle License Tax Fund</b>
<b>Revenues:</b>						
Real and other taxes	\$ -	\$ -	\$ -	\$ 187,879	\$ -	\$ -
Other local taxes	-	-	-	477,622	-	108,006
Payment in lieu of taxes	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	295	50	3,300	-	-	-
Intergovernmental	-	-	-	29,899	66,966	-
Special assessments	-	-	-	-	-	-
Investment income	-	-	-	-	5,012	2,021
Change in FMV of investments	-	-	-	-	9,509	9,644
Other	-	-	118	1,337	-	147
Total revenues	<u>295</u>	<u>50</u>	<u>3,418</u>	<u>696,737</u>	<u>81,487</u>	<u>119,818</u>
<b>Expenditures:</b>						
<i>Current:</i>						
General government	-	-	-	-	-	-
Security of persons and property	-	-	118	758,320	-	-
Public health and welfare	-	-	-	-	-	-
Transportation	-	-	-	-	83,315	132,961
Economic development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<i>Debt service:</i>						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>118</u>	<u>758,320</u>	<u>83,315</u>	<u>132,961</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>295</u>	<u>50</u>	<u>3,300</u>	<u>(61,583)</u>	<u>(1,828)</u>	<u>(13,143)</u>
<b>Other financing sources (uses):</b>						
Transfer in	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-
Total other financing sources/(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	295	50	3,300	(61,583)	(1,828)	(13,143)
<b>Fund balances at beginning of year</b>	<u>4,799</u>	<u>12,447</u>	<u>6,528</u>	<u>490,246</u>	<u>149,681</u>	<u>61,213</u>
<b>Fund balances at end of year</b>	<u>\$ 5,094</u>	<u>\$ 12,497</u>	<u>\$ 9,828</u>	<u>\$ 428,663</u>	<u>\$ 147,853</u>	<u>\$ 48,070</u>

Street Lights Fund	Cemetery Fund	JEDD Fund	Tax Increment Fund	TIF Towne Center Fund	Local Fiscal Recovery Fund	OneOhio Opioid Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 187,879
-	-	-	-	-	-	-	585,628
-	-	-	325,946	214,404	-	-	540,350
-	8,000	-	-	-	-	-	8,000
-	-	-	-	-	-	-	3,645
-	-	73,777	-	25,206	703,268	8,477	907,593
22,763	-	-	-	-	-	-	22,763
-	-	-	-	-	-	-	7,033
-	-	-	-	-	-	-	19,153
-	-	1,225	7,606	-	-	-	10,433
<u>22,763</u>	<u>8,000</u>	<u>75,002</u>	<u>333,552</u>	<u>239,610</u>	<u>703,268</u>	<u>8,477</u>	<u>2,292,477</u>
-	-	-	132,419	67,561	702,671	-	902,651
-	-	-	-	-	-	-	758,438
-	17,906	-	-	-	-	-	17,906
35,051	-	-	-	-	-	-	251,327
-	-	48,625	-	-	-	-	48,625
-	-	192,202	4,893	-	597	-	197,692
-	-	-	75,000	-	-	-	75,000
-	-	-	30,538	-	-	-	30,538
<u>35,051</u>	<u>17,906</u>	<u>240,827</u>	<u>242,850</u>	<u>67,561</u>	<u>703,268</u>	<u>-</u>	<u>2,282,177</u>
<u>(12,288)</u>	<u>(9,906)</u>	<u>(165,825)</u>	<u>90,702</u>	<u>172,049</u>	<u>-</u>	<u>8,477</u>	<u>10,300</u>
-	-	-	-	-	-	-	-
-	-	-	-	(64,382)	-	-	(64,382)
-	-	-	-	(64,382)	-	-	(64,382)
(12,288)	(9,906)	(165,825)	90,702	107,667	-	8,477	(54,082)
<u>36,397</u>	<u>76,617</u>	<u>647,218</u>	<u>917,259</u>	<u>656,650</u>	<u>-</u>	<u>3,242</u>	<u>3,062,297</u>
<u>\$ 24,109</u>	<u>\$ 66,711</u>	<u>\$ 481,393</u>	<u>\$ 1,007,961</u>	<u>\$ 764,317</u>	<u>\$ -</u>	<u>\$ 11,719</u>	<u>\$ 3,008,215</u>

**CITY OF CLAYTON, OHIO**

*FUND DESCRIPTIONS - FIDUCIARY FUNDS*

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

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***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, 2023

	<b>Joint Economic Development District Fund</b>	<b>North Clayton Development Fund</b>	<b>Total Custodial Funds</b>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents and Receivables (net of allowances for uncollectibles):	\$ 1,550	\$ -	\$ 1,550
Income tax	1,550	-	1,550
Accounts	<u>-</u>	<u>10,175</u>	<u>10,175</u>
Total assets	<u>\$ 3,100</u>	<u>\$ 10,175</u>	<u>\$ 13,275</u>
<b>Liabilities:</b>			
Due to other governments	<u>\$ 1,550</u>	<u>\$ -</u>	<u>\$ 1,550</u>
Total liabilities	<u>1,550</u>	<u>-</u>	<u>1,550</u>
<b>Net Position</b>			
Restricted for individuals, organizations and other governments	<u>1,550</u>	<u>10,175</u>	<u>11,725</u>
Total net position	<u>\$ 1,550</u>	<u>\$ 10,175</u>	<u>\$ 11,725</u>

**CITY OF CLAYTON, OHIO**  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 CUSTODIAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Joint Economic Development District Fund</b>	<b>North Clayton Development Fund</b>	<b>Total Custodial Funds</b>
<b>Additions:</b>			
Income taxes	\$ 135,029	\$ -	\$ 135,029
Licenses, permits and fees for other governments	-	18,250	18,250
Special assessments collections for other governments	-	17,686	17,686
Total additions	<u>135,029</u>	<u>35,936</u>	<u>170,965</u>
<b>Deductions:</b>			
Other custodial fund disbursements	<u>147,773</u>	<u>36,376</u>	<u>184,149</u>
Total deductions	<u>147,773</u>	<u>36,376</u>	<u>184,149</u>
Net change in fiduciary net position	(12,744)	(440)	(13,184)
<b>Net position at beginning of year</b>	<u>14,294</u>	<u>10,615</u>	<u>24,909</u>
<b>Net position at end of year</b>	<u><u>\$ 1,550</u></u>	<u><u>\$ 10,175</u></u>	<u><u>\$ 11,725</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Municipal income taxes	\$ 3,473,574	\$ 3,597,070	\$ 3,685,538	\$ 88,468
Property taxes	368,845	381,650	382,137	487
Charges for services	895,666	935,916	1,201,194	265,278
Licenses, permits, and fees	39,682	41,405	51,400	9,995
Intergovernmental	252,117	264,824	379,225	114,401
Investment income	54,110	60,061	177,613	117,552
Other local taxes	184,167	190,061	175,895	(14,166)
Other	11,005	12,516	45,086	32,570
<i>Total revenues</i>	<u>5,279,166</u>	<u>5,483,503</u>	<u>6,098,088</u>	<u>614,585</u>
<b>Expenditures:</b>				
Current:				
General government				
Personal services	1,161,756	1,194,819	1,124,642	70,177
Contractual services	1,149,303	1,182,829	1,140,398	42,431
Materials and supplies	9,741	9,976	7,999	1,977
Total general government	<u>2,320,800</u>	<u>2,387,624</u>	<u>2,273,039</u>	<u>114,585</u>
Leisure time activities				
Personal services	639,783	658,970	652,646	6,324
Contractual services	283,964	291,042	240,776	50,266
Materials and supplies	199,326	204,621	180,112	24,509
Total leisure time activities	<u>1,123,073</u>	<u>1,154,633</u>	<u>1,073,534</u>	<u>81,099</u>
Capital outlay	<u>24,474</u>	<u>25,155</u>	<u>23,146</u>	<u>2,009</u>
Debt service:				
Principal retirement	54,862	56,163	44,235	11,928
<i>Total expenditures</i>	<u>3,523,209</u>	<u>3,623,575</u>	<u>3,413,954</u>	<u>209,621</u>
<i>Excess of revenues over expenditures</i>	<u>1,755,957</u>	<u>1,859,928</u>	<u>2,684,134</u>	<u>824,206</u>
<b>Other financing sources (uses):</b>				
Transfers out	(3,212,567)	(3,295,072)	(2,806,407)	488,665
<i>Total other financing sources (uses)</i>	<u>(3,212,567)</u>	<u>(3,295,072)</u>	<u>(2,806,407)</u>	<u>488,665</u>
<i>Net change in fund balance</i>	(1,456,610)	(1,435,144)	(122,273)	1,312,871
<i>Fund balance at beginning of year</i>	3,729,604	3,729,604	3,729,604	-
<i>Prior year encumbrances appropriated</i>	31,017	31,017	31,017	-
<i>Fund balance at end of year</i>	<u>\$ 2,304,011</u>	<u>\$ 2,325,477</u>	<u>\$ 3,638,348</u>	<u>\$ 1,312,871</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>				
Property taxes	\$ 1,167,314	\$ 1,172,427	\$ 1,177,188	\$ 4,761
Charges for services	129,333	129,874	124,664	(5,210)
Fines and forfeitures	17,460	17,590	29,856	12,266
Intergovernmental	188,582	189,418	192,383	2,965
Other	11,099	11,220	27,871	16,651
<i>Total revenues</i>	<u>1,513,788</u>	<u>1,520,529</u>	<u>1,551,962</u>	<u>31,433</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services	2,309,507	2,318,758	2,144,895	173,863
Contractual services	414,101	415,599	347,333	68,266
Materials and supplies	74,277	74,596	73,938	658
Total security of persons and property	<u>2,797,885</u>	<u>2,808,953</u>	<u>2,566,166</u>	<u>242,787</u>
Capital outlay	15,664	15,732	15,688	44
<i>Total expenditures</i>	<u>2,813,549</u>	<u>2,824,685</u>	<u>2,581,854</u>	<u>242,831</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,299,761)</u>	<u>(1,304,156)</u>	<u>(1,029,892)</u>	<u>274,264</u>
<b>Other financing sources:</b>				
Transfers in	1,287,644	1,292,039	1,012,075	(279,964)
<i>Total other financing sources</i>	<u>1,287,644</u>	<u>1,292,039</u>	<u>1,012,075</u>	<u>(279,964)</u>
<i>Net change in fund balance</i>	(12,117)	(12,117)	(17,817)	(5,700)
<i>Fund balance at beginning of year</i>	67,551	67,551	67,551	-
<i>Prior year encumbrances appropriated</i>	21,381	21,381	21,381	-
<i>Fund balance at end of year</i>	<u>\$ 76,815</u>	<u>\$ 76,815</u>	<u>\$ 71,115</u>	<u>\$ (5,700)</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, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Property taxes	\$ 729,696	\$ 729,696	\$ 730,267	\$ 571
Fines and forfeitures	505	505	2,103	1,598
Intergovernmental	166,046	166,046	184,808	18,762
Contributions and donations	-	-	1,111	1,111
Other	-	-	13,851	13,851
<i>Total revenues</i>	<u>896,247</u>	<u>896,247</u>	<u>932,140</u>	<u>35,893</u>
<b>Expenditures:</b>				
Current:				
Security of persons and property				
Personal services	1,691,013	1,691,013	1,647,431	43,582
Contractual services	126,649	126,649	98,340	28,309
Materials and supplies	9,326	9,326	9,280	46
Total security of persons and property	<u>1,826,988</u>	<u>1,826,988</u>	<u>1,755,051</u>	<u>71,937</u>
Capital outlay	<u>9,620</u>	<u>9,620</u>	<u>9,439</u>	<u>181</u>
<i>Total expenditures</i>	<u>1,836,608</u>	<u>1,836,608</u>	<u>1,764,490</u>	<u>72,118</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(940,361)</u>	<u>(940,361)</u>	<u>(832,350)</u>	<u>108,011</u>
<b>Other financing sources:</b>				
Transfers in	<u>893,862</u>	<u>893,862</u>	<u>786,050</u>	<u>(107,812)</u>
<i>Total other financing sources</i>	<u>893,862</u>	<u>893,862</u>	<u>786,050</u>	<u>(107,812)</u>
<i>Net change in fund balance</i>	(46,499)	(46,499)	(46,300)	199
<i>Fund balance at beginning of year</i>	122,826	122,826	122,826	-
<i>Prior year encumbrances appropriated</i>	<u>36,749</u>	<u>36,749</u>	<u>36,749</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 113,076</u>	<u>\$ 113,076</u>	<u>\$ 113,275</u>	<u>\$ 199</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>				
Charges for services	\$ 14,832	\$ 15,000	\$ 18,679	\$ 3,679
Intergovernmental	832,565	840,000	827,670	(12,330)
Investment income	303	500	21,943	21,443
Contributions and donations	-	-	-	-
Other	11,661	12,500	93,413	80,913
<i>Total revenues</i>	<u>859,361</u>	<u>868,000</u>	<u>961,705</u>	<u>93,705</u>
<b>Expenditures:</b>				
Current:				
Transportation				
Personal services	1,015,345	1,021,869	1,010,028	11,841
Contractual services	254,697	256,124	220,865	35,259
Materials and supplies	217,523	218,779	194,432	24,347
Total transportation	<u>1,487,565</u>	<u>1,496,772</u>	<u>1,425,325</u>	<u>71,447</u>
Capital outlay	510,547	513,840	<u>509,905</u>	<u>3,935</u>
<i>Total expenditures</i>	<u>1,998,112</u>	<u>2,010,612</u>	<u>1,935,230</u>	<u>75,382</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,138,751)</u>	<u>(1,142,612)</u>	<u>(973,525)</u>	<u>169,087</u>
<b>Other financing sources:</b>				
Sale of capital assets	-	-	5,015	(5,015)
Transfers in	592,139	596,000	425,000	(171,000)
<i>Total other financing sources</i>	<u>592,139</u>	<u>596,000</u>	<u>430,015</u>	<u>(176,015)</u>
<i>Net change in fund balance</i>	(546,612)	(546,612)	(543,510)	3,102
<i>Fund balance at beginning of year</i>	37,066	37,066	37,066	-
<i>Prior year encumbrances appropriated</i>	518,346	518,346	518,346	-
<i>Fund balance at end of year</i>	<u>\$ 8,800</u>	<u>\$ 8,800</u>	<u>\$ 11,902</u>	<u>\$ 3,102</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Special assessment	\$ 330,000	\$ 259,880	\$ (70,120)
<i>Total revenues</i>	<u>330,000</u>	<u>259,880</u>	<u>(70,120)</u>
<b>Expenditures:</b>			
Current:			
General government			
Contractual services	17,000	13,151	3,849
Total general government	<u>17,000</u>	<u>13,151</u>	<u>3,849</u>
<i>Debt service:</i>			
Principal retirement	622,061	622,061	-
Interest and fiscal charges	<u>207,950</u>	<u>207,950</u>	<u>-</u>
<i>Total expenditures</i>	<u>847,011</u>	<u>843,162</u>	<u>3,849</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(517,011)</u>	<u>(583,282)</u>	<u>(66,271)</u>
<b>Other financing sources:</b>			
Transfers in	517,011	583,282	66,271
<i>Total other financing sources</i>	<u>517,011</u>	<u>583,282</u>	<u>66,271</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Municipal income taxes	\$ 1,792,705	\$ 1,842,649	\$ 49,944
Intergovernmental	100,000	237,235	137,235
Other	-	17,239	17,239
<i>Total revenues</i>	<u>1,892,705</u>	<u>2,097,123</u>	<u>204,418</u>
<b>Expenditures:</b>			
Current:			
General government			
Contractual services	1,524,969	1,371,376	153,593
Materials and supplies	-	-	-
Total general government	<u>1,524,969</u>	<u>1,371,376</u>	<u>153,593</u>
Capital outlay	1,744,787	1,690,707	54,080
Debt service:			
Principal retirement	<u>511,910</u>	<u>507,371</u>	<u>4,539</u>
<i>Total expenditures</i>	<u>3,781,666</u>	<u>3,569,454</u>	<u>212,212</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,888,961)</u>	<u>(1,472,331)</u>	<u>416,630</u>
<b>Other financing sources:</b>			
Transfers in	-	-	-
Lease proceeds	221,558	211,558	(10,000)
Sale of capital assets	2,000	8,864	6,864
<i>Total other financing sources</i>	<u>223,558</u>	<u>220,422</u>	<u>(3,136)</u>
<i>Net change in fund balance</i>	(1,665,403)	(1,251,909)	413,494
<i>Fund balance at beginning of year</i>	756,260	756,260	-
<i>Prior year encumbrances appropriated</i>	<u>1,164,137</u>	<u>1,164,137</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 254,994</u>	<u>\$ 668,488</u>	<u>\$ 413,494</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Fines and forfeitures	\$ 50	\$ 320	\$ 270
<i>Net change in fund balance</i>	50	320	270
<i>Fund balance at beginning of year</i>	<u>4,774</u>	<u>4,774</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 4,824</u>	<u>\$ 5,094</u>	<u>\$ 270</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Fines and forfeitures	\$ 50	\$ 50	\$ -
<i>Net change in fund balance</i>	50	50	-
<i>Fund balance at beginning of year</i>	12,447	12,447	-
<i>Fund balance at end of year</i>	<u>\$ 12,497</u>	<u>\$ 12,497</u>	<u>\$ -</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Fines and forfeitures	\$ 1,500	\$ 3,300	\$ 1,800
Other	-	118	118
<i>Total revenues</i>	<u>1,500</u>	<u>3,418</u>	<u>1,918</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Materials and supplies	250	118	132
Total security of persons and property	<u>250</u>	<u>118</u>	<u>132</u>
<i>Total expenditures</i>	<u>250</u>	<u>118</u>	<u>132</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>1,250</u>	<u>3,300</u>	<u>2,050</u>
<i>Net change in fund balance</i>	1,250	3,300	2,050
<i>Fund balance at beginning of year</i>	<u>6,528</u>	<u>6,528</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 7,778</u>	<u>\$ 9,828</u>	<u>\$ 2,050</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Property taxes	\$ 187,518	\$ 187,879	\$ 361
Charges for services	400,748	469,825	69,077
Intergovernmental	32,282	29,899	(2,383)
Other	252	1,337	1,085
<i>Total revenues</i>	<u>620,800</u>	<u>688,940</u>	<u>68,140</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Personal services	665,377	557,659	107,718
Contractual services	214,412	192,378	22,034
Materials and supplies	71,949	68,300	3,649
Total security of persons and property	<u>951,738</u>	<u>818,337</u>	<u>133,401</u>
<i>Total expenditures</i>	<u>951,738</u>	<u>818,337</u>	<u>133,401</u>
<i>Net change in fund balance</i>	(330,938)	(129,397)	201,541
<i>Fund balance at beginning of year</i>	501,318	501,318	-
<i>Prior year encumbrances appropriated</i>	3,740	3,740	-
<i>Fund balance at end of year</i>	<u>\$ 174,120</u>	<u>\$ 375,661</u>	<u>\$ 201,541</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 61,000	\$ 67,019	\$ 6,019
Investment income	200	5,259	5,059
<i>Total revenues</i>	<u>61,200</u>	<u>72,278</u>	<u>11,078</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Contractual services	77,719	42,737	34,982
Materials and supplies	64,246	61,644	2,602
Total transportation	<u>141,965</u>	<u>104,381</u>	<u>37,584</u>
<i>Total expenditures</i>	<u>141,965</u>	<u>104,381</u>	<u>37,584</u>
<i>Net change in fund balance</i>	(80,765)	(32,103)	48,662
<i>Fund balance at beginning of year</i>	120,527	120,527	-
<i>Prior year encumbrances appropriated</i>	<u>13,965</u>	<u>13,965</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 53,727</u>	<u>\$ 102,389</u>	<u>\$ 48,662</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Other local taxes	110,000	108,377	(1,623)
Investment income	100	2,279	2,179
Other	-	147	147
<i>Total revenues</i>	<u>110,100</u>	<u>110,803</u>	<u>703</u>
<b>Expenditures:</b>			
Current:			
Transportation			
Personal services	47,253	40,945	6,308
Contractual services	73,177	67,737	5,440
Materials and supplies	31,885	27,032	4,853
Total transportation	<u>152,315</u>	<u>135,714</u>	<u>16,601</u>
Capital outlay	<u>4,500</u>	-	<u>4,500</u>
<i>Total expenditures</i>	<u>156,815</u>	<u>135,714</u>	<u>21,101</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(46,715)</u>	<u>(24,911)</u>	<u>21,804</u>
<i>Net change in fund balance</i>	(46,715)	(24,911)	21,804
<i>Fund balance at beginning of year</i>	64,447	64,447	-
<i>Prior year encumbrances appropriated</i>	<u>2,619</u>	<u>2,619</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 20,351</u>	<u>\$ 42,155</u>	<u>\$ 21,804</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Special assessments	\$ 30,000	\$ 22,763	\$ (7,237)
<i>Total revenues</i>	<u>30,000</u>	<u>22,763</u>	<u>(7,237)</u>
<b>Expenditures:</b>			
Current:			
Security of persons and property			
Contractual services	<u>38,000</u>	<u>31,940</u>	<u>6,060</u>
<i>Total expenditures</i>	<u>38,000</u>	<u>31,940</u>	<u>6,060</u>
<i>Net change in fund balance</i>	(8,000)	(9,177)	(1,177)
<i>Fund balance at beginning of year</i>	<u>36,397</u>	<u>36,397</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 28,397</u>	<u>\$ 27,220</u>	<u>\$ (1,177)</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Charges for services	\$ 4,000	\$ 8,000	\$ 4,000
<b>Expenditures:</b>			
Current:			
Public health			
Contractual services	16,870	16,869	1
Materials and supplies	1,050	1,047	3
Total public health	<u>17,920</u>	<u>17,916</u>	<u>4</u>
Capital outlay	<u>500</u>	<u>-</u>	<u>500</u>
<i>Total expenditures</i>	<u>18,420</u>	<u>17,916</u>	<u>504</u>
<i>Net change in fund balance</i>	(14,420)	(9,916)	4,504
<i>Fund balance at beginning of year</i>	76,571	76,571	-
<i>Prior year encumbrances appropriated</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 62,151</u>	<u>\$ 66,655</u>	<u>\$ 4,504</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ 52,000	\$ 73,777	\$ 21,777
Other	-	1,225	1,225
<i>Total revenues</i>	<u>52,000</u>	<u>75,002</u>	<u>23,002</u>
<b>Expenditures:</b>			
Current:			
Economic development			
Contractual services	110,600	110,600	-
Total economic development	<u>110,600</u>	<u>110,600</u>	<u>-</u>
Capital outlay	<u>192,202</u>	<u>192,202</u>	<u>-</u>
<i>Total expenditures</i>	<u>302,802</u>	<u>302,802</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(250,802)</u>	<u>(227,800)</u>	<u>23,002</u>
<i>Net change in fund balance</i>	(250,802)	(227,800)	23,002
<i>Fund balance at beginning of year</i>	<u>647,218</u>	<u>647,218</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 396,416</u>	<u>\$ 419,418</u>	<u>\$ 23,002</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Payment in lieu of taxes	\$ 315,000	\$ 325,946	\$ 10,946
Other	<u>7,250</u>	<u>7,606</u>	<u>356</u>
<i>Total revenues</i>	<u>322,250</u>	<u>333,552</u>	<u>11,302</u>
<b>Expenditures:</b>			
Current:			
General government			
Contractual services	<u>133,639</u>	<u>132,419</u>	<u>1,220</u>
Capital outlay	<u>63,860</u>	<u>4,893</u>	<u>58,967</u>
<i>Debt service:</i>			
Principal retirement	85,750	85,750	-
Interest and fiscal charges	<u>19,789</u>	<u>19,788</u>	<u>1</u>
<i>Total expenditures</i>	<u>303,038</u>	<u>242,850</u>	<u>60,188</u>
<i>Net change in fund balance</i>	19,212	90,702	71,490
<i>Fund balance at beginning of year</i>	<u>766,660</u>	<u>766,660</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 785,872</u>	<u>\$ 857,362</u>	<u>\$ 71,490</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, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Payment in lieu of taxes	\$ 200,000	\$ 214,404	\$ 14,404
Intergovernmental	25,000	<u>25,206</u>	206
<i>Total revenues</i>	<u>225,000</u>	<u>239,610</u>	<u>14,610</u>
<b>Expenditures:</b>			
Current:			
General government			
Contractual services	<u>68,500</u>	<u>67,561</u>	<u>939</u>
<i>Debt service:</i>			
Principal retirement	36,617	36,617	-
Interest and fiscal charges	<u>27,765</u>	<u>27,765</u>	-
<i>Total expenditures</i>	<u>132,882</u>	<u>131,943</u>	<u>939</u>
<i>Net change in fund balance</i>	92,118	107,667	15,549
<i>Fund balance at beginning of year</i>	<u>533,161</u>	<u>533,161</u>	-
<i>Fund balance at end of year</i>	<u>\$ 625,279</u>	<u>\$ 640,828</u>	<u>\$ 15,549</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ -	\$ -
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
General government			
Contractual services	1,062,094	851,004	211,090
Materials and supplies	1,120	1,092	28
Total general government	<u>1,063,214</u>	<u>852,096</u>	<u>211,118</u>
Capital outlay	<u>612</u>	<u>597</u>	<u>15</u>
<i>Total expenditures</i>	<u>1,063,826</u>	<u>852,693</u>	<u>211,133</u>
<i>Net change in fund balance</i>	(1,063,826)	(852,693)	211,133
<i>Fund balance at beginning of year</i>	729,881	729,881	-
<i>Prior year encumbrances appropriated</i>	<u>333,946</u>	<u>333,946</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 1</u>	<u>\$ 211,134</u>	<u>\$ 211,133</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 8,477	\$ 8,477
<i>Total revenues</i>	<u>-</u>	<u>8,477</u>	<u>8,477</u>
<i>Net change in fund balance</i>	-	8,477	8,477
<i>Fund balance at beginning of year</i>	<u>3,242</u>	<u>3,242</u>	<u>-</u>
<i>Fund balance at end of year</i>	<u>\$ 3,242</u>	<u>\$ 11,719</u>	<u>\$ 8,477</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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
<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, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Other financing sources:</b>			
<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)**  
**IMPACT FEE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues:</b>			
Licenses, permits, and fees	\$ 15,000	\$ 39,537	\$ 24,537
<i>Net change in fund balance</i>	15,000	39,537	24,537
<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>\$ 129,106</u>	<u>\$ 153,643</u>	<u>\$ 24,537</u>

## 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.

**Contents**

**Page**

**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.

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**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.

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**Sources:** Sources are noted on the individual schedules.

**CITY OF CLAYTON, OHIO**

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

	2014 (1)	2015	2016	2017
<b>Governmental activities</b>				
Net investment in capital assets	\$ 7,273,119	\$ 7,410,232	\$ 6,497,189	\$ 5,965,178
Restricted	3,742,366	3,420,732	3,378,498	6,256,638
Unrestricted (deficit)	2,085,034	2,202,430	2,852,600	2,607,500
<b>Total governmental activities net assets/position</b>	<b>\$ 13,100,519</b>	<b>\$ 13,033,394</b>	<b>\$ 12,728,287</b>	<b>\$ 14,829,316</b>
 <b>Business-type activities</b>				
Net investment in capital assets	\$ (459,447)	\$ 2,481,770	\$ 3,206,675	\$ 3,164,792
Unrestricted (deficit)	138,360	(33,394)	(186,042)	(98,793)
<b>Total business-type activities net assets/position</b>	<b>\$ (321,087)</b>	<b>\$ 2,448,376</b>	<b>\$ 3,020,633</b>	<b>\$ 3,065,999</b>
 <b>Primary government</b>				
Net investment in capital assets	\$ 6,813,672	\$ 9,892,002	\$ 9,703,864	\$ 9,129,970
Restricted	3,742,366	3,420,732	3,378,498	6,256,638
Unrestricted (deficit)	2,223,394	2,169,036	2,666,558	2,508,707
<b>Total primary government net assets/position</b>	<b>\$ 12,779,432</b>	<b>\$ 15,481,770</b>	<b>\$ 15,748,920</b>	<b>\$ 17,895,315</b>

(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.

2018 (2)	2019	2020	2021	2022	2023
\$ 12,214,182	\$ 13,102,615	\$ 13,478,573	\$ 14,846,909	\$ 15,255,494	\$ 15,327,730
5,710,496	5,126,149	4,765,875	4,881,578	6,444,076	5,170,058
(3,469,794)	(894,434)	(109,596)	1,191,423	(912,453)	(1,262,431)
<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>	<u>\$ 19,235,357</u>
\$ 282,132	\$ 295,562	\$ 313,179	\$ 335,152	\$ 361,657	\$ 392,877
136,389	17,949	25,730	-	-	-
<u>\$ 418,521</u>	<u>\$ 313,511</u>	<u>\$ 338,909</u>	<u>\$ 335,152</u>	<u>\$ 361,657</u>	<u>\$ 392,877</u>
\$ 12,496,314	\$ 13,398,177	\$ 13,791,752	\$ 15,182,061	\$ 15,617,151	\$ 15,720,607
5,710,496	5,126,149	4,765,875	4,881,578	6,444,076	5,170,058
(3,333,405)	(876,485)	(83,866)	1,191,423	(912,453)	(1,262,431)
<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>	<u>\$ 19,628,234</u>

**CITY OF CLAYTON, OHIO**

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

	2014 (1)	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General Government	\$ 2,335,282	\$ 2,928,788	\$ 3,876,815	\$ 3,634,390
Security of Persons and Property	3,531,717	3,630,121	3,631,194	3,943,836
Public Health and Welfare	390	6,873	5,898	3,877
Economic Development	15,303	10,277	1,107	-
Transportation	1,490,066	1,812,643	1,651,932	1,768,373
Leisure Time Activity	-	-	-	-
Interest and Fiscal Charges	182,614	164,670	361,360	259,926
Total governmental activities expenses	<u>7,555,372</u>	<u>8,553,372</u>	<u>9,528,306</u>	<u>9,610,402</u>
Business type activities:				
Water	152,186	153,496	49,439	-
Sewer	206,708	202,948	208,162	220,780
Golf	-	669,535	995,042	798,691
Total business-type activities expenses	<u>358,894</u>	<u>1,025,979</u>	<u>1,252,643</u>	<u>1,019,471</u>
Total primary government expenses	<u>\$ 7,914,266</u>	<u>\$ 9,579,351</u>	<u>\$ 10,780,949</u>	<u>\$ 10,629,873</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General Government	\$ 735,784	\$ 752,368	\$ 818,718	\$ 2,201,130
Security of Persons and Property	363,014	499,638	507,810	362,227
Public Health and Welfare	7,700	15,275	5,850	6,480
Transportation	5,330	25,116	25,734	33,277
Leisure Time Activity	-	-	-	-
Economic Development	-	-	-	-
Operating grants and contributions	1,049,206	1,168,499	663,362	633,459
Capital grants and contributions	100,000	78,557	-	222,678
Total governmental activities program revenue	<u>2,261,034</u>	<u>2,539,453</u>	<u>2,021,474</u>	<u>3,459,251</u>
Business type activities:				
Charges for services:				
Water	52,659	74,248	78,590	-
Sewer	4	-	-	-
Golf	-	462,038	456,367	482,975
Total business-type activities program revenue	<u>52,663</u>	<u>536,286</u>	<u>534,957</u>	<u>482,975</u>
Total primary government program revenue	<u>\$ 2,313,697</u>	<u>\$ 3,075,739</u>	<u>\$ 2,556,431</u>	<u>\$ 3,942,226</u>

2018 (2)	2019	2020	2021	2022	2023
\$ 3,617,491	\$ 3,373,787	\$ 3,215,976	\$ 2,036,120	\$ 2,874,560	\$ 4,809,178
4,767,750	2,108,856	4,467,551	4,657,352	5,518,108	6,298,210
2,884	3,570	780,866	11,151	2,038	17,906
-	-	-	-	-	48,625
2,027,677	2,671,943	1,995,699	1,640,982	2,535,182	2,680,763
619,867	1,113,517	898,166	580,782	997,665	1,230,998
279,111	306,772	283,989	248,805	231,624	239,471
<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>	<u>15,325,151</u>
-	22,182	-	-	-	-
191,452	187,415	175,794	179,220	174,688	169,972
-	-	-	-	-	-
<u>191,452</u>	<u>209,597</u>	<u>175,794</u>	<u>179,220</u>	<u>174,688</u>	<u>169,972</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>	\$ <u>15,495,123</u>
\$ 2,044,840	\$ 766,668	\$ 305,568	\$ 267,426	\$ 361,522	\$ 577,030
463,559	498,775	704,214	532,253	593,705	708,982
8,200	11,400	18,150	7,580	14,573	15,606
69,428	31,919	90,814	60,340	33,905	121,278
450,309	602,474	592,649	598,429	616,079	730,230
-	-	-	-	-	1,225
998,494	906,114	2,127,404	1,081,391	1,356,201	1,649,381
2,842	261,405	154,322	309,550	332,426	237,235
<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>	<u>4,040,967</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	\$ <u>4,040,967</u>

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**CITY OF CLAYTON, OHIO**

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

	2014 (1)	2015	2016	2017
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (5,294,338)	\$ (6,013,919)	\$ (7,506,832)	\$ (6,151,151)
Business-type activities	(306,231)	(489,693)	(717,686)	(536,496)
Total primary government net expense	<u>\$ (5,600,569)</u>	<u>\$ (6,503,612)</u>	<u>\$ (8,224,518)</u>	<u>\$ (6,687,647)</u>
<b>General Revenues and Other Changes in Net Assets/Position</b>				
Governmental activities:				
Property taxes Levied For General Purposes	\$ 330,846	\$ 319,977	\$ 323,244	\$ 324,456
Property taxes Levied For Police	1,139,035	1,117,627	1,130,372	1,132,699
Property taxes Levied For General Fire	720,557	698,407	705,553	706,720
Property taxes Levied For EMS	178,301	178,464	180,699	181,198
Other Local Taxes	291,372	296,470	366,029	351,136
Payment in Lieu of Taxes	336,282	402,260	408,841	438,870
Municipal Income Taxes Levied for General Purposes	1,889,466	1,897,729	2,308,409	3,315,607
Municipal Income Taxes Levied for Capital Outlay	944,136	947,187	1,145,735	1,657,843
Grants and entitlements not specific to Specific Programs	223,988	248,671	926,747	596,659
Investment Earnings / Change in Fair Value	117,739	(21,121)	93,215	79,143
Investment in Joint Venture	5,191	1,349	55,830	7,898
Miscellaneous	96,317	110,967	10,245	23,625
Transfers	(301,790)	(251,193)	(453,194)	(563,674)
Total governmental activities general revenues	<u>5,971,440</u>	<u>5,946,794</u>	<u>7,201,725</u>	<u>8,252,180</u>
Business type activities:				
Other	4,436	6,113	38,036	18,188
Extraordinary Item/Special Item	-	3,001,850	798,713	-
Transfers	301,790	251,193	453,194	563,674
<i>Total Business-Type Activities General Revenues, Extraordinary Items and Transfers</i>	<u>\$ 306,226</u>	<u>\$ 3,259,156</u>	<u>\$ 1,289,943</u>	<u>\$ 581,862</u>
Prior Year Restatement of Governmental Type Net Position	\$ (3,659,152)	\$ -	\$ -	\$ -
Prior Year Restatement of Business-Type Net Position	-	-	-	-
<b>Changes in Net Assets/Position</b>				
Governmental activities	\$ 677,102	\$ (67,125)	\$ (305,107)	\$ 2,101,029
Business-type activities	(5)	2,769,463	572,257	45,366
Total primary government	<u>\$ 677,097</u>	<u>\$ 2,702,338</u>	<u>\$ 267,150</u>	<u>\$ 2,146,395</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

2018 (2)	2019	2020	2021	2022	2023
\$ (7,277,108) (191,452)	\$ (6,499,690) (209,597)	\$ (7,649,126) (175,794)	\$ (6,318,223) (179,220)	\$ (8,850,766) (174,688)	\$ (11,284,184) (169,972)
<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>	<u>\$ (11,454,156)</u>
\$ 337,673	\$ 349,890	\$ 350,501	\$ 376,977	\$ 369,677	\$ 382,805
1,121,162	1,146,733	1,167,382	1,167,980	1,131,185	1,174,748
698,604	714,063	726,032	726,073	702,737	729,778
179,345	183,284	186,688	186,701	180,756	187,753
361,591	339,963	352,218	359,659	344,245	357,678
407,083	497,829	479,990	525,057	473,674	540,489
2,962,548	3,250,430	2,937,953	3,500,581	3,650,561	3,633,055
1,481,274	1,624,935	1,468,703	1,742,363	1,822,071	1,817,153
604,839	583,312	761,671	671,311	730,636	730,982
20,193	447,639	149,948	(28,468)	(563,752)	308,119
10,154	12,715	-	-	-	-
261,519	270,969	69,754	50,510	77,376	71,056
(201,193)	(78,070)	(201,192)	(175,463)	(201,193)	(201,192)
<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>	<u>9,732,424</u>
1,870	26,517	-	-	-	-
-	-	-	-	-	-
<u>201,193</u>	<u>78,070</u>	<u>201,192</u>	<u>175,463</u>	<u>201,193</u>	<u>201,192</u>
\$ 203,063	\$ 104,587	\$ 201,192	\$ 175,463	\$ 201,193	\$ 201,192
\$ 13,487,200	\$ 14,490,328	\$ -	\$ -	\$ -	\$ -
<u>406,910</u>	<u>418,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 967,684	\$ 2,844,002	\$ 800,522	\$ 2,785,058	\$ (132,793)	\$ (1,551,760)
11,611	(105,010)	25,398	(3,757)	26,505	31,220
<u>\$ 979,295</u>	<u>\$ 2,738,992</u>	<u>\$ 825,920</u>	<u>\$ 2,781,301</u>	<u>\$ (106,288)</u>	<u>\$ (1,520,540)</u>

**CITY OF CLAYTON, OHIO**

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ 26,785	\$ 34,762	\$ 25,831	\$ 38,610
Restricted	-	-	-	-
Committed	-	-	62,403	-
Assigned	1,007,559	1,091,413	658,950	802,601
Unassigned	3,958,798	4,090,815	4,291,989	4,330,666
Total general fund	<u>\$ 4,993,142</u>	<u>\$ 5,216,990</u>	<u>\$ 5,039,173</u>	<u>\$ 5,171,877</u>
All Other Governmental Funds				
Nonspendable	\$ 38,595	\$ 38,074	\$ 46,596	\$ 42,486
Restricted	2,796,535	2,446,186	6,989,972	4,950,494
Assigned	100,000	28,830	3,830	3,830
Unassigned	(29,579)	-	-	(45,431)
Total All Other Governmental Funds	<u>\$ 2,905,551</u>	<u>\$ 2,513,090</u>	<u>\$ 7,040,398</u>	<u>\$ 4,951,379</u>
 Total Governmental Funds	 <u>\$ 7,898,693</u>	 <u>\$ 7,730,080</u>	 <u>\$ 12,079,571</u>	 <u>\$ 10,123,256</u>

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

2018 (1)	2019	2020	2021	2022	2023
\$ 61,770	\$ 76,966	\$ 73,453	\$ 79,941	\$ 81,307	\$ 82,783
-	56,029	-	-	-	-
-	11,883	3,883	-	-	-
1,611,341	1,552,224	1,875,583	1,810,923	1,438,240	1,171,376
3,166,731	3,442,278	3,443,817	3,244,414	2,556,410	2,802,610
<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>	<u>\$ 4,056,769</u>
\$ 202,038	\$ 163,100	\$ 247,922	\$ 175,669	\$ 170,099	\$ 262,442
3,533,495	3,444,092	4,267,616	4,806,711	5,744,073	4,824,786
3,830	3,830	3,830	3,830	3,830	3,830
-	-	-	-	-	-
<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>\$ 5,091,058</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>	<u>\$ 9,147,827</u>

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

	2014	2015	2016	2017
<b>Revenues</b>				
Income Taxes	\$ 2,924,160	\$ 2,958,434	\$ 3,472,885	\$ 4,335,247
Property Taxes	2,367,292	2,309,641	2,345,442	2,319,490
Other Local Taxes	287,697	296,570	299,341	283,600
Payments in Lieu of Taxes	456,042	388,219	398,182	410,586
Charges for Services	1,196,793	1,242,095	1,261,589	1,255,775
Licenses and Permits	7,625	7,605	11,244	8,825
Fines and Forfeitures	30,987	27,495	29,676	43,031
Intergovernmental	1,380,501	1,490,170	1,589,183	1,509,340
Special Assessments	28,352	27,484	27,687	55,145
Investment income	115,848	(27,856)	94,879	157,783
Contributions and Donations	1,346	480	351	480
Change in fair value of investments	-	-	-	(74,826)
Other	96,329	111,037	91,541	338,336
<b>Total revenues</b>	<u>8,892,972</u>	<u>8,831,374</u>	<u>9,622,000</u>	<u>10,642,812</u>
<b>Expenditures</b>				
Current:				
General Government	2,612,744	2,874,076	4,377,484	5,980,398
Security of Persons and Property	3,364,352	3,449,030	3,508,016	3,596,863
Public Health and Welfare	390	6,873	5,898	3,877
Economic Development	15,303	10,277	1,107	-
Transportation	873,304	1,105,680	1,161,223	1,156,871
Leisure Time Activity	-	-	-	-
Capital outlay	327,248	719,956	982,937	301,212
Debt service:				
Principal retirement	428,157	374,923	838,976	742,552
Interest and fiscal charges	155,923	145,647	235,097	256,150
Issuance Costs	-	-	90,491	-
Capital Appreciation Bond Interest	-	62,332	-	-
<b>Total expenditures</b>	<u>7,777,421</u>	<u>8,686,462</u>	<u>11,201,229</u>	<u>12,037,923</u>
<b>Excess of revenues</b>				
<b>Over (Under) expenditures</b>	1,115,551	144,912	(1,579,229)	(1,395,111)
<b>Other Financing Sources (Uses)</b>				
Refunding bonds issued	-	-	-	-
Sale of Capital Assets	-	-	3,790	2,470
General Obligation Bonds Issued	-	-	6,000,000	-
Premium on Debt Issued	-	-	378,124	-
Financed Purchased Agreements	-	-	-	-
Transfers-In	1,470,778	1,262,069	1,582,034	1,463,818
Payment to Refunded Escrow Agent	-	-	-	-
Transfers-Out	(1,772,568)	(1,513,262)	(2,035,228)	(2,027,492)
<b>Total other financing sources (uses)</b>	<u>(301,790)</u>	<u>(251,193)</u>	<u>5,928,720</u>	<u>(561,204)</u>
<b>Net change in fund balance</b>	<u>\$ 813,761</u>	<u>\$ (106,281)</u>	<u>\$ 4,349,491</u>	<u>\$ (1,956,315)</u>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	8.2%	7.3%	11.7%	11.3%

(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.

	2018 (2)	2019	2020	2021	2022	2023
\$	4,355,066	\$ 4,922,930	\$ 4,330,028	\$ 5,231,581	\$ 5,284,567	\$ 5,612,753
	2,375,889	2,405,436	2,391,054	2,422,739	2,467,843	2,476,957
	298,674	281,956	293,710	305,331	281,865	283,901
	403,260	589,634	471,351	537,872	473,674	540,350
	1,807,937	1,606,391	1,217,647	1,235,830	1,422,676	1,839,833
	19,047	16,099	11,069	62,680	37,744	90,937
	23,925	28,175	21,844	22,426	31,193	35,258
	1,477,258	1,682,807	3,248,136	2,082,585	2,383,747	2,725,475
	225,839	349,953	366,759	384,023	365,552	282,643
	187,739	335,326	244,627	495,216	349,860	204,148
	200	250	2,500	500	2,178	1,111
	(169,577)	142,363	(84,522)	(523,773)	(843,009)	129,086
	473,992	378,897	104,228	129,694	137,357	207,032
	<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>	<u>14,429,484</u>
	5,531,149	4,078,657	2,944,866	3,047,388	3,485,983	4,188,045
	3,880,300	4,196,033	3,878,244	4,915,523	5,026,548	5,099,823
	2,884	3,570	780,866	11,151	2,038	17,906
	-	-	-	-	-	48,625
	1,052,532	1,455,879	1,303,904	1,491,736	1,584,519	1,562,778
	619,867	904,048	748,746	839,602	1,080,509	1,109,538
	2,210,934	862,076	344,923	472,927	975,684	1,943,761
	855,817	905,428	914,591	1,000,335	1,022,708	1,088,823
	272,545	297,398	284,877	257,820	232,125	240,866
	-	-	-	-	-	-
	-	56,159	58,841	-	-	-
	<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>	<u>15,300,165</u>
	(2,946,779)	(19,031)	1,358,573	350,222	(1,014,867)	(870,681)
	-	-	-	30,625	-	-
	288,610	6,560	8,321	-	21,500	13,879
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,289,291	226,294	-	-	1,067,031	211,862
	2,277,504	2,321,230	2,134,665	2,780,260	2,835,031	2,806,407
	-	-	-	-	-	-
	<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>(3,007,599)</u>
	<u>1,376,708</u>	<u>154,784</u>	<u>(192,871)</u>	<u>(144,838)</u>	<u>887,338</u>	<u>24,549</u>
\$	<u>(1,570,071)</u>	<u>\$ 135,753</u>	<u>\$ 1,165,702</u>	<u>\$ 205,384</u>	<u>\$ (127,529)</u>	<u>\$ (846,132)</u>
	11.5%	12.1%	12.4%	12.2%	10.7%	9.9%

**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>
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	0.17%	5,284,567	22.04%	8,034,275
2023	2,760,858	1.20%	5,612,753	7.29%	8,373,611

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
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
2023	252,199,220	14,656,570	762,445,114	9,449,170	10,737,693

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		Weighted Average Tax Rate (per \$1,000 of assessed value)
	Estimated Value	Actual Value	
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	10.97
275,160,420	771,815,548	35.65	10.98
274,916,520	770,263,773	35.69	10.98
276,304,960	773,182,807	35.74	10.98

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

	2014	2015	2016	2017
<b>Unvoted Millage</b>				
Operating	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000
<b>Voted Millage- By Levy</b>				
1976 Police				
Residential/Agricultural Real	0.6563	0.6581	0.6589	0.6212
Commercial/Industrial and Public Utility Real	1.0277	1.0299	1.0327	1.0294
General Business and Public Utility Personal	2.6800	2.6800	2.6800	2.6800
1998 Police				
Residential/Agricultural Real	1.3456	1.3493	1.3508	1.2736
Commercial/Industrial and Public Utility Real	1.2146	1.2117	1.2205	1.2165
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	3.2999
Commercial/Industrial and Public Utility Real	3.5000	3.5000	3.5000	3.4886
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	3.2997
Commercial/Industrial and Public Utility Real	3.5000	3.5000	3.5000	3.4886
General Business and Public Utility Personal	3.5000	3.5000	3.5000	3.5000
1998 Fire District				
Residential/Agricultural Real	0.8970	0.8895	0.9005	0.8490
Commercial/Industrial and Public Utility Real	0.8095	0.8112	0.8134	0.8108
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	9.8989	9.8970	9.9103	9.3433
Commercial/Industrial and Public Utility Real	10.0518	10.0528	10.0666	10.0339
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	11.4989	11.4970	11.5103	10.9433
Commercial/Industrial and Public Utility Real	11.6518	11.6528	11.6666	11.6339
General Business and Public Utility Personal	13.7800	13.7800	13.7800	13.7800
<hr/>				
<b>Weighted Average</b>	11.57	11.57	11.57	11.29
<hr/>				

	2018	2019	2020	2021	2022	2023
\$	1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000	\$ 1.6000
	0.6217	0.6217	0.5681	0.5692	0.5692	0.5694
	1.0268	1.0268	1.0213	1.0218	1.0218	1.0217
	2.6800	2.6800	2.6800	2.6800	2.6800	2.6800
	1.2745	1.2745	1.1648	1.1678	1.1678	1.1675
	1.2135	1.2135	1.2069	1.2075	1.2075	1.2075
	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
	3.3023	3.3023	3.0180	3.0259	3.0259	3.0249
	3.4800	3.4800	3.3823	3.3839	3.3839	3.3838
	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
	3.3021	3.3021	3.0179	3.0258	3.0258	3.0249
	3.4800	3.4800	3.3821	3.3837	3.3837	3.3836
	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
	0.8496	0.8496	0.7765	0.7785	0.7785	0.7783
	0.8087	0.8087	0.8044	0.8047	0.8047	0.8047
	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
	9.3501	9.3502	8.5453	8.5672	8.5672	8.5649
	10.0090	10.0090	9.7970	9.8016	9.8016	9.8014
	12.1800	12.1800	12.1800	12.1800	12.1800	12.1800
	10.9501	10.9502	10.1453	10.1672	10.1672	10.1649
	11.6090	11.6090	11.3970	11.4016	11.4016	11.4014
	13.7800	13.7800	13.7800	13.7800	13.7800	13.7800
	11.28	10.91	10.97	10.98	10.98	10.98

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

	2014	2015	2016	2017
<b>Overlapping Rates by Taxing District</b>				
Northmont School District				
Residential/Agricultural Real	\$ 50.4860	\$ 50.5216	\$ 56.4221	\$ 54.5853
Commercial/Industrial and Public Utility Real	52.4390	52.9312	58.9066	58.9771
General Business and Public Utility Personal	75.9500	75.9500	81.8500	81.8500
Trotwood-Madison School District				
Residential/Agricultural Real	52.0057	52.5911	52.6248	52.4326
Commercial/Industrial and Public Utility Real	58.3794	52.0576	59.4426	59.7198
General Business and Public Utility Personal	61.5600	62.0600	62.0600	62.0600
Brookville School District				
Residential/Agricultural Real	42.6383	42.7465	42.7427	41.1663
Commercial/Industrial and Public Utility Real	48.3030	47.8145	46.9535	47.1691
General Business and Public Utility Personal	74.2500	74.2500	74.2500	74.2300
Sinclair Community College				
Residential/Agricultural Real	3.2000	4.2000	4.2000	3.9776
Commercial/Industrial and Public Utility Real	3.2000	4.2000	4.1739	4.1876
General Business and Public Utility Personal	3.2000	4.2000	4.2000	4.2000
Montgomery County				
Residential/Agricultural Real	18.0498	18.0510	18.0511	17.1854
Commercial/Industrial and Public Utility Real	18.2547	18.2569	18.1539	18.1724
General Business and Public Utility Personal	18.7400	18.7400	18.7400	18.7400
Special Taxing Districts (1)				
Residential/Agricultural Real	5.9500	5.6926	5.6686	6.9751
Commercial/Industrial and Public Utility Real	6.1800	5.8383	5.8068	7.2418
General Business and Public Utility Personal	6.2900	5.8900	5.8900	7.3200

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

	2018	2019	2020	2021	2022	2023
\$	54.6199	\$ 54.5813	\$ 54.5813	\$ 49.1396	\$ 49.1396	\$ 49.0805
	59.0432	58.7034	58.7035	57.5162	57.5162	57.4868
	81.8500	81.8500	81.8500	81.4000	81.4000	81.4000
	52.4937	52.5399	52.5399	48.0537	48.0537	48.0646
	59.4404	59.8073	59.8073	56.5836	56.5836	56.8488
	62.0600	62.0600	62.0600	62.0600	62.0600	62.0600
	40.6547	40.4550	40.4550	37.4248	37.4248	37.3219
	46.6251	45.4671	45.4672	41.1233	41.1233	40.6953
	73.7300	73.5300	73.5300	73.0100	73.0100	73.0000
	3.9810	3.9790	3.9790	3.4829	3.4829	3.4795
	4.1809	4.1441	4.1442	4.0076	4.0076	3.9317
	4.2000	4.2000	4.2000	4.5000	4.5000	4.2000
	17.4924	17.4845	17.4846	15.5165	15.5165	15.5029
	18.3899	18.2430	18.2431	17.6979	17.6979	17.3949
	18.9400	18.9400	18.9400	18.9400	18.9400	18.9400
	6.9709	6.7711	6.7694	6.2325	6.2325	6.0680
	7.2423	7.0217	7.0218	6.8078	6.8078	6.6347
	7.3200	7.1600	7.1600	7.0500	7.0500	6.9700

**CITY OF CLAYTON, OHIO**

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Fiscal Year 2023		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power And Light Co	\$ 8,714,210	3.17%
DBC Stoneridge Limited Partner	3,240,930	1.18%
Pleasant Real Estate LLC IV	2,531,880	0.92%
Vectren Energy Delivery of Ohio	2,216,690	0.81%
Garden Woods Investors LLC	1,748,260	0.64%
Randolph Investments LLC	1,075,100	0.39%
Caterpillar Inc	918,990	0.33%
Rex Residential Property Owner	867,250	0.32%
Greenglen Gardens LP	794,710	0.29%
GW Clayton LLC	506,830	0.18%
Total Real and Personal Property	22,614,850	8.22%
All Others	253,690,110	91.78%
Total Assessed Valuation	<u>276,304,960</u>	<u>100.00%</u>

Fiscal Year 2014		
Taxpayer	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light Company	\$ 5,732,540	2.33%
Tilak Nagar/Stoneridge	2,353,210	0.96%
Pleasant Real Estate LLC	1,925,560	0.78%
LGH Properties	927,660	0.38%
Randolph Investments LLC	920,140	0.37%
Garden Woods Apartment LLC	909,360	0.37%
Caterpillar	908,830	0.37%
Vectren Energy Delivery of Ohio	680,640	0.28%
Greenglen Aparatments of Dayton	608,040	0.25%
Hi-Tek Holdings LLC	411,240	0.17%
Total Real and Personal Property	\$ 15,377,220	6.25%
All Others	230,709,410	93.75%
Total Assessed Valuation	<u>\$ 246,086,630</u>	<u>100.00%</u>

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>						
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	2,889,593	101.56%
2023	2,860,902	2,817,467	98.48%	51,205	2,868,672	100.27%

(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	
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
2023	-	5,526,842	1,032,234	-	1,902,676	8,461,752

- (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
\$ 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
559,099,340	13,235	1.51%	639.35

**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>
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
2023	4,882,385	773,182,807	13,235	0.63%	368.90

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**CITY OF CLAYTON, OHIO**

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Assessed Valuation	\$ 246,086,630	\$ 246,086,630	\$ 237,464,760	\$ 237,810,170
Overall debt limitation- 10.5% of assessed valuation	<u>25,839,096</u>	<u>25,839,096</u>	<u>24,933,800</u>	<u>24,970,068</u>
Gross indebtedness authorized by the City	12,274,255	11,681,190	13,130,757	12,334,091
Less: Exempt Debt				
Backhoe Promissory Note	57,393	43,947	-	-
Plow/Frieghtliner Promissory Note	113,770	76,702	38,786	-
Water Line Loan	4,208,656	4,208,656	-	-
OWDA Loan	<u>2,840,325</u>	<u>2,751,869</u>	<u>2,659,839</u>	<u>2,564,091</u>
Total Exempt Debt	<u>7,220,144</u>	<u>7,081,174</u>	<u>2,698,625</u>	<u>2,564,091</u>
Net Debt Subject to Limitation	5,054,111	4,600,016	10,432,132	9,770,000
Less Amount available in the Debt Service Fund	<u>-</u>	<u>-</u>	<u>191,037</u>	<u>42,772</u>
Total Net Debt Subject to Limitation	<u>5,054,111</u>	<u>4,600,016</u>	<u>10,241,095</u>	<u>9,727,228</u>
Legal debt margin within 10.5% limitation	<u><u>20,784,985</u></u>	<u><u>21,239,080</u></u>	<u><u>14,692,705</u></u>	<u><u>15,242,840</u></u>
Legal Debt Margin as a Percentage of the Debt limit	80.4%	82.2%	58.9%	61.0%

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Total Assessed Valuation	\$ 246,086,630	\$ 246,086,630	\$ 237,464,760	\$ 237,810,170
Overall debt limitation- 5.5% of assessed valuation	13,534,765	13,534,765	13,060,562	13,079,559
Gross indebtedness authorized by the City	12,274,255	11,681,190	13,130,757	12,334,091
Less: Exempt Debt				
Backhoe Promissory Note	57,393	43,947	-	-
Plow/Frieghtliner Promissory Note	113,770	76,702	38,786	-
Water Line Loan	4,208,656	4,208,656	-	-
OWDA Loan	<u>2,840,325</u>	<u>2,751,869</u>	<u>2,659,839</u>	<u>2,564,091</u>
Total Exempt Debt	<u>7,220,144</u>	<u>7,081,174</u>	<u>2,698,625</u>	<u>2,564,091</u>
Net Debt Subject to Limitation	5,054,111	4,600,016	10,432,132	9,770,000
Less Amount available in the Debt Service Fund	<u>-</u>	<u>-</u>	<u>191,037</u>	<u>42,772</u>
Total Net Debt Subject to Limitation	<u>5,054,111</u>	<u>4,600,016</u>	<u>10,241,095</u>	<u>9,727,228</u>
Legal debt margin within 5.5% limitation	<u><u>8,480,654</u></u>	<u><u>8,934,749</u></u>	<u><u>2,819,467</u></u>	<u><u>3,352,331</u></u>
Legal Debt Margin as a Percentage of the Debt limit	62.7%	66.0%	21.6%	25.6%

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	251,666,570	\$ 252,038,740	\$ 251,927,720	\$ 275,160,420	\$ 274,916,520	\$ 276,304,960
	26,424,990	26,464,068	26,452,411	28,891,844	28,866,235	29,012,021
	11,559,763	10,774,235	9,618,007	8,820,823	8,291,120	7,429,518
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,464,475	2,360,835	2,253,007	2,140,823	2,024,107	1,902,676
	<u>2,464,475</u>	<u>2,360,835</u>	<u>2,253,007</u>	<u>2,140,823</u>	<u>2,024,107</u>	<u>1,902,676</u>
	9,095,288	8,413,400	7,365,000	6,680,000	6,267,013	5,526,842
	-	9,609	-	-	-	-
	<u>9,095,288</u>	<u>8,403,791</u>	<u>7,365,000</u>	<u>6,680,000</u>	<u>6,267,013</u>	<u>5,526,842</u>
	<u>17,329,702</u>	<u>18,060,277</u>	<u>19,087,411</u>	<u>22,211,844</u>	<u>22,599,222</u>	<u>23,485,179</u>
	65.6%	68.2%	72.2%	76.9%	78.3%	80.9%

\$	251,666,570	\$ 252,038,740	\$ 251,927,720	\$ 275,160,420	\$ 274,916,520	\$ 276,304,960
	13,841,661	13,862,131	13,856,025	15,133,823	15,120,409	15,196,773
	11,559,763	10,774,235	9,618,007	8,820,823	8,291,120	7,429,518
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,464,475	2,360,835	2,253,007	2,140,823	2,024,107	1,902,676
	<u>2,464,475</u>	<u>2,360,835</u>	<u>2,253,007</u>	<u>2,140,823</u>	<u>2,024,107</u>	<u>1,902,676</u>
	9,095,288	8,413,400	7,365,000	6,680,000	6,267,013	5,526,842
	-	9,609	-	-	-	-
	<u>9,095,288</u>	<u>8,403,791</u>	<u>7,365,000</u>	<u>6,680,000</u>	<u>6,267,013</u>	<u>5,526,842</u>
	<u>4,746,373</u>	<u>5,458,340</u>	<u>6,491,025</u>	<u>8,453,823</u>	<u>8,853,396</u>	<u>9,669,931</u>
	34.3%	39.4%	46.8%	55.9%	58.6%	63.6%

**CITY OF CLAYTON, OHIO**

COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AS OF DECEMBER 31, 2023

Political subdivision of State of Ohio	Debt Outstanding	Percentage applicable to Clayton (1)	Amount applicable to Clayton
<b>Direct</b>			
City of Clayton - General Obligation Bonds	\$ 5,526,842	100.00%	\$ 5,526,842
Financed Purchase Obligations	1,032,234	100.00%	1,032,234
Total Direct Debt	<u>6,559,076</u>		<u>6,559,076</u>
<b>Overlapping</b>			
Montgomery County			
General Obligation	2,568,869	2.65%	68,069
Special Assesment Bonds		2.65%	-
Northmont School District (2)			
General Obligation	53,034,143	97.8%	51,868,018
Trotwood-Madison (2)			
School Improvement Bonds, Refunding	20,348,883	1.88%	381,597
Energy Conservation Note Payable	680,854	1.88%	12,768
Brookville School District (2)			
Levy Tax Anticipation Notes	527,000	0.086%	455
School Contruction Bonds, Refunding	8,515,552	0.086%	7,355
Total Overlapping Debt	<u>85,675,301</u>		<u>52,338,261</u>
Total Direct and Overlapping Debt	<u>\$ 92,234,377</u>		<u>\$ 58,897,337</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, 2023.

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>
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
2023	13,235	559,099,340	42,244	89,282	46.0	95.5%	3.9%	276,304,960

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**

	2014		2015		2016		2017	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
<b>Governmental activities:</b>								
Administration	7	15	7	15	8	16	8	15
Police	14	20	15	21	14	20	14	20
Fire/EMS	7	26	7	35	10	35	9	27
Golf/Banquet								
Street	8	10	9	14	11	16	11	16
Total Number of Employees	<u>36</u>	<u>71</u>	<u>38</u>	<u>85</u>	<u>43</u>	<u>87</u>	<u>42</u>	<u>78</u>

Source: City's Records

Note: Banquet staff added in 2022

2018		2019		2020		2021		2022		2023	
Full-Time	All										
9	16	8	16	8	17	8	15	8	15	8	15
14	19	16	18	17	19	18	19	19	19	19	19
10	28	13	29	13	27	13	20	13	24	14	25
4	25	4	38	4	38	4	16	5	39	4	44
10	14	11	16	11	16	14	17	13	17	12	15
47	102	52	117	53	117	57	87	58	114	57	118

**CITY OF CLAYTON, OHIO**

OPERATING INDICATORS BY FUNCTION AND PROGRAM  
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b><i>Police</i></b>				
Police Calls	8,363	8,394	8,802	8,097
<b><i>Fire/EMS</i></b>				
Fire and EMS Calls	1,885	2,090	2,051	2,182
<b><i>Street</i></b>				
Dollars for Road Improvement	\$ 412,960	\$ 105,889	\$ 1,607,068	\$ 2,803,838
Miles of Roads (Lane Miles)	212	212	212	212
Tons of Salt Spread	1,206	914	1,112	1,400
Tons of Grit Spread	-	-	-	-

Source: City's records

2018	2019	2020	2021	2022	2023
8,292	10,008	9,902	18,837	25,431	34,420
1,635	2,374	2,765	2,300	2,394	2,563
\$ 2,943,139	\$ 1,172,839	\$ 891,545	\$ 897,082	\$ 789,529	\$ 754,272
212	212	212	214	214	214
1,421	1,455	725	1,559	1,163	300
-	-	-	12	-	-

**CITY OF CLAYTON, OHIO**

CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Government</b>				
Government Center	1	1	1	1
Community Center	1	1	1	1
Gazebo	1	1	1	1
Parks	3	4	4	4
Cemeteries	2	2	2	2
Golf Course	0	1	1	1
Vehicles	1	2	2	3
<b>Police</b>				
Stations	1	1	1	1
Patrol Vehicles				
Active	8	7	6	7
Auxilliary	4	4	2	2
Support Vehicles/Trailers	1	1	1	1
<b>Fire</b>				
Stations	3	3	3	3
Response Vehicles	5	5	5	5
Support Vehicles	2	2	2	2
<b>EMS</b>				
Medics Vehicles	2	2	2	2
<b>Street</b>				
Buildings	2	2	2	3
Trucks	11	12	12	11
Pickups	4	4	5	6
Mowers	5	5	5	3

Source: City's records

2018	2019	2020	2021	2022	2023
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	2	1	2	2
1	1	1	1	1	1
7	8	8	8	8	8
2	2	2	2	5	4
1	1	1	1	1	1
3	3	1	1	1	1
5	5	4	4	4	4
2	2	2	4	4	4
2	2	2	2	2	2
3	3	3	3	3	3
10	10	10	9	9	9
6	7	9	9	8	7
3	3	3	3	3	3

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