



City of Clayton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014

Prepared by: **Department of Finance**

Kevin Schweitzer, CPA, CGFM **Director of Finance**

Teri Birchfield, **Assistant to the Director of Finance**

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Comprehensive Annual Financial Report
For the Year Ended December 31, 2014
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June 26, 2015

Citizens of Clayton
Members of Council
City of Clayton, Ohio

We are pleased to present the eleventh Comprehensive Annual Financial Report (CAFR) for the City of Clayton. This report, for the year ended December 31, 2014, 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, 2014.

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

Clark Schaefer Hackett has issued an unmodified ("clean") opinion on the City of Clayton's financial statements for the year ended December 31, 2014. 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, water services, 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 16, 17 and 18.

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 four parks covering 45.27 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.

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 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

In November of 2003, the Clayton voters approved a 1.5 percent income tax which, in its ninth full year of collection, generated \$2,924,160 in governmental fund revenue. In January 2005, in an attempt to increase the number of jobs within the City limits, the City of Clayton exercised its eight year-old option to purchase 143 acres of prime industrial land adjacent to I-70 for a commerce park. During 2006, the installation of the infrastructure for the commerce park was completed. During 2011, the City reached an agreement with Caterpillar Logistics Inc. to build a parts distribution center on the site of the current commerce park. The distribution center created an additional 684 jobs and additional income to the area.

Major reconstruction of the I-70/I-75 interchange has been completed. This project has a direct impact on the City due to the location of the City to the new interchange and the added benefits of a safer, more modern and efficient crossroad. The new interchange accommodates increased traffic flow and eliminates weaving of traffic at the interchange. The new interchange easily accommodates the increased traffic and keeps goods, services and people moving. All of these factors enhance the quality of life within the City and promote economic development and growth for the City as a whole.

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 was approved for an ED/GE program grant during 2010 and used the monies to purchase the additional land to expand the commerce park for the Caterpillar Logistics Inc. parts distribution center.

The Dayton region is in an era of uncertainty; the following items are facing the City Council in operating the City:

- The economic environment in the area has shown some trends of improving;
- The housing market has seen a stabilization in foreclosures and a decrease in new construction; and
- The financial and credit markets' instability have added to the unpredictability of the economy.

Despite these challenges, City Council is addressing the identified areas by attempting to attract new businesses to the City into the Commerce Park, and working with construction contractors on zoning related issues to ease the housing development process.

FINANCIAL PLANNING AND POLICIES

The Finance Department updated the investment policy in 2007. Its primary objectives are safety, liquidity and yield. Policies on Capital Assets, Budgeting, Accounting, Debt, Fund Reserves, and Capital Improvements were also completed.

The City of Clayton contracts with the City of Vandalia to administer the tax ordinances and collect the City income taxes by the authority of those ordinances.

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

MAJOR INITIATIVES

The Commerce Park, which is a 143 acre parcel of land on Hoke Road that is adjacent to I-70, was purchased at the end of 2010 by Caterpillar Logistics Inc.. The construction of a 1.5 million square foot parts distribution center was completed in early 2011 and is currently operating with employment of 684 employees.

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clayton for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013. This was the eleventh year that the City of Clayton achieved this prestigious award. In order to be awarded a

Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR 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. Teri Birchfield, Assistant to the Finance Director, is to be commended for her continued contribution, effort and commitment. 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 Mr. Dave Yost, Auditor of State, and his Local Government Services staff for their guidance and assistance in preparing this report.

Respectively Submitted,



Richard C. Rose
City Manager



Kevin A. Schweitzer, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Clayton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

City of Clayton, Ohio

Principal Officials

December 31, 2014

Elected Officials

Name	Title	Term Expires
Joyce Deitering	Mayor	12/31/2017
Tim Gorman	Vice-Mayor	12/31/2015
Kenneth C. Henning	Council	12/31/2015
Ray A. Slone, Jr.	Council	12/31/2015
Greg Merkle	Council	12/31/2017
Dennis Liberman	Council	12/31/2017
Tina Kelly	Council	12/31/2017

Appointed Officials

Name	Title	Appointing Authority
Richard Rose	City Manager	Pleasure of Council
Kevin A. Schweitzer, CPA	Finance Director	Pleasure of City Manager
Barbara Seim	Clerk of Council	Pleasure of Council
Martina Dillon	Law Director	Pleasure of Council
Rob Anderson	Director of Development	Pleasure of City Manager
Matt Hamlin	Chief of Police	Pleasure of City Manager
Brian Garver	Fire Chief	Pleasure of City Manager

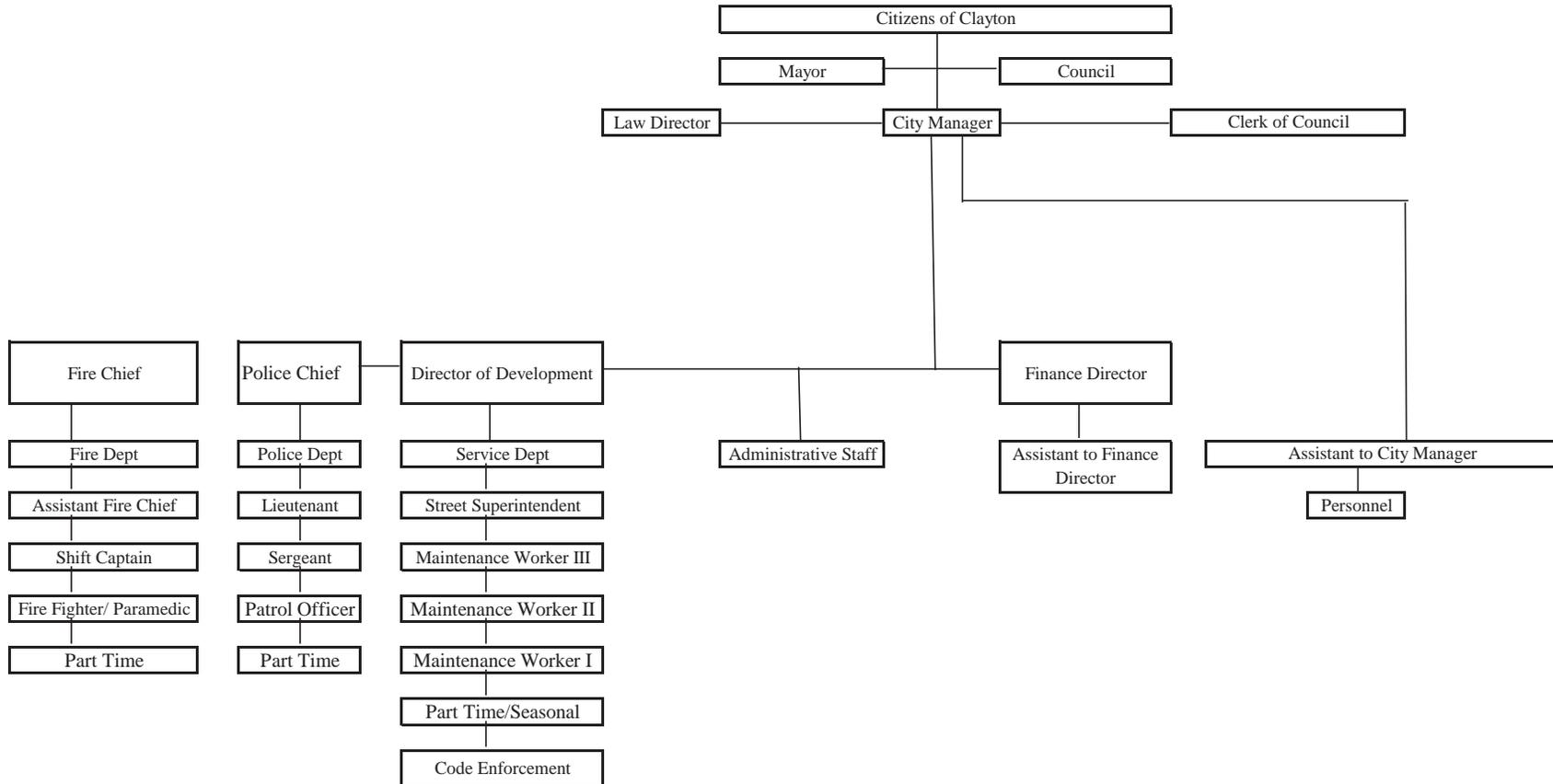
CITY OF CLAYTON ORGANIZATIONAL CHART

ADMINISTRATIVE OFFICES MISSION

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

SERVICE DEPARTMENT MISSION

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



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INDEPENDENT AUDITORS' REPORT

City Council
City of Clayton, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Ohio (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General, Police, Street Department and Fire Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 26, 2015

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Clayton's discussion and analysis of the annual financial report provides an overview of the City's financial activities for the year ended December 31, 2014. 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

- During 2013, Northmont City School District started construction on a new 270,000 square foot high school costing \$44 million. A completion date of late 2015 is anticipated. As of December 31, 2014, over \$29,000 has been collected in associated income tax.
- During 2014, the Montgomery County Auditor informed the City that the taxable value of property for tax year 2014, would decrease 3.68 percent due to a countywide revaluation or property taxes.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Clayton's financial situation as a whole and also give a detailed view of the City's fiscal condition.

The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The 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 the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Position and the Statement of Activities. These statements provide information that will help the reader to determine if the City of Clayton is financially better off or worse off as a result of the year's activities. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting which is similar to the accounting used by private sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in that position. These changes inform the reader whether the City's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities.

Governmental Activities – Most of the City's services are reported here including police, fire, EMS, street, capital improvements, and general government.

Business-Type Activities – These services consist of fees for water and sewer customers and payments for water to the City of Dayton. The intent is that the fees charged recoup operating costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page eight. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law. Other funds may be established by the Finance Director, with the approval of the City Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Clayton's major funds are the General, Police, Street Department, Fire, Capital Improvement, Water Department, and Sewer Operating Funds.

Governmental Funds

Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

The proprietary funds use the same measurement focus and basis of accounting as the business-type activities when the City charges citizens for the services it provides, with the intent of recapturing operating costs, those services are generally reported in enterprise funds.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the City's programs.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2014 compared to 2013.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and Other Assets	\$12,935,686	\$12,573,176	\$138,360	\$175,627	\$13,074,046	\$12,748,803
Capital Assets, Net	12,257,795	12,409,232	6,589,534	6,751,885	18,847,329	19,161,117
<i>Total Assets</i>	<u>25,193,481</u>	<u>24,982,408</u>	<u>6,727,894</u>	<u>6,927,512</u>	<u>31,921,375</u>	<u>31,909,920</u>
Deferred Outflow of Resources:						
Deferred Charge on Refunding	390,616	417,711	0	0	390,616	417,711
Liabilities:						
Current and Other Liabilities	550,695	542,313	0	68,892	550,695	611,205
Long-Term Liabilities	5,803,527	6,210,000	7,048,981	7,179,702	12,852,508	13,389,702
<i>Total Liabilities</i>	<u>6,354,222</u>	<u>6,752,313</u>	<u>7,048,981</u>	<u>7,248,594</u>	<u>13,403,203</u>	<u>14,000,907</u>
Deferred Inflow of Resources:						
Property Taxes	2,203,517	2,267,059	0	0	2,203,517	2,267,059
Payments in Lieu of Taxes	266,687	298,178	0	0	266,687	298,178
<i>Total Deferred Inflows of Resources</i>	<u>2,470,204</u>	<u>2,565,237</u>	<u>0</u>	<u>0</u>	<u>2,470,204</u>	<u>2,565,237</u>
Net Position:						
Net Investment in Capital Assets	7,273,119	7,073,297	(459,447)	(427,817)	6,813,672	6,645,480
Restricted for:						
Capital Outlay	984,057	775,624	0	0	984,057	775,624
Other Purposes	2,758,309	2,553,780	0	0	2,758,309	2,553,780
Unrestricted	5,744,186	5,679,868	138,360	106,735	5,882,546	5,786,603
<i>Total Net Position (Deficit)</i>	<u>\$16,759,671</u>	<u>\$16,082,569</u>	<u>(\$321,087)</u>	<u>(\$321,082)</u>	<u>\$16,438,584</u>	<u>\$15,761,487</u>

Current and other assets of governmental activities increased by \$362,510. Capital assets decreased due to current year depreciation exceeded current year additions.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

Overall, liabilities of governmental activities decreased \$398,091 due to a decrease in long-term liabilities relating to annual debt service payments.

Net position of governmental activities increased 4.2 percent from the prior year. Net investment in capital assets increased \$199,822 due to annual debt service payments. Net position restricted for capital outlay increased \$208,433 due to projects scheduled for 2014 were delayed until 2015. Unrestricted net position increased \$64,318, due to revenues exceeding expenditure.

Unrestricted net position of business-type activities had an increase of \$31,625. Overall net position of business-type activities saw a \$5 increase in the deficit. This deficit is due to the debt related to capital assets exceeds the net value of the capitalized assets.

Table 2 shows the changes in net position for the year ended December 31, 2014 compared to 2013.

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$1,111,828	\$1,489,153	\$52,663	\$68,452	\$1,164,491	\$1,557,605
Operating Grants, Contributions and Interest	1,049,206	1,016,512	0	0	1,049,206	1,016,512
Capital Grants and Contributions	100,000	0	0	0	100,000	0
<i>Total Program Revenues</i>	<u>2,261,034</u>	<u>2,505,665</u>	<u>52,663</u>	<u>68,452</u>	<u>2,313,697</u>	<u>2,574,117</u>
General Revenues:						
Property Taxes	2,368,739	2,386,903	0	0	2,368,739	2,386,903
Other Local Taxes	291,372	281,529	0	0	291,372	281,529
Payment in Lieu of Taxes	336,282	413,584	0	0	336,282	413,584
Municipal Income Taxes	2,833,602	2,366,935	0	0	2,833,602	2,366,935
Grants and Entitlements not Restricted to Specific Programs	223,988	401,933	0	0	223,988	401,933
Investment Income	117,739	109,373	0	0	117,739	109,373
Investment in Joint Venture	5,191	(5,678)	0	0	5,191	(5,678)
Other	96,317	254,207	4,436	11,897	100,753	266,104
<i>Total General Revenues</i>	<u>6,273,230</u>	<u>6,208,786</u>	<u>4,436</u>	<u>11,897</u>	<u>6,277,666</u>	<u>6,220,683</u>
<i>Total Revenues</i>	<u>\$8,534,264</u>	<u>\$8,714,451</u>	<u>\$57,099</u>	<u>\$80,349</u>	<u>\$8,591,363</u>	<u>\$8,794,800</u>

(continued)

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

Table 2
Change in Net Position
Continued

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Expenses:						
General Government	\$2,335,282	\$2,026,231	\$0	\$0	\$2,335,282	\$2,026,231
Security of Persons and Property	3,531,717	3,513,534	0	0	3,531,717	3,513,534
Public Health	390	1,662	0	0	390	1,662
Economic Development	15,303	20,952	0	0	15,303	20,952
Transportation	1,490,066	1,521,183	0	0	1,490,066	1,521,183
Interest and Fiscal Charges	182,614	249,304	0	0	182,614	249,304
Water Department	0	0	152,186	140,683	152,186	140,683
Sewer Operating	0	0	206,708	209,360	206,708	209,360
<i>Total Expenses</i>	<u>7,555,372</u>	<u>7,332,866</u>	<u>358,894</u>	<u>350,043</u>	<u>7,914,266</u>	<u>7,682,909</u>
<i>Increase (Decrease) in Net Position before Transfers</i>	978,892	1,381,585	(301,795)	(269,694)	677,097	1,111,891
Transfers	<u>(301,790)</u>	<u>(100,596)</u>	<u>301,790</u>	<u>100,596</u>	<u>0</u>	<u>0</u>
<i>Change in Net Position</i>	677,102	1,280,989	(5)	(169,098)	677,097	1,111,891
<i>Net Position at Beginning of Year</i>	<u>16,082,569</u>	<u>14,801,580</u>	<u>(321,082)</u>	<u>(151,984)</u>	<u>15,761,487</u>	<u>14,649,596</u>
<i>Net Position at End of Year</i>	<u>\$16,759,671</u>	<u>\$16,082,569</u>	<u>(\$321,087)</u>	<u>(\$321,082)</u>	<u>\$16,438,584</u>	<u>\$15,761,487</u>

Governmental Activities

Total revenues decreased \$180,187 due to a \$377,325 decrease in charges for services program revenue. Charges for services decreased due to EMS billing write-offs increasing during 2014. The largest revenue sources for the City are property taxes and municipal income taxes, accounting for 60.9 percent of total revenues. Property tax revenue decreased \$18,164. Municipal income tax increased \$466,667 due to timing differences in income tax collections, collections from construction projects and increased employment at a major employer. Grants and entitlements not restricted for specific programs decreased \$177,945 mainly due to phasing out of distributions in inheritance tax monies (that are no longer assessed by the State).

Expenses reported for Governmental Activities for 2014 increased \$222,506 compared with those reported for 2013. This is due to the City constantly analyzing expenditures during the year and exercising fiscal restraint.

Business – Type Activities

The City's water and sewer operating system operations constitute the only business-type activities. Business-type activities are projects or funds in which revenues offset or nearly offset the costs of providing the services. Net position of the business-type activities decreased \$5.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

Total revenues for 2014, decreased \$23,250 due to a decrease in charges for services. The decrease in charges for services is due to timing differences in the billing cycle. Transfers from Governmental Activities increased \$201,194 from the prior year.

Expenses increased \$8,851 due to an increase in contractual services and water consumption billed by the City of Dayton in the Water Department.

THE CITY'S FUNDS

Major governmental funds for the City for 2014 are the General, Police, Street Department, Fire, and Capital Improvement Funds. These funds are reported using the modified accrual basis of accounting. The major funds account for 85 percent of total revenues, and 86 percent of total expenditures.

The General Fund balance decreased \$21,871. The decrease in fund balance was due to increases in expenditures primarily relating to transfers out.

The Police Fund balance increased \$212,824. Expenditures exceeded revenues by \$476,002 and the City transferred \$688,826 from the General Fund to help offset the increase in expenditures.

The Street Department Fund had total revenues of \$568,834, mainly intergovernmental revenues in the form of State imposed gasoline taxes and motor vehicle license registration fees. Expenditures exceeded revenues by \$163,886. Transfers-in from the General Fund are also necessary to subsidize the activity in this fund.

The Fire Fund had an increase in fund balance of \$24,826 during 2014 due to a transfer from the General Fund. Revenues, primarily other revenue, decreased \$14,419 and expenditures increased \$137,368. The City reallocates expenditures between the Fire Fund and the EMS Fund.

The Capital Improvement Fund increased \$239,223. The increase in fund balance for 2014 is due to an increase in municipal income tax and intergovernmental.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements and encumbrances. The appropriations ordinance is authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund, program, personal service, and all other objects level for all funds.

Original and final budgeted revenues were \$3,153,000. Final appropriations were \$65,896 higher than original appropriations. This increase is related to an increase for capital improvement projects completed during the year that were not included in original budget.

Actual revenues of \$3,544,147 were higher than the final estimated budget basis revenues of \$3,153,000, resulting in a difference of \$391,147. The City received more income tax and intergovernmental revenues than expected. Actual expenditures of \$2,278,272 were \$186,167 lower than final appropriations due to the City constantly analyzing expenditures during the year and exercising fiscal restraint.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2014
(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2014, the City's book value of capital assets for governmental activities (net of accumulated depreciation) amounted to \$12,257,795. Significant additions to capital assets included vehicles, furniture, fixture and equipment, and infrastructure. Deletions consisted of vehicles and furniture, fixtures and equipment. Overall capital assets of governmental activities (net of accumulated depreciation) decreased \$151,437.

At December 31, 2014, the City's book value of capital assets for business-type activities (net of accumulated depreciation) amounted to \$6,589,534. Overall assets of business-type activities (net of accumulated depreciation) decreased \$162,351 due to annual depreciation.

See Note 8 for more information about the City's capital assets at December 31, 2014.

Debt Administration

At December 31, 2014, the City's governmental activities had \$5,054,111 in general obligation bonds outstanding, \$295,000 of which is due within one year. The City's governmental activities had \$171,163 in two promissory notes outstanding, \$283,078 in capital leases outstanding, \$50,514 and \$91,741 of which is due within one year, respectively.

At December 31, 2014, the City's business-type activities had \$7,048,981 in outstanding loans, \$88,456 of which is due within one year.

See Notes 12 and 13 for more detailed information.

CURRENT FINANCIAL ISSUES

The City of Clayton has continued to preserve the fiscal position from 2013. The department heads have continued the fiscal restraint which ultimately led to the under spending of appropriations.

Also, the cash management and budgetary policies of the Department of Finance encourage the growth in fund carryovers. It has been the intent of Council to only utilize current revenues to fund budgeted expenditures, but this is has not been possible in the current year. These actions have aided the City in enduring the financial environment that existed during 2014.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

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City of Clayton, Ohio
Statement of Net Position
December 31, 2014

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$8,022,458	\$138,360	\$8,160,818
Accounts Receivable	583,158	0	583,158
Accrued Interest Receivable	8,957	0	8,957
Due from Other Governments	568,852	0	568,852
Prepaid Items	65,380	0	65,380
Payments in Lieu of Taxes Receivable	305,861	0	305,861
Municipal Income Taxes Receivable	995,938	0	995,938
Property Taxes Receivable	2,275,834	0	2,275,834
Other Local Taxes Receivable	54,682	0	54,682
Special Assessments Receivable - Current	30,627	0	30,627
Special Assessments Receivable - Delinquent	16,490	0	16,490
Investment in Joint Venture	7,449	0	7,449
Nondepreciable Capital Assets	4,069,825	0	4,069,825
Depreciable Capital Assets, net	8,187,970	6,589,534	14,777,504
<i>Total Assets</i>	<u>25,193,481</u>	<u>6,727,894</u>	<u>31,921,375</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	390,616	0	390,616
Liabilities:			
Accounts Payable	151,598	0	151,598
Contracts Payable	4,600	0	4,600
Accrued Wages Payable	78,395	0	78,395
Due to Other Governments	304,487	0	304,487
Accrued Interest Payable	11,615	0	11,615
Long-Term Liabilities:			
Due Within One Year	621,505	88,456	709,961
Due in More Than One Year	5,182,022	6,960,525	12,142,547
<i>Total Liabilities</i>	<u>6,354,222</u>	<u>7,048,981</u>	<u>13,403,203</u>
Deferred Inflows of Resources:			
Property Taxes	2,203,517	0	2,203,517
Payments in Lieu of Taxes	266,687	0	266,687
Total Deferred Inflows of Resources	<u>2,470,204</u>	<u>0</u>	<u>2,470,204</u>
Net Position:			
Net Investment in Capital Assets	7,273,119	(459,447)	6,813,672
Restricted for Road Improvements	680,107	0	680,107
Restricted for Capital Improvements	984,057	0	984,057
Restricted for Fire Operations	420,789	0	420,789
Restricted for Cemetery Operations	43,063	0	43,063
Restricted for Drug and Alcohol Enforcement	32,972	0	32,972
Restricted for Street Lighting	72,356	0	72,356
Restricted for Economic Development	1,189,235	0	1,189,235
Restricted for Emergency Medical Services	319,787	0	319,787
Unrestricted	5,744,186	138,360	5,882,546
<i>Total Net Position (Deficit)</i>	<u>\$16,759,671</u>	<u>(\$321,087)</u>	<u>\$16,438,584</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Activities
For the Year Ended December 31, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants and Contributions
Governmental Activities:				
General Government	\$2,335,282	\$735,784	\$73,740	\$100,000
Security of Persons and Property	3,531,717	363,014	398,243	0
Public Health	390	7,700	0	0
Economic Development	15,303	0	0	0
Transportation	1,490,066	5,330	577,223	0
Interest and Fiscal Charges	182,614	0	0	0
<i>Total Governmental Activities</i>	<u>7,555,372</u>	<u>1,111,828</u>	<u>1,049,206</u>	<u>100,000</u>
Business-Type Activities:				
Water Department	152,186	52,659	0	0
Sewer Operating	206,708	4	0	0
<i>Total Business-Type Activities</i>	<u>358,894</u>	<u>52,663</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u><u>\$7,914,266</u></u>	<u><u>\$1,164,491</u></u>	<u><u>\$1,049,206</u></u>	<u><u>\$100,000</u></u>

General Revenues:

Property Taxes Levied For:
General Purposes
Police
Fire
EMS
Other Local Taxes
Payments in Lieu of Taxes
Municipal Income Taxes Levied For:
General Purposes
Capital Outlay
Grants and Entitlements not
Restricted to Specific Programs
Investment Income
Investment in Joint Venture
Other
Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position (Deficit) at Beginning of Year

Net Position (Deficit) at End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$1,425,758)	\$0	(\$1,425,758)
(2,770,460)	0	(2,770,460)
7,310	0	7,310
(15,303)	0	(15,303)
(907,513)	0	(907,513)
(182,614)	0	(182,614)
<u>(5,294,338)</u>	<u>0</u>	<u>(5,294,338)</u>
0	(99,527)	(99,527)
<u>0</u>	<u>(206,704)</u>	<u>(206,704)</u>
<u>0</u>	<u>(306,231)</u>	<u>(306,231)</u>
<u>(5,294,338)</u>	<u>(306,231)</u>	<u>(5,600,569)</u>
330,846	0	330,846
1,139,035	0	1,139,035
720,557	0	720,557
178,301	0	178,301
291,372	0	291,372
336,282		336,282
1,889,466	0	1,889,466
944,136	0	944,136
223,988	0	223,988
117,739	0	117,739
5,191	0	5,191
96,317	4,436	100,753
(301,790)	301,790	0
<u>5,971,440</u>	<u>306,226</u>	<u>6,277,666</u>
677,102	(5)	677,097
<u>16,082,569</u>	<u>(321,082)</u>	<u>15,761,487</u>
<u>\$16,759,671</u>	<u>(\$321,087)</u>	<u>\$16,438,584</u>

City of Clayton, Ohio
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Police Fund	Street Department Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$4,904,540	\$40,002	\$75,549
Receivables:			
Property Taxes	314,922	1,099,174	0
Other Local Taxes	47,810	0	0
Municipal Income Taxes	657,319	0	0
Payments in Lieu of Taxes	0	0	0
Accounts	216,552	242	414
Special Assessments - Current	0	0	0
Special Assessments - Delinquent	0	0	0
Accrued Interest	8,455	0	81
Due from Other Governments	98,739	105,282	260,392
Prepaid Items	26,785	10,185	12,187
<i>Total Assets</i>	<u>\$6,275,122</u>	<u>\$1,254,885</u>	<u>\$348,623</u>
Liabilities:			
Accounts Payable	\$104,191	\$14,909	\$8,882
Contracts Payable	0	0	0
Accrued Wages Payable	12,537	30,489	10,721
Due to Other Governments	14,564	27,304	9,858
<i>Total Liabilities</i>	<u>131,292</u>	<u>72,702</u>	<u>29,461</u>
Deferred Inflows of Resources:			
Property Taxes	304,724	1,063,958	0
Payments in Lieu of Taxes	0	0	0
Unavailable Revenue	845,964	137,619	216,118
<i>Total Deferred Inflows of Resources</i>	<u>1,150,688</u>	<u>1,201,577</u>	<u>216,118</u>
Fund Balances:			
Nonspendable	26,785	10,185	12,187
Restricted	0	0	90,857
Assigned	1,007,559	0	0
Unassigned (Deficit)	3,958,798	(29,579)	0
<i>Total Fund Balances (Deficit)</i>	<u>4,993,142</u>	<u>(19,394)</u>	<u>103,044</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$6,275,122</u>	<u>\$1,254,885</u>	<u>\$348,623</u>

See accompanying notes to the basic financial statements

Fire Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$398,152	\$667,815	\$1,936,400	\$8,022,458
686,384	0	175,354	2,275,834
0	0	6,872	54,682
0	338,619	0	995,938
0	0	305,861	305,861
100	0	365,850	583,158
0	0	30,627	30,627
0	0	16,490	16,490
0	0	421	8,957
65,777	0	38,662	568,852
15,675	0	548	65,380
<u>\$1,166,088</u>	<u>\$1,006,434</u>	<u>\$2,877,085</u>	<u>\$12,928,237</u>
\$6,633	\$15,553	\$1,430	\$151,598
0	4,600	0	4,600
24,648	0	0	78,395
17,773	2,224	232,764	304,487
<u>49,054</u>	<u>22,377</u>	<u>234,194</u>	<u>539,080</u>
664,934	0	169,901	2,203,517
0	0	266,687	266,687
87,227	245,628	487,704	2,020,260
<u>752,161</u>	<u>245,628</u>	<u>924,292</u>	<u>4,490,464</u>
15,675	0	548	65,380
349,198	738,429	1,618,051	2,796,535
0	0	100,000	1,107,559
0	0	0	3,929,219
<u>364,873</u>	<u>738,429</u>	<u>1,718,599</u>	<u>7,898,693</u>
<u>\$1,166,088</u>	<u>\$1,006,434</u>	<u>\$2,877,085</u>	<u>\$12,928,237</u>

City of Clayton, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
December 31, 2014*

Total Governmental Fund Balances \$7,898,693

*Amounts reported for governmental activities in the Statement of Net
Position are different because:*

Capital assets used in governmental activities are not financial resources
and therefore are not reported in the funds. These assets consist of:

Capital Assets:

Land	4,069,825
Depreciable Capital Assets	14,593,088
Accumulated Depreciation	(6,405,118)

Total 12,257,795

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:

7,449

Other long-term assets are not available to pay for current-period
expenditures and therefore are reported as unavailable revenue in the funds:

Property Taxes	72,317
Payments in Lieu of Taxes	39,174
Other Local Taxes	47,810
Municipal Income Taxes	722,434
Intergovernmental	506,390
Special Assessments	47,117
Accounts	576,061
Accrued Interest	8,957

Total 2,020,260

In the Statement of Activities, interest is accrued on outstanding general
obligation bonds, whereas in governmental funds, an interest expenditure
is reported when due.

(11,615)

Deferred Outflows of Resources represent deferred charges on refunding which do
not provide current financial resources and therefore, are not reported in the funds.

390,616

Some liabilities are not due and payable in the current period and therefore
are not reported in the funds. Those liabilities consist of:

Premium on Debt Issued	(164,602)
General Obligation Bonds	(4,889,509)
Promisory Note	(171,163)
Capital Leases Payable	(283,078)
Compensated Absences Payable	(295,175)

Total (5,803,527)

Net Position of Governmental Activities \$16,759,671

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, 2014

	General Fund	Police Fund	Street Department Fund
Revenues:			
Property Taxes	\$330,729	\$1,138,170	\$0
Other Local Taxes	184,646	0	0
Municipal Income Taxes	1,949,234	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	224,282	219,853	549,769
Charges for Services	787,481	28,051	5,330
Licenses and Permits	7,625	0	0
Fines and Forfeitures	0	19,532	0
Contributions and Donations	0	0	0
Investment Income	109,751	0	787
Special Assessments	0	0	0
Impact Fees	2	0	0
Other	16,457	28,287	12,948
<i>Total Revenues</i>	<u>3,610,207</u>	<u>1,433,893</u>	<u>568,834</u>
Expenditures:			
Current:			
General Government	1,919,529	0	0
Security of Persons and Property	0	1,907,757	0
Public Health	0	0	0
Economic Development	0	0	0
Transportation	0	0	732,720
Capital Outlay	36,554	2,138	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>1,956,083</u>	<u>1,909,895</u>	<u>732,720</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,654,124</u>	<u>(476,002)</u>	<u>(163,886)</u>
Other Financing Sources (Uses):			
Transfers-In	0	688,826	212,500
Transfers-Out	(1,675,995)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,675,995)</u>	<u>688,826</u>	<u>212,500</u>
<i>Net Change in Fund Balances</i>	(21,871)	212,824	48,614
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>5,015,013</u>	<u>(232,218)</u>	<u>54,430</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$4,993,142</u>	<u>(\$19,394)</u>	<u>\$103,044</u>

See accompanying notes to the basic financial statements

Fire Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$720,358	\$0	\$178,035	\$2,367,292
0	0	103,051	287,697
0	974,926	0	2,924,160
0	0	456,042	456,042
142,363	93,752	150,482	1,380,501
0	0	375,931	1,196,793
0	0	0	7,625
6,346	0	5,109	30,987
1,321	0	25	1,346
26	0	5,284	115,848
0	0	28,352	28,352
0	10	0	12
8,945	1,091	28,589	96,317
879,359	1,069,779	1,330,900	8,892,972
0	588,388	104,827	2,612,744
950,092	0	506,503	3,364,352
0	0	390	390
0	0	15,303	15,303
0	0	140,584	873,304
4,441	277,146	6,969	327,248
0	213,157	215,000	428,157
0	66,636	89,287	155,923
954,533	1,145,327	1,078,863	7,777,421
(75,174)	(75,548)	252,037	1,115,551
100,000	314,771	154,681	1,470,778
0	0	(96,573)	(1,772,568)
100,000	314,771	58,108	(301,790)
24,826	239,223	310,145	813,761
340,047	499,206	1,408,454	7,084,932
\$364,873	\$738,429	\$1,718,599	\$7,898,693

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, 2014*

Net Change in Fund Balances - Total Governmental Funds		\$813,761
 <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. In the current period, these amounts are:		
Capital Outlay	657,870	
Depreciation	<u>(781,306)</u>	
Excess of Depreciation Expense over Capital Outlay		(123,436)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal.		
Loss on Disposal of Capital Assets		(28,001)
The City's share of the income or loss of the Joint Economic Development District is presented as an addition to or a reduction of the equity interest in the Statement of Activities.		
		5,191
Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:		
General Obligation Bonds Payable	290,000	
Promissory Notes Payable	49,282	
Capital Leases Payable	<u>88,875</u>	
Total		428,157
Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are therefore recorded as deferred inflows of governmental funds. Deferred inflows of resources changed by these amounts this year:		
Property Taxes	1,447	
Other Local Taxes	3,675	
Municipal Income Taxes	(90,558)	
Payments in Lieu of Taxes	(119,760)	
Intergovernmental	(14,901)	
Special Assessments	6,379	
Charges for Services	(158,320)	
Accrued Interest	<u>1,891</u>	
Total		(370,147)
Amortization of deferred charge on refunding, accrued interest, bond accretion, as well as premium on bonds are not reported in the funds, but are allocated over the life of the debt in the Statement on Activities.		
Amortization of Deferred Charge on Refunding	(27,095)	
Net Decrease in Accrued Interest	356	
Accretion of Capital Appreciation Bonds	(13,370)	
Amortization of Premium on General Obligation Bonds	<u>13,418</u>	
Total		(26,691)
Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Increase in Compensated Absences		<u>(21,732)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$677,102</u></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 Basis)
General Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$330,000	\$330,000	\$330,729	\$729
Other Local Taxes	170,000	170,000	184,646	14,646
Municipal Income Taxes	1,701,000	1,701,000	1,928,850	227,850
Intergovernmental	180,050	180,050	223,671	43,621
Charges for Services	721,450	721,450	787,481	66,031
Licenses and Permits	3,000	3,000	6,760	3,760
Investment Income	40,000	40,000	65,485	25,485
Other	7,500	7,500	16,525	9,025
<i>Total Revenues</i>	<u>3,153,000</u>	<u>3,153,000</u>	<u>3,544,147</u>	<u>391,147</u>
Expenditures:				
Current:				
General Government	2,177,537	2,237,358	2,051,533	185,825
Capital Outlay	221,006	227,081	226,739	342
<i>Total Expenditures</i>	<u>2,398,543</u>	<u>2,464,439</u>	<u>2,278,272</u>	<u>186,167</u>
<i>Excess of Revenues Over Expenditures</i>	754,457	688,561	1,265,875	577,314
Other Financing Uses:				
Transfers-Out	<u>(1,608,582)</u>	<u>(1,652,795)</u>	<u>(1,352,995)</u>	299,800
<i>Net Change in Fund Balance</i>	(854,125)	(964,234)	(87,120)	877,114
<i>Fund Balance at Beginning of Year</i>	4,356,169	4,356,169	4,356,169	0
<i>Prior Year Encumbrances Appropriated</i>	<u>285,732</u>	<u>285,732</u>	<u>285,732</u>	0
<i>Fund Balance at End of Year</i>	<u><u>\$3,787,776</u></u>	<u><u>\$3,677,667</u></u>	<u><u>\$4,554,781</u></u>	<u><u>\$877,114</u></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 Basis)
Police Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$1,100,000	\$1,100,000	\$1,138,170	\$38,170
Intergovernmental	185,000	185,000	222,759	37,759
Charges for Services	49,500	49,500	29,746	(19,754)
Fines and Forfeitures	15,000	15,000	19,807	4,807
Other	4,200	4,200	28,381	24,181
<i>Total Revenues</i>	<u>1,353,700</u>	<u>1,353,700</u>	<u>1,438,863</u>	<u>85,163</u>
Expenditures:				
Current:				
Security of Persons and Property	2,078,347	2,075,069	1,937,539	137,530
Capital Outlay	2,173	2,170	2,138	32
<i>Total Expenditures</i>	<u>2,080,520</u>	<u>2,077,239</u>	<u>1,939,677</u>	<u>137,562</u>
<i>Excess of Revenues Under Expenditures</i>	(726,820)	(723,539)	(500,814)	222,725
Other Financing Sources:				
Transfers-In	710,500	710,500	490,826	(219,674)
<i>Net Change in Fund Balance</i>	(16,320)	(13,039)	(9,988)	3,051
<i>Fund Balance at Beginning of Year</i>	19,639	19,639	19,639	0
<i>Prior Year Encumbrances Appropriated</i>	<u>16,716</u>	<u>16,716</u>	<u>16,716</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$20,035</u>	<u>\$23,316</u>	<u>\$26,367</u>	<u>\$3,051</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 Basis)
Street Department Fund
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$505,000	\$505,000	\$550,953	\$45,953
Charges for Services	3,000	3,000	5,330	2,330
Investment Income	400	400	397	(3)
Other	7,110	7,110	12,994	5,884
<i>Total Revenues</i>	<u>515,510</u>	<u>515,510</u>	<u>569,674</u>	<u>54,164</u>
Expenditures:				
Current:				
Transportation	886,951	883,387	797,381	86,006
Capital Outlay	8,955	8,919	0	8,919
<i>Total Expenditures</i>	<u>895,906</u>	<u>892,306</u>	<u>797,381</u>	<u>94,925</u>
<i>Excess of Revenues Under Expenditures</i>	(380,396)	(376,796)	(227,707)	149,089
Other Financing Sources:				
Transfers-In	350,000	350,000	212,500	(137,500)
<i>Net Change in Fund Balance</i>	(30,396)	(26,796)	(15,207)	11,589
<i>Fund Balance at Beginning of Year</i>	31,581	31,581	31,581	0
<i>Prior Year Encumbrances Appropriated</i>	<u>31,613</u>	<u>31,613</u>	<u>31,613</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$32,798</u>	<u>\$36,398</u>	<u>\$47,987</u>	<u>\$11,589</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 Basis)
Fire Fund
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$715,875	\$725,000	\$720,358	(\$4,642)
Intergovernmental	136,263	138,000	142,363	4,363
Fines and Forfeitures	0	0	6,346	6,346
Contributions and Donations	0	1,000	1,321	321
Other	10,862	0	8,985	8,985
<i>Total Revenues</i>	<u>863,000</u>	<u>864,000</u>	<u>879,373</u>	<u>15,373</u>
Expenditures:				
Current:				
Security of Persons and Property	1,091,499	1,098,608	998,059	100,549
Capital Outlay	68,377	68,822	68,632	190
<i>Total Expenditures</i>	<u>1,159,876</u>	<u>1,167,430</u>	<u>1,066,691</u>	<u>100,739</u>
<i>Excess of Revenues Under Expenditures</i>	(296,876)	(303,430)	(187,318)	116,112
Other Financing Sources:				
Proceeds from Sale of Capital Assets	0	10,000	0	(10,000)
<i>Net Change in Fund Balance</i>	(296,876)	(293,430)	(187,318)	106,112
<i>Fund Balance at Beginning of Year</i>	398,631	398,631	398,631	0
<i>Prior Year Encumbrances Appropriated</i>	<u>88,933</u>	<u>88,933</u>	<u>88,933</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$190,688</u>	<u>\$194,134</u>	<u>\$300,246</u>	<u>\$106,112</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fund Net Position
Enterprise Funds
December 31, 2014

	Water Department Fund	Sewer Operating Fund	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$56,741	\$81,619	\$138,360
Non-current Assets:			
Depreciable Capital Assets, Net	3,482,083	3,107,451	6,589,534
<i>Total Assets</i>	<u>3,538,824</u>	<u>3,189,070</u>	<u>6,727,894</u>
Liabilities:			
Current:			
OWDA Loan Payable	<u>0</u>	<u>88,456</u>	<u>88,456</u>
Long-Term Liabilities:			
Loan Payable	4,208,656	0	4,208,656
OWDA Loan Payable	<u>0</u>	<u>2,751,869</u>	<u>2,751,869</u>
<i>Total Long-Term Liabilities</i>	<u>4,208,656</u>	<u>2,751,869</u>	<u>6,960,525</u>
<i>Total Liabilities</i>	<u>4,208,656</u>	<u>2,840,325</u>	<u>7,048,981</u>
Net Position:			
Net Investment in Capital Assets (Deficit)	(726,573)	267,126	(459,447)
Unrestricted	<u>56,741</u>	<u>81,619</u>	<u>138,360</u>
<i>Total Net Position (Deficit)</i>	<u>(\$669,832)</u>	<u>\$348,745</u>	<u>(\$321,087)</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
*Statement of Revenues, Expenses and
Changes in Fund Net Position
Enterprise Funds
For the Year Ended December 31, 2014*

	Water Department Fund	Sewer Operating Fund	Total
Operating Revenues:			
Charges for Services	\$52,629	\$0	\$52,629
Tap-In Fees	25	0	25
Impact Fees	5	4	9
Other	4,436	0	4,436
<i>Total Operating Revenues</i>	<u>57,095</u>	<u>4</u>	<u>57,099</u>
Operating Expenses:			
Personal Services	33,057	0	33,057
Contractual Services	115	0	115
Materials and Supplies	46,874	0	46,874
Depreciation	72,140	90,211	162,351
<i>Total Operating Expenses</i>	<u>152,186</u>	<u>90,211</u>	<u>242,397</u>
<i>Operating Loss</i>	(95,091)	(90,207)	(185,298)
Non-Operating Expenses:			
Interest and Fiscal Charges	0	(116,497)	(116,497)
Net Loss Before Transfers	(95,091)	(206,704)	(301,795)
Transfers-In	0	301,790	301,790
<i>Change in Net Position</i>	(95,091)	95,086	(5)
<i>Net Position (Deficit) at Beginning of Year</i>	<u>(574,741)</u>	<u>253,659</u>	<u>(321,082)</u>
<i>Net Position (Deficit) at End of Year</i>	<u><u>(\$669,832)</u></u>	<u><u>\$348,745</u></u>	<u><u>(\$321,087)</u></u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2014

	Water Department Fund	Sewer Operating Fund	Total
Increase (Decrease) in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received From Customers	\$62,100	\$4	\$62,104
Cash Received From Other Operating Revenues	4,436	0	4,436
Cash Payments for Employee Services	(33,162)	0	(33,162)
Cash Payments to Suppliers for Goods and Services	(56,768)	0	(56,768)
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>(23,394)</u>	<u>4</u>	<u>(23,390)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers-In	<u>0</u>	<u>301,790</u>	<u>301,790</u>
Cash Flows from Capital and Related Financing Activities:			
Loan Principal Payments	(4,436)	(126,285)	(130,721)
Loan Interest Payments	<u>0</u>	<u>(175,505)</u>	<u>(175,505)</u>
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(4,436)</u>	<u>(301,790)</u>	<u>(306,226)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(27,830)	4	(27,826)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>84,571</u>	<u>81,615</u>	<u>166,186</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$56,741</u></u>	<u><u>\$81,619</u></u>	<u><u>\$138,360</u></u>
Reconciliation of Operating Loss to Net Cash Provided by (Used For) Operating Activities:			
Operating Loss	(\$95,091)	(\$90,207)	(\$185,298)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used For) Operating Activities:			
Depreciation	72,140	90,211	162,351
Decrease in Accounts Receivable	9,441	0	9,441
Decrease in Accounts Payable	(25)	0	(25)
Decrease in Due to Other Governments	(9,859)	0	(9,859)
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u><u>(\$23,394)</u></u>	<u><u>\$4</u></u>	<u><u>(\$23,390)</u></u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	<u>Janice Paulus Fire Victim Fund</u>	<u>Agency Funds</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	<u>\$11,243</u>	<u>\$88,532</u>
Liabilities:		
Due to Other Governments	\$0	\$63,116
Undistributed Monies	<u>0</u>	<u>25,416</u>
<i>Total Liabilities</i>	<u>0</u>	<u>\$88,532</u>
Net Position:		
Held in Trust for Private Purposes	<u>\$11,243</u>	

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Year Ended December 31, 2014

	Janice Paulus Fire Victim Fund
Additions:	
Investment Earnings	\$80
Deductions:	0
<i>Change in Net Position</i>	80
<i>Net Position at Beginning of Year</i>	11,163
<i>Net Position at End of Year</i>	\$11,243

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

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.

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 and the introduction of sewer services. 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 16 to the Basic Financial Statements.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

The City participates in two jointly governed organizations, the Miami Valley Regional Planning Commission and the Economic Development/Government Equity Program. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 17 to the Basic Financial Statements.

The City participates in one risk sharing pool, the Public Entities Pool of Ohio. This organization is presented in Notes 15 and 18 to the Basic Financial Statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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.

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 utilized by the City: 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.

Street Department Fund – The Street Department Fund is used to account for and report that portion of the State gasoline tax and motor vehicle license registration fees restricted for maintenance and repair of streets within the City.

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.

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

Proprietary Funds

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Enterprise Funds – 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 are the City’s major enterprise funds:

Water Department Fund – This fund is used to account for revenue received from user charges for water services provided to certain residents and businesses within the City.

Sewer Operating Fund – This fund is used to account for revenue received from user charges for sewer services provided to certain residents and businesses within the City.

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 agency 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. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. 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. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has four agency funds. One accounts for fees collected for Montgomery County, the City of Dayton, and the City of Clayton from individuals who develop land within the Clayton Improvement District for the purpose of expanding and upgrading water, sanitary sewer, road, and municipal park systems and related infrastructure improvements due to the land development. The second 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 third accounts for insurance proceeds arising from destruction by fire of an insured building or structure within the municipality for the purpose of providing the municipality with security for the expenses in removing, repairing or securing the building or other structure. The fourth agency fund accounts for association fees received from various homeowners within the North Clayton development which are then distributed to the North Clayton Development Association.

Measurement Focus

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

(i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

The Private Purpose Trust Fund is reported using the economic resources measurement focus.

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 Non-Exchange 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 5). 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.

City of Clayton, Ohio
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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/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding reported in the government-wide Statement of Net Position. On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, other local taxes, municipal income taxes, delinquent payments in lieu of taxes, intergovernmental grants, special assessments, charges for services and interest. These amounts are deferred and recognized as revenue in the period the amounts become available.

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.

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 2014, the City's investments included Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Mortgage Corporation REMIC Series Bonds, Federal

City of Clayton, Ohio
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National Mortgage Association REMIC Trust Bonds, Federal National Mortgage Association Bonds, Government National Mortgage Association REMIC Trust Bonds, Petrodrill Five Limited Notes, Tennessee Valley Authority Debenture, U.S. Treasury Notes 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 2014 amounted to \$109,751, of which \$42,655 was assigned from other 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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2014, 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.

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 fair market 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 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 using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30-40 years
Improvements Other Than Buildings	10 years
Vehicles	5-25 years
Furniture, Fixtures and Equipment	2-20 years
Infrastructure	10-60 years

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

City of Clayton, Ohio
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For the Year Ended December 31, 2014

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 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.

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.

Bond Premiums and Compounded Interest on Capital Appreciation Bonds

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

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

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.

City of Clayton, Ohio
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For the Year Ended December 31, 2014

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

Fund Balance

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.

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

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The City had no committed fund balance.

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 2015 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.

City of Clayton, Ohio
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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.

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.

Operating Revenues and Expenses

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

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.

Budgetary Process

All funds, other than the agency 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

City of Clayton, Ohio
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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.

NOTE 3 – BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Cash is held by the agency 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.
5. Investments are reported at fair value (GAAP basis) rather than at cost (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:

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Net Change in Fund Balance

	General Fund	Police Fund	Street Department Fund	Fire Fund
GAAP Basis	(\$21,871)	\$212,824	\$48,614	\$24,826
Revenue Accruals	(84,389)	4,970	(8,843)	38
Expenditure Accruals	7,225	(16,147)	(37,223)	(14,277)
Encumbrances	(329,414)	(13,635)	(27,438)	(97,881)
Agency Fund Allocation 2014	(7,377)	0	0	0
Agency Fund Allocation 2013	7,376	0	0	0
Change in Value of Investments 2014	(12,968)	0	(124)	(25)
Change in Value of Investments 2013	31,298	0	9,807	1
Transfers	323,000	(198,000)	0	(100,000)
Budget Basis	<u>(\$87,120)</u>	<u>(\$9,988)</u>	<u>(\$15,207)</u>	<u>(\$187,318)</u>

NOTE 4 – 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

City of Clayton, Ohio
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3. 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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided 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 the term of the agreement must not exceed thirty days.

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.

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;
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.

City of Clayton, Ohio
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For the Year Ended December 31, 2014

Investments

As of December 31, 2014, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		Percentage of Total Investments	Standard and Poors Ratings
		Less than 2	More than 3		
Federal Home Loan Bank Notes	\$154,885	\$154,885	\$0	-	AA+
Federal Home Loan Mortgage Corporation Bonds	215,610	0	215,610	5.99%	AA+
Federal Home Loan Mortgage Corporation REMIC Series Bonds	155,552	0	155,552	-	AA+
Federal National Mortgage Association REMIC Trust Bonds	236,280	0	236,280	6.57%	AA+
Federal National Mortgage Association Bonds	536,530	0	536,530	14.91%	AA+
Government National Mortgage Association REMIC Trust Bonds	132,282	0	132,282	-	AA+
Petrodrill Five Limited Notes	25,095	25,095	0	-	AA+
Tennessee Valley Authority Debenture	107,662	107,662	0	-	AA+
US Treasury Notes	241,864	241,864	0	6.72%	
Negotiable Certificates of Deposits	1,792,000	0	1,792,000	49.81%	
Totals	\$3,597,760	\$529,506	\$3,068,254		

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.

Concentration of Credit Risk

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 5 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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 tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 2013, are levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014, was \$13.78 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2014 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>	<u>Percent</u>
Real Property	\$239,930,010	97.50%
Public Utility Personal	6,156,620	2.50%
Totals	<u>\$246,086,630</u>	<u>100.00%</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2014, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable is offset to deferred inflows of resources – property taxes, since current taxes were not levied to finance 2014 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable.

NOTE 6 – 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. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

NOTE 7 – RECEIVABLES

Receivables at December 31, 2014, 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. Special assessments expected to be collected within one year in the Street Lights Fund amount to \$30,627. The City has \$16,490 of delinquent special assessments at December 31, 2014.

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

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government	\$68,578
Homestead Exemption and Rollbacks	214,619
Gasoline Tax	240,468
Motor Vehicle Tax	42,308
Northmont Local School District	945
Vandalia Court	1,260
OVI Reimbursement	674
Total Due from Other Governments	<u>\$568,852</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, 2014. 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, 2014

NOTE 8 – CAPITAL ASSETS

Changes in general capital assets during the year ended December 31, 2014, were as follows:

	<u>Balance at</u> <u>12/31/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/2014</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$4,069,825	\$0	\$0	\$4,069,825
Depreciable Capital Assets:				
Buildings	1,475,170	0	0	1,475,170
Improvements Other Than Buildings	116,992	20,388	0	137,380
Vehicles	2,853,099	85,742	(64,465)	2,874,376
Furniture, Fixtures and Equipment	1,238,180	130,268	(20,688)	1,347,760
Infrastructure	8,336,930	421,472	0	8,758,402
Total Depreciable Capital Assets	<u>14,020,371</u>	<u>657,870</u>	<u>(85,153)</u>	<u>14,593,088</u>
Less Accumulated Depreciation:				
Buildings	(1,281,752)	(19,682)	0	(1,301,434)
Improvements Other Than Buildings	(53,019)	(4,744)	0	(57,763)
Vehicles	(1,237,197)	(138,114)	55,084	(1,320,227)
Furniture, Fixtures and Equipment	(886,577)	(78,309)	2,068	(962,818)
Infrastructure	(2,222,419)	(540,457)	0	(2,762,876)
Total Accumulated Depreciation	<u>(5,680,964)</u>	<u>(781,306)</u>	<u>57,152</u>	<u>(6,405,118)</u>
Depreciable Capital Assets, Net	<u>8,339,407</u>	<u>(123,436)</u>	<u>(28,001)</u>	<u>8,187,970</u>
Governmental Activities Capital Assets, Net	<u>\$12,409,232</u>	<u>(\$123,436)</u>	<u>(\$28,001)</u>	<u>\$12,257,795</u>

Depreciation expense was charged to governmental programs as follows:

General Government	\$38,222
Security of Persons and Property	132,586
Transportation	<u>610,498</u>
Total Depreciation Expense	<u>\$781,306</u>

Capital assets activity of the business-type activities for the year ended December 31, 2014, was as follows:

	<u>Balance at</u> <u>12/31/13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/14</u>
Business-Type Activities:				
Depreciable Capital Assets:				
Infrastructure	\$8,261,897	\$0	\$0	\$8,261,897
Less Accumulated Depreciation:				
Infrastructure	(1,510,012)	(162,351)	0	(1,672,363)
Business-Type Activities Capital Assets, Net	<u>\$6,751,885</u>	<u>(\$162,351)</u>	<u>\$0</u>	<u>\$6,589,534</u>

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 9 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for State and local employer units and 18.1 percent of covered payroll for public safety and law enforcement employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percent not to exceed 2 percent. For the year ended December 31, 2014, members in State and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12 percent and 13 percent, respectively. While members in the State and local classifications may participate in all three plans, public safety and law enforcement classifications exist only within the traditional plan. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent, except for those plan members in public safety or law enforcement, for whom the City's contribution was 18.1 percent of covered payroll. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2014, 2013, and 2012 was \$176,301, \$222,248, and \$182,738, respectively. For 2014, 97.33 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. No contributions were made to the Member-Directed Plan for 2014.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree healthcare benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contribution to OPF for police and firefighters pension was \$99,464 and \$117,336 for the year ended December 31, 2014, \$82,472 and \$103,120 for the year ended December 31, 2013, and \$59,047 and \$83,255 for the year ended December 31, 2012. For 2014, 93.53 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

NOTE 10 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 postemployment healthcare plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, State and local employers contributed 14 percent of covered payroll and public safety and law enforcement employers contributed 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The portion of the employer contribution allocated to healthcare for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to healthcare remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan.

The City's contribution allocated to fund postemployment healthcare benefits for the years ended December 31, 2014, 2013, and 2012 was \$26,757, \$17,096, and \$68,634, respectively. For 2014, 97.33 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the healthcare plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved healthcare changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the healthcare fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OPF. OPF provides healthcare benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

OPF 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 OPF website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for healthcare in two separate accounts. One for healthcare benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For 2014, the employer contribution allocated to the healthcare plan was .5 percent of covered payroll. The amount of employer contribution allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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 contribution to OPF which was allocated to fund postemployment healthcare benefits for police and firefighters was \$2,617 and \$2,497 for the year ended December 31, 2014, \$14,117 and \$13,896 for the year ended December 31, 2013, and \$31,260 and \$32,578 for the year ended December 31, 2012. For 2014, 93.53 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

NOTE 11 – 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

NOTE 12 – CAPITAL LEASES – LESSEE DISCLOSURE

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

Capital assets acquired by leases have been capitalized in the Statement of Net Position for governmental activities in the amount of \$695,389. A corresponding liability was recorded on the Statement of Net Position for governmental activities. Principal payments during 2014 totaled \$88,875.

The assets acquired through capital leases are as follows:

	<u>Asset Value</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value December 31, 2014</u>
Asset:			
Furniture, Fixtures and Equipment	\$260,000	(\$232,475)	\$27,525
Vehicles	435,389	(43,538)	391,851
Total	<u>\$695,389</u>	<u>(\$276,013)</u>	<u>\$419,376</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2014.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

December 31,	Total Payments
2015	\$99,448
2016	67,203
2017	67,203
2018	67,199
Total	301,053
Less: Amount Representing Interest	(17,975)
Present Value of Minimum Lease Payments	\$283,078

NOTE 13 – LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2014 were as follows:

	Amount Outstanding 12/31/13	Additions	Deductions	Amount Outstanding 12/31/14	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2005 Various Purpose					
Capital Appreciation Bonds - 4.977%	\$190,000	\$0	\$97,332	\$92,668	\$92,668
Accretion on Capital Appreciation Bonds	111,912	8,088	57,668	62,332	62,332
Premium on Debt Issue	4,748	0	2,478	2,270	0
2010 Roadway Improvement					
Serial Bonds - 2.0 to 3.25%	375,000	0	75,000	300,000	75,000
Term Bonds - 4.0 to 4.5%	880,000	0	0	880,000	0
Capital Appreciation Bonds - 4.1 to 4.35%	35,000	0	0	35,000	0
Accretion on Capital Appreciation Bonds	14,227	5,282	0	19,509	0
Premium on Debt Issue	52,024	0	3,075	48,949	0
2013 Various Purpose Refunding Bonds					
Serial Bonds - 1.25 to 3%	3,025,000	0	60,000	2,965,000	65,000
Term Bonds - 3.25%	535,000	0	0	535,000	0
Premium on Debt Issue	121,248	0	7,865	113,383	0
Total General Obligation Bonds	\$5,344,159	\$13,370	\$303,418	\$5,054,111	\$295,000

(continued)

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

	Amount Outstanding 12/31/13	Additions	Deductions	Amount Outstanding 12/31/14	Amounts Due Within One Year
Governmental Activities:					
Other Governmental Obligations:					
2011 Backhoe Promissory Note	\$70,438	\$0	\$13,045	\$57,393	\$13,446
2012 Plow/Freightliner Promissory Note	150,007	0	36,237	113,770	37,068
Capital Leases Payable	371,953	0	88,875	283,078	91,741
Compensated Absences	273,443	213,235	191,503	295,175	184,250
Total Other Governmental Obligations	<u>865,841</u>	<u>213,235</u>	<u>329,660</u>	<u>749,416</u>	<u>326,505</u>
Total Governmental Activities Long-Term Obligations	<u>\$6,210,000</u>	<u>\$226,605</u>	<u>\$633,078</u>	<u>\$5,803,527</u>	<u>\$621,505</u>
Business-Type Activities:					
2004 Water Line Loan - 0%	\$4,213,092	\$0	\$4,436	\$4,208,656	\$0
2005 OWDA Loan - 4%	2,966,610	0	126,285	2,840,325	88,456
Total Business-Type Activities Long-Term Obligations	<u>\$7,179,702</u>	<u>\$0</u>	<u>\$130,721</u>	<u>\$7,048,981</u>	<u>\$88,456</u>

The 2005 Various Purpose Bonds were issued June 1, 2005, in the amount of \$4,500,000 in unvoted general obligation bonds that were issued for improving State Route 48 and acquiring land. Current interest bonds were issued in an aggregate principal amount of \$4,310,000. Of these bonds, \$1,040,000 were serial bonds and \$3,270,000 were term bonds. \$190,000 were issued as capital appreciation bonds. The bonds were issued for a 25 year period with final maturity in December of 2030. The term bonds were refunded with the issuance of the 2013 Various Purpose Refunding Bonds. The bonds will be retired from the Bond Retirement Fund and the Tax Increment Fund.

The capital appreciation bonds, issued at \$190,000, are not subject to prior redemption. The capital appreciation bonds mature in years 2014 and 2015, with a maturity amount of \$155,000 each year, including interest. For 2014, the capital appreciation bonds were accreted \$8,088.

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.

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:

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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

The capital appreciation bonds, issued at \$35,000, are not subject to prior redemption. The capital appreciation bonds will mature in years 2019 and 2020, with a maturity amount of \$75,000 each year, including interest. For 2014, the capital appreciation bonds were accreted \$5,282.

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 will be retired through the Bond Retirement Fund.

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

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

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

The 2011 Backhoe Promissory Note was issued on December 7, 2011, at a rate of 2.99 percent. The total amount of the note is \$95,397. The note was issued for a five year period with the final payment due on December 7, 2016. The note was used for the purchase of a backhoe and will be paid from the Capital Improvement Capital Projects Fund.

The 2012 Plow/Freightliner Promissory Note was issued in November 2012, at a rate of 2.25 percent. The total amount of the note is \$185,433. The note was issued for a five year period with final payment due in November 2017. The note was used to purchase a new truck and plow equipment and will be paid from the Capital Improvement Capital Projects Fund.

Compensated absences will be paid from the General, Police, Fire, EMS, and Street Department Funds. Capital lease obligations will be paid from the Capital Improvement Fund.

The 2004 Water Line Loan was a project through the City of Dayton that was completed in May 2004. The loan was issued for \$4,464,247, with a zero percent interest rate and payable from user charges from

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

the Water Department Fund. A per acre fee is charged to new users who tap into the water lines. This fee is collected by the City of Clayton and paid to the City of Dayton as principal payments. Therefore, a final payment schedule is not available and the amount due within one year is unable to be determined. \$4,436 in per acre fees were collected during 2014. The initial term of the agreement is 20 years. At the end of 20 years, any amount outstanding is payable immediately, or the agreement may be renewed for an additional 20 years.

The City has an OWDA Loan outstanding at December 31, 2014, 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.

The City's overall legal debt margin was \$19,857,847 at December 31, 2014, and the unvoted debt margin was \$7,995,010.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2014, are as follows:

Governmental Activities						
	Serial Bonds Principal	Serial Bonds Interest	Term Bonds Principal	Term Bonds Interest	Capital Appreciation Bonds Principal	Capital Appreciation Bonds Interest
December 31,						
2015	\$140,000	\$78,763	\$0	\$47,112	\$92,668	\$62,332
2016	295,000	75,963	0	47,112	0	0
2017	290,000	71,338	0	47,112	0	0
2018	300,000	64,788	0	47,112	0	0
2019	230,000	57,850	0	47,112	18,841	56,159
2020-2024	1,205,000	216,802	305,000	214,560	16,159	58,841
2025-2029	805,000	67,175	1,005,000	133,636	0	0
2030	0	0	102,000	4,725	0	0
Total	\$3,265,000	\$632,679	\$1,412,000	\$588,481	\$127,668	\$177,332

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

	Governmental Activities		Business-Type Activities	
	Promissory Note Principal	Promissory Note Interest	OWDA Loan Principal	OWDA Loan Interest
	2015	\$50,514	\$3,939	\$88,456
2016	81,864	2,680	92,030	109,164
2017	38,785	667	95,748	105,446
2018	0	0	99,616	101,577
2019	0	0	103,640	97,553
2020-2024	0	0	584,495	421,471
2025-2029	0	0	712,496	293,469
2030-2034	0	0	868,530	137,437
2035	0	0	195,314	5,879
Total	\$171,163	\$7,286	\$2,840,325	\$1,384,733

NOTE 14 – INTERFUND ASSETS/LIABILITIES

Interfund balances at December 31, 2014, consisted of the following amounts and result from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All are expected to be paid within one year.

Transfers made during the year ended December 31, 2014, were as follows:

	Transfers From		
	General Fund	Nonmajor Governmental Funds	Total
Transfers To Police Fund	\$688,826	\$0	\$688,826
Street Department Fund	212,500	0	212,500
Fire Fund	100,000	0	100,000
Capital Improvements	314,771	0	314,771
Nonmajor Governmental Funds	154,681	0	154,681
Sewer Operating Fund	0	301,790	301,790
Total	\$1,470,778	\$301,790	\$1,772,568

Transfers are used to move General Fund revenues that are used to subsidize various programs into other governmental fund and for repayment of debt. Transfers from nonmajor governmental funds to the sewer operating fund were for repayment of debt. In addition, there are transfers listed above that were advances that stemmed from prior years. The City Council adopted a resolution forgiving the advances due to the unlikelihood that they were going to be repaid. The advances are now treated as transfers.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

NOTE 15 – 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 18) 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. 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, 2014 the Pool retained \$350,000 for casualty claims and \$100,000 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. There has been no significant reduction in coverage from last year.

Financial Position

PEP's financial statements (for which an independent audit is still ongoing) conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2014 and 2013:

<u>Casualty and Property Coverage</u>	<u>2014</u>	<u>2013</u>
Assets	\$35,402,177	\$34,411,883
Liabilities	<u>12,363,257</u>	<u>12,760,194</u>
Net Assets - Unrestricted	<u><u>\$23,038,920</u></u>	<u><u>\$21,651,689</u></u>

The casualty coverage assets and net position above include approximately \$10.8 million and \$11.1 million of unpaid claims to be billed to approximately 488 member governments in the future, as of December 31, 2014 and 2013, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The City's share of these unpaid claims collectible in future years is approximately \$56,224. This payable includes the subsequent year's contribution due if the City terminates participation, as described in the last paragraph below.

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:

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

<u>Contributions to PEP</u>	<u>Amount</u>
2014	\$59,616

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. 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 16 – 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 \$7,449 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 one-time 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, 2014

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission

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

The degree of control exercised by any participating government is limited to its representation on the Board. Members of the Board are as follows: the officers of the Commission (elected by member representatives), the immediate past Chair of the Commission, the Commission member representing the City of Dayton, the Commission member representing each of the respective member counties, the representatives selected by each county caucus, a nongovernmental member, and two at-large representatives. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member’s degree of control is limited to representation on the Board. Payments to the Commission are made from the General Fund. The City contributed \$6,076 for the operation of the Commission during 2014. Financial information may be obtained by writing to Donald Spang, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

Economic Development/Government Equity Program

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

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, 2019. 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 18 – 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.

NOTE 19 – FUND BALANCES

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 the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

Fund Balances	General Fund	Police Fund	Street Department Fund	Fire Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
<u><i>Nonspendable:</i></u>							
Prepays	\$26,785	\$10,185	\$12,187	\$15,675	\$0	\$548	\$65,380
<u><i>Restricted for:</i></u>							
Road Improvements	0	0	90,857	0	0	400,027	490,884
Capital Improvements	0	0	0	0	738,429	0	738,429
Fire Operations	0	0	0	349,198	0	0	349,198
Cemetery Operations	0	0	0	0	0	43,063	43,063
Drug and Alcohol Enforcement	0	0	0	0	0	31,316	31,316
Street Lighting	0	0	0	0	0	25,239	25,239
Economic Development	0	0	0	0	0	971,332	971,332
Emergency Medical Services	0	0	0	0	0	147,074	147,074
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>90,857</u>	<u>349,198</u>	<u>738,429</u>	<u>1,618,051</u>	<u>2,796,535</u>
<u><i>Assigned to:</i></u>							
Capital Asset Replacement	0	0	0	0	0	100,000	100,000
Future Appropriations	766,827	0	0	0	0	0	766,827
Purchases on Order	240,732	0	0	0	0	0	240,732
<i>Total Assigned</i>	<u>1,007,559</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>1,107,559</u>
<u><i>Unassigned (Deficit):</i></u>	<u>3,958,798</u>	<u>(29,579)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,929,219</u>
<i>Total Fund Balances (Deficit)</i>	<u>\$4,993,142</u>	<u>(\$19,394)</u>	<u>\$103,044</u>	<u>\$364,873</u>	<u>\$738,429</u>	<u>\$1,718,599</u>	<u>\$7,898,693</u>

NOTE 20 – ACCOUNTABILITY

Accountability

The Police Special Revenue Fund had a deficit fund balance at December 31, 2014 of \$19,394. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Water Department Fund had deficit net position of \$669,832 at December 31, 2014. The City anticipates increased revenues in charges for services and a corresponding decrease in the net position deficit in future years.

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:

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2014

General Fund	\$329,414
Police Fund	13,635
Street Department Fund	27,438
Fire Fund	97,881
Capital Improvement Fund	370,898
Nonmajor Governmental Funds	<u>639,743</u>
Total	<u>\$1,479,009</u>

NOTE 22 – CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2014, to December 31, 2014, 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.

Litigation

The City is not party to legal proceedings.

NOTE 23 – SUBSEQUENT EVENT

The City received a donation of a golf course facility valued at \$2,850,000 in May 2015.

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

City of Clayton, Ohio
Nonmajor Fund Descriptions

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.

Nonmajor Special Revenue Funds

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 repairs.

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 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.

(continued)

City of Clayton, Ohio
Nonmajor Fund Descriptions
(continued)

Tax Increment Financing Towne Center Fund

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

Debt Service Fund

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Nonmajor Debt Service Fund

Bond Retirement Fund

To account for and report the accumulation of resources assigned to the payment of principal and interest.

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.

Nonmajor Capital Projects Fund

Asset Replacement Fund

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

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,836,400	\$100,000	\$1,936,400
Receivables:			
Property Taxes	175,354	0	175,354
Other Local Taxes	6,872	0	6,872
Payments in Lieu of Taxes	305,861	0	305,861
Accounts	365,850	0	365,850
Special Assessments - Current	30,627	0	30,627
Special Assessments - Delinquent	16,490	0	16,490
Accrued Interest	421		421
Due from Other Governments	38,662	0	38,662
Prepaid Items	548	0	548
<i>Total Assets</i>	<u>\$2,777,085</u>	<u>\$100,000</u>	<u>\$2,877,085</u>
Liabilities:			
Accounts Payable	\$1,430	\$0	\$1,430
Due to Other Governments	232,764	0	232,764
<i>Total Liabilities</i>	<u>234,194</u>	<u>0</u>	<u>234,194</u>
Deferred Inflows of Resources			
Property Taxes	169,901	0	169,901
Payment in Lieu of Taxes	266,687	0	266,687
Unavailable Revenue	487,704	0	487,704
<i>Total Deferred Inflows of Resources</i>	<u>924,292</u>	<u>0</u>	<u>924,292</u>
Fund Balances:			
Nonspendable	548	0	548
Restricted	1,618,051	0	1,618,051
Assigned	0	100,000	100,000
<i>Total Fund Balances</i>	<u>1,618,599</u>	<u>100,000</u>	<u>1,718,599</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,777,085</u>	<u>\$100,000</u>	<u>\$2,877,085</u>

City of Clayton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$178,035	\$0	\$0	\$178,035
Other Local Taxes	103,051	0	0	103,051
Payments in Lieu of Taxes	456,042	0	0	456,042
Intergovernmental	150,482	0	0	150,482
Charges for Services	375,931	0	0	375,931
Fines and Forfeitures	5,109	0	0	5,109
Contributions and Donations	25	0	0	25
Investment Income	5,284	0	0	5,284
Special Assessments	28,352	0	0	28,352
Other	28,589	0	0	28,589
<i>Total Revenues</i>	<u>1,330,900</u>	<u>0</u>	<u>0</u>	<u>1,330,900</u>
Expenditures:				
Current:				
General Government	104,827	0	0	104,827
Security of Persons and Property	506,503	0	0	506,503
Public Health	390	0	0	390
Economic Development	15,303	0	0	15,303
Transportation	140,584	0	0	140,584
Capital Outlay	6,969	0	0	6,969
Debt Service:				
Principal Retirement	75,250	139,750	0	215,000
Interest and Fiscal Charges	31,251	58,036	0	89,287
<i>Total Expenditures</i>	<u>881,077</u>	<u>197,786</u>	<u>0</u>	<u>1,078,863</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>449,823</u>	<u>(197,786)</u>	<u>0</u>	<u>252,037</u>
Other Financing Sources (Uses):				
Transfers-In	25,000	129,681	0	154,681
Transfers-Out	(96,573)	0	0	(96,573)
<i>Total Other Financing Sources (Uses)</i>	<u>(71,573)</u>	<u>129,681</u>	<u>0</u>	<u>58,108</u>
<i>Net Change in Fund Balances</i>	378,250	(68,105)	0	310,145
<i>Fund Balances at Beginning of Year</i>	<u>1,240,349</u>	<u>68,105</u>	<u>100,000</u>	<u>1,408,454</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,618,599</u></u>	<u><u>\$0</u></u>	<u><u>\$100,000</u></u>	<u><u>\$1,718,599</u></u>

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Enforcement and Education Fund	Drug Law Enforcement Fund	Law Enforcement Trust Fund	EMS Fund	State Highway Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$1,798	\$11,236	\$18,282	\$148,652	\$271,102
Receivables:					
Property Taxes	0	0	0	175,354	0
Other Local Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Accounts	0	0	0	365,350	0
Special Assessments - Current	0	0	0	0	0
Special Assessments - Delinquent	0	0	0	0	0
Accrued Interest	0	0	0	0	296
Due from Other Governments	0	0	0	16,278	22,384
Prepaid Items	0	0	0	548	0
<i>Total Assets</i>	<u>\$1,798</u>	<u>\$11,236</u>	<u>\$18,282</u>	<u>\$706,182</u>	<u>\$293,782</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$843	\$587
Due to Other Governments	0	0	0	5,611	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,454</u>	<u>587</u>
Deferred Inflows of Resources					
Property Taxes	0	0	0	169,901	0
Payment in Lieu of Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	382,205	19,083
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>552,106</u>	<u>19,083</u>
Fund Balances:					
Nonspendable	0	0	0	548	0
Restricted	1,798	11,236	18,282	147,074	274,112
<i>Total Fund Balances</i>	<u>1,798</u>	<u>11,236</u>	<u>18,282</u>	<u>147,622</u>	<u>274,112</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,798</u>	<u>\$11,236</u>	<u>\$18,282</u>	<u>\$706,182</u>	<u>\$293,782</u>

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cemetery Fund	Joint Economic Development District Fund	Tax Increment Fund	Tax Increment Financing Towne Center Fund	Total Nonmajor Special Revenue Funds
\$119,043	\$25,239	\$42,563	\$185,445	\$617,437	\$395,603	\$1,836,400
0	0	0	0	0	0	175,354
6,872	0	0	0	0	0	6,872
0	0	0	0	230,306	75,555	305,861
0	0	500	0	0	0	365,850
0	30,627	0	0	0	0	30,627
0	16,490	0	0	0	0	16,490
125	0	0	0	0	0	421
0	0	0	0	0	0	38,662
0	0	0	0	0	0	548
<u>\$126,040</u>	<u>\$72,356</u>	<u>\$43,063</u>	<u>\$185,445</u>	<u>\$847,743</u>	<u>\$471,158</u>	<u>\$2,777,085</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$1,430
0	0	0	252	141,408	85,493	232,764
0	0	0	252	141,408	85,493	234,194
0	0	0	0	0	0	169,901
0	0	0	0	200,809	65,878	266,687
125	47,117	0	0	29,497	9,677	487,704
125	47,117	0	0	230,306	75,555	924,292
0	0	0	0	0	0	548
125,915	25,239	43,063	185,193	476,029	310,110	1,618,051
125,915	25,239	43,063	185,193	476,029	310,110	1,618,599
<u>\$126,040</u>	<u>\$72,356</u>	<u>\$43,063</u>	<u>\$185,445</u>	<u>\$847,743</u>	<u>\$471,158</u>	<u>\$2,777,085</u>

City of Clayton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Enforcement and Education Fund	Drug Law Enforcement Fund	Law Enforcement Trust Fund	EMS Fund	State Highway Fund
Revenues:					
Property Taxes	\$0	\$0	\$0	\$178,035	\$0
Other Local Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Intergovernmental	0	0	0	32,748	43,994
Charges for Services	0	0	0	368,231	0
Fines and Forfeitures	262	40	4,807	0	0
Contributions Donations	0	0	0	25	0
Investment Income	0	0	0	0	3,850
Special Assessments	0	0	0	0	0
Other	0	0	7,840	12,799	7,950
<i>Total Revenues</i>	<u>262</u>	<u>40</u>	<u>12,647</u>	<u>591,838</u>	<u>55,794</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	471,805	0
Public Health	0	0	0	0	0
Economic Development	0	0	0	0	0
Transportation	0	0	0	0	55,465
Capital Outlay	0	0	0	0	6,969
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>471,805</u>	<u>62,434</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>262</u>	<u>40</u>	<u>12,647</u>	<u>120,033</u>	<u>(6,640)</u>
Other Financing Sources (Uses):					
Transfers-In	0	0	0	25,000	0
Transfers-Out	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,000</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	262	40	12,647	145,033	(6,640)
<i>Fund Balances at Beginning of Year</i>	<u>1,536</u>	<u>11,196</u>	<u>5,635</u>	<u>2,589</u>	<u>280,752</u>
<i>Fund Balances at End of Year</i>	<u>\$1,798</u>	<u>\$11,236</u>	<u>\$18,282</u>	<u>\$147,622</u>	<u>\$274,112</u>

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cemetery Fund	Joint Economic Development District Fund	Tax Increment Fund	Tax Increment Financing Towne Center Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$178,035
103,051	0	0	0	0	0	103,051
0	0	0	0	308,229	147,813	456,042
0	0	0	73,740	0	0	150,482
0	0	7,700	0	0	0	375,931
0	0	0	0	0	0	5,109
0	0	0	0	0	0	25
1,434	0	0	0	0	0	5,284
0	28,352	0	0	0	0	28,352
0	0	0	0	0	0	28,589
<u>104,485</u>	<u>28,352</u>	<u>7,700</u>	<u>73,740</u>	<u>308,229</u>	<u>147,813</u>	<u>1,330,900</u>
0	0	0	50	69,867	34,910	104,827
0	34,698	0	0	0	0	506,503
0	0	390	0	0	0	390
0	0	0	15,303	0	0	15,303
85,119	0	0	0	0	0	140,584
0	0	0	0	0	0	6,969
0	0	0	0	75,250	0	75,250
0	0	0	0	31,251	0	31,251
<u>85,119</u>	<u>34,698</u>	<u>390</u>	<u>15,353</u>	<u>176,368</u>	<u>34,910</u>	<u>881,077</u>
<u>19,366</u>	<u>(6,346)</u>	<u>7,310</u>	<u>58,387</u>	<u>131,861</u>	<u>112,903</u>	<u>449,823</u>
0	0	0	0	0	0	25,000
0	0	0	0	0	(96,573)	(96,573)
0	0	0	0	0	(96,573)	(71,573)
19,366	(6,346)	7,310	58,387	131,861	16,330	378,250
<u>106,549</u>	<u>31,585</u>	<u>35,753</u>	<u>126,806</u>	<u>344,168</u>	<u>293,780</u>	<u>1,240,349</u>
<u>\$125,915</u>	<u>\$25,239</u>	<u>\$43,063</u>	<u>\$185,193</u>	<u>\$476,029</u>	<u>\$310,110</u>	<u>\$1,618,599</u>

City of Clayton, Ohio
Agency Fund Descriptions

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

Impact Fee Fund

To account for fees collected for Montgomery County, the City of Dayton, and the City of Clayton from individuals who develop land within the Clayton Improvement District for the purpose of expanding and upgrading water, sanitary sewer, road, and municipal park systems and related infrastructure improvements due to the land development.

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.

Fire Insurance Fund

To account for insurance proceeds arising from destruction by fire of an insured building or structure within the municipality for the purpose of providing the municipality with security for the expenses in removing, repairing or securing the building or other structure.

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 Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2014

	Balance at 12/31/2013	Additions	Reductions	Balance at 12/31/2014
<u>IMPACT FEE</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$22,683	\$0	\$2,937	\$19,746
Liabilities:				
Due to Other Governments	\$22,683	\$0	\$2,937	\$19,746
<u>JOINT ECONOMIC DEVELOPMENT DISTRICT</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$100,752	\$160,347	\$217,729	\$43,370
Liabilities:				
Due to Other Governments	\$100,752	\$160,347	\$217,729	\$43,370
<u>FIRE INSURANCE</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$32,666	\$0	\$7,250	\$25,416
Liabilities:				
Undistributed Monies	\$32,666	\$0	\$7,250	\$25,416
<u>NORTH CLAYTON DEVELOPMENT</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$21,896	\$21,896	\$0
Liabilities:				
Undistributed Monies	\$0	\$21,896	\$21,896	\$0
<u>TOTAL AGENCY FUNDS</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$156,101	\$182,243	\$249,812	\$88,532
Liabilities:				
Due to Other Governments	123,435	160,347	220,666	63,116
Undistributed Monies	32,666	21,896	29,146	25,416
Total Liabilities	\$156,101	\$182,243	\$249,812	\$88,532

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
General Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$330,000	\$330,729	\$729
Other Local Taxes	170,000	184,646	14,646
Municipal Income Taxes	1,701,000	1,928,850	227,850
Intergovernmental	180,050	223,671	43,621
Charges for Services	721,450	787,481	66,031
Licenses and Permits	3,000	6,760	3,760
Investment Income	40,000	65,485	25,485
Other	7,500	16,525	9,025
<i>Total Revenues</i>	<u>3,153,000</u>	<u>3,544,147</u>	<u>391,147</u>
Expenditures:			
Current:			
General Government			
Personal Services	854,683	701,332	153,351
Contractual Services	1,366,551	1,334,283	32,268
Materials and Supplies	16,124	15,918	206
Total General Government	<u>2,237,358</u>	<u>2,051,533</u>	<u>185,825</u>
Capital Outlay	<u>227,081</u>	<u>226,739</u>	<u>342</u>
<i>Total Expenditures</i>	<u>2,464,439</u>	<u>2,278,272</u>	<u>186,167</u>
<i>Excess of Revenues Over Expenditures</i>	688,561	1,265,875	577,314
Other Financing Uses:			
Transfers-Out	<u>(1,652,795)</u>	<u>(1,352,995)</u>	<u>299,800</u>
<i>Net Change in Fund Balance</i>	(964,234)	(87,120)	877,114
<i>Fund Balance at Beginning of Year</i>	4,356,169	4,356,169	0
<i>Prior Year Encumbrances Appropriated</i>	<u>285,732</u>	<u>285,732</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$3,677,667</u></u>	<u><u>\$4,554,781</u></u>	<u><u>\$877,114</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,100,000	\$1,138,170	\$38,170
Intergovernmental	185,000	222,759	37,759
Charges for Services	49,500	29,746	(19,754)
Fines and Forfeitures	15,000	19,807	4,807
Other	4,200	28,381	24,181
<i>Total Revenues</i>	<u>1,353,700</u>	<u>1,438,863</u>	<u>85,163</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	1,725,676	1,594,370	131,306
Contractual Services	272,361	266,646	5,715
Materials and Supplies	77,032	76,523	509
Total Security of Persons and Property	<u>2,075,069</u>	<u>1,937,539</u>	<u>137,530</u>
Capital Outlay	<u>2,170</u>	<u>2,138</u>	<u>32</u>
<i>Total Expenditures</i>	<u>2,077,239</u>	<u>1,939,677</u>	<u>137,562</u>
<i>Excess of Revenues Under Expenditures</i>	(723,539)	(500,814)	222,725
Other Financing Sources:			
Transfers-In	<u>710,500</u>	<u>490,826</u>	<u>(219,674)</u>
<i>Net Change in Fund Balance</i>	(13,039)	(9,988)	3,051
<i>Fund Balance at Beginning of Year</i>	19,639	19,639	0
<i>Prior Year Encumbrances Appropriated</i>	<u>16,716</u>	<u>16,716</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$23,316</u></u>	<u><u>\$26,367</u></u>	<u><u>\$3,051</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Street Department Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$505,000	\$550,953	\$45,953
Charges for Services	3,000	5,330	2,330
Investment Income	400	397	(3)
Other	7,110	12,994	5,884
<i>Total Revenues</i>	<u>515,510</u>	<u>569,674</u>	<u>54,164</u>
Expenditures:			
Current:			
Transportation			
Personal Services	675,746	616,235	59,511
Contractual Services	96,794	88,637	8,157
Materials and Supplies	110,847	92,509	18,338
Total Transportation	<u>883,387</u>	<u>797,381</u>	<u>86,006</u>
Capital Outlay	8,919	0	8,919
<i>Total Expenditures</i>	<u>892,306</u>	<u>797,381</u>	<u>94,925</u>
<i>Excess of Revenues Under Expenditures</i>	(376,796)	(227,707)	149,089
Other Financing Sources:			
Transfers-In	350,000	212,500	(137,500)
<i>Net Change in Fund Balance</i>	(26,796)	(15,207)	11,589
<i>Fund Balance at Beginning of Year</i>	31,581	31,581	0
<i>Prior Year Encumbrances Appropriated</i>	31,613	31,613	0
<i>Fund Balance at End of Year</i>	<u><u>\$36,398</u></u>	<u><u>\$47,987</u></u>	<u><u>\$11,589</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$725,000	\$720,358	(\$4,642)
Intergovernmental	138,000	142,363	4,363
Fines and Forfeitures	0	6,346	6,346
Contributions and Donations	1,000	1,321	321
Other	0	8,985	8,985
<i>Total Revenues</i>	<u>864,000</u>	<u>879,373</u>	<u>15,373</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	872,353	780,670	91,683
Contractual Services	196,236	187,708	8,528
Materials and Supplies	30,019	29,681	338
Total Security of Persons and Property	<u>1,098,608</u>	<u>998,059</u>	<u>100,549</u>
Capital Outlay	<u>68,822</u>	<u>68,632</u>	<u>190</u>
<i>Total Expenditures</i>	<u>1,167,430</u>	<u>1,066,691</u>	<u>100,739</u>
<i>Excess of Revenues Under Expenditures</i>	(303,430)	(187,318)	116,112
Other Financing Sources:			
Proceeds from Sale of Capital Assets	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
<i>Net Change in Fund Balance</i>	(293,430)	(187,318)	106,112
<i>Fund Balance at Beginning of Year</i>	398,631	398,631	0
<i>Prior Year Encumbrances Appropriated</i>	<u>88,933</u>	<u>88,933</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$194,134</u>	<u>\$300,246</u>	<u>\$106,112</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Capital Improvement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$866,700	\$964,425	\$97,725
Intergovernmental	128,488	93,752	(34,736)
Other	0	1,091	1,091
<i>Total Revenues</i>	<u>995,188</u>	<u>1,059,268</u>	<u>64,080</u>
Expenditures:			
Current:			
General Government			
Contractual Services	868,958	795,342	73,616
Capital Outlay	448,935	445,653	3,282
Debt Service:			
Principal Retirement	213,157	213,157	0
Interest and Fiscal Charges	70,084	66,636	3,448
<i>Total Expenditures</i>	<u>1,601,134</u>	<u>1,520,788</u>	<u>80,346</u>
<i>Excess of Revenues Under Expenditures</i>	(605,946)	(461,520)	144,426
Other Financing Sources:			
Transfers-In	266,545	314,771	48,226
<i>Net Change in Fund Balance</i>	(339,401)	(146,749)	192,652
<i>Fund Balance at Beginning of Year</i>	189,877	189,877	0
<i>Prior Year Encumbrances Appropriated</i>	187,272	187,272	0
<i>Fund Balance at End of Year</i>	<u>\$37,748</u>	<u>\$230,400</u>	<u>\$192,652</u>

City of Clayton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Water Department Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$65,000	\$62,070	(\$2,930)
Tap-In Fees	0	25	25
<i>Total Revenues</i>	<u>65,000</u>	<u>62,095</u>	<u>(2,905)</u>
Expenses:			
Personal Services	34,486	33,162	1,324
Contractual Services	6,035	4,947	1,088
Materials and Supplies	57,444	52,068	5,376
<i>Total Expenses</i>	<u>97,965</u>	<u>90,177</u>	<u>7,788</u>
<i>Net Change in Fund Equity</i>	(32,965)	(28,082)	4,883
<i>Fund Equity at Beginning of Year</i>	58,988	58,988	0
<i>Prior Year Encumbrances Appropriated</i>	<u>9,837</u>	<u>9,837</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$35,860</u></u>	<u><u>\$40,743</u></u>	<u><u>\$4,883</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sewer Operating Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenses:	0	0	0
<i>Net Change in Fund Equity</i>	0	0	0
<i>Fund Equity at Beginning of Year</i>	59,298	59,298	0
<i>Fund Equity at End of Year</i>	\$59,298	\$59,298	\$0

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Enforcement and Education Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$1,000	\$316	(\$684)
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	1,000	316	(684)
<i>Fund Balance at Beginning of Year</i>	1,482	1,482	0
<i>Fund Balance at End of Year</i>	\$2,482	\$1,798	(\$684)

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Drug Law Enforcement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$0	\$40	\$40
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	40	40
<i>Fund Balance at Beginning of Year</i>	11,196	11,196	0
<i>Fund Balance at End of Year</i>	\$11,196	\$11,236	\$40

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Law Enforcement Trust Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$0	\$4,807	\$4,807
Other	0	7,840	7,840
<i>Total Revenues</i>	0	12,647	12,647
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	12,647	12,647
<i>Fund Balance at Beginning of Year</i>	5,635	5,635	0
<i>Fund Balance at End of Year</i>	<u>\$5,635</u>	<u>\$18,282</u>	<u>\$12,647</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
EMS Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$175,000	\$178,035	\$3,035
Intergovernmental	30,000	32,748	2,748
Charges for Services	285,000	368,157	83,157
Contributions and Donations	0	25	25
Other	3,000	12,848	9,848
<i>Total Revenues</i>	<u>493,000</u>	<u>591,813</u>	<u>98,813</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	487,217	453,544	33,673
Contractual Services	32,074	31,509	565
Materials and Supplies	7,562	7,378	184
<i>Total Expenditures</i>	<u>526,853</u>	<u>492,431</u>	<u>34,422</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,853)	99,382	133,235
Other Financing Sources			
Transfers-In	23,500	0	(23,500)
<i>Net Change in Fund Balance</i>	(10,353)	99,382	109,735
<i>Fund Balance at Beginning of Year</i>	34,599	34,599	0
<i>Prior Year Encumbrances Appropriated</i>	10,601	10,601	0
<i>Fund Balance at End of Year</i>	<u>\$34,847</u>	<u>\$144,582</u>	<u>\$109,735</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
State Highway Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$41,300	\$44,089	\$2,789
Investment Income	1,000	2,133	1,133
Other	0	7,950	7,950
<i>Total Revenues</i>	<u>42,300</u>	<u>54,172</u>	<u>11,872</u>
Expenditures:			
Current:			
Transportation			
Contractual Services	50,419	48,342	2,077
Materials and Supplies	55,274	54,274	1,000
Total Transportation	<u>105,693</u>	<u>102,616</u>	<u>3,077</u>
Capital Outlay	<u>6,969</u>	<u>6,969</u>	<u>0</u>
<i>Total Expenditures</i>	<u>112,662</u>	<u>109,585</u>	<u>3,077</u>
<i>Net Change in Fund Balance</i>	(70,362)	(55,413)	14,949
<i>Fund Balance at Beginning of Year</i>	263,542	263,542	0
<i>Prior Year Encumbrances Appropriated</i>	<u>26,531</u>	<u>26,531</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$219,711</u>	<u>\$234,660</u>	<u>\$14,949</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Permissive Motor Vehicle License Tax Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$101,000	\$103,889	\$2,889
Investment Income	450	810	360
<i>Total Revenues</i>	<u>101,450</u>	<u>104,699</u>	<u>3,249</u>
Expenditures:			
Current:			
Transportation			
Personal Services	62,060	30,296	31,764
Contractual Services	31,000	26,617	4,383
Materials and Supplies	34,000	34,000	0
<i>Total Expenditures</i>	<u>127,060</u>	<u>90,913</u>	<u>36,147</u>
<i>Net Change in Fund Balance</i>	(25,610)	13,786	39,396
<i>Fund Balance at Beginning of Year</i>	100,716	100,716	0
<i>Prior Year Encumbrances Appropriated</i>	<u>1,190</u>	<u>1,190</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$76,296</u></u>	<u><u>\$115,692</u></u>	<u><u>\$39,396</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Street Lights Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$30,000	\$28,352	(\$1,648)
Expenditures:			
Current:			
Security of Persons and Property			
Contractual Services	40,602	35,353	5,249
<i>Net Change in Fund Balance</i>	(10,602)	(7,001)	3,601
<i>Fund Balance at Beginning of Year</i>	26,896	26,896	0
Prior Year Encumbrances Appropriated	5,344	5,344	0
<i>Fund Balance at End of Year</i>	<u>\$21,638</u>	<u>\$25,239</u>	<u>\$3,601</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Cemetery Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$5,000	\$8,200	\$3,200
Expenditures:			
Current:			
Public Health			
Contractual Services	1,900	300	1,600
Materials and Supplies	300	90	210
<i>Total Expenditures</i>	2,200	390	1,810
<i>Net Change in Fund Balance</i>	2,800	7,810	5,010
<i>Fund Balance at Beginning of Year</i>	34,753	34,753	0
<i>Fund Balance at End of Year</i>	\$37,553	\$42,563	\$5,010

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Joint Economic Development District Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$42,500	\$73,740	\$31,240
Expenditures:			
Current:			
Economic Development			
Contractual Services	29,950	22,209	7,741
<i>Net Change in Fund Balance</i>	12,550	51,531	38,981
<i>Fund Balance at Beginning of Year</i>	111,422	111,422	0
<i>Prior Year Encumbrances Appropriated</i>	15,586	15,586	0
<i>Fund Balance at End of Year</i>	<u>\$139,558</u>	<u>\$178,539</u>	<u>\$38,981</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Tax Increment Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$180,000	\$308,229	\$128,229
Expenditures:			
Current:			
General Government			
Contractual Services	307,208	307,208	0
Debt Service:			
Principal Retirement	75,250	75,250	0
Interest and Fiscal Charges	31,251	31,251	0
<i>Total Expenditures</i>	413,709	413,709	0
<i>Net Change in Fund Balance</i>	(233,709)	(105,480)	128,229
<i>Fund Balance at Beginning of Year</i>	273,379	273,379	0
<i>Prior Year Encumbrances Appropriated</i>	172,000	172,000	0
<i>Fund Balance at End of Year</i>	\$211,670	\$339,899	\$128,229

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Tax Increment Financing Towne Center Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$145,000	\$147,813	\$2,813
Expenditures:			
Current:			
General Government			
Contractual Services	324,070	324,070	0
Debt Service:			
Principal Retirement	52,969	40,025	12,944
Interest and Fiscal Charges	75,803	56,547	19,256
<i>Total Expenditures</i>	452,842	420,642	32,200
<i>Net Change in Fund Balance</i>	(307,842)	(272,829)	35,013
<i>Fund Balance at Beginning of Year</i>	194,358	194,358	0
<i>Prior Year Encumbrances Appropriated</i>	161,995	161,995	0
<i>Fund Balance at End of Year</i>	\$48,511	\$83,524	\$35,013

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Bond Retirement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Debt Service:			
Principal Retirement	226,010	226,010	0
Interest and Fiscal Charges	176,998	176,993	5
<i>Total Expenditures</i>	403,008	403,003	5
<i>Excess of Revenues Under Expenditures</i>	(403,008)	(403,003)	5
Other Financing Sources:			
Transfers-In	334,950	334,898	(52)
<i>Net Change in Fund Balance</i>	(68,058)	(68,105)	(47)
<i>Fund Balance at Beginning of Year</i>	68,105	68,105	0
<i>Fund Balance (Deficit) at End of Year</i>	\$47	\$0	(\$47)

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Asset Replacement Fund
For the Year Ended December 31, 2014

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	100,000	100,000	0
<i>Fund Balance at End of Year</i>	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$0</u>

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STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	96-107
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	108-117
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	118-124
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.	
Demographic and Economic Information	125-127
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	128-133
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial reports relates to the services the City provides and the activities it performs.	

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

City of Clayton, Ohio
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2005	2006	2007	2008
Governmental Activities:				
Net Investment in Capital Assets	\$1,096,146	\$2,385,015	\$3,399,360	\$4,534,717
Restricted	2,283,572	2,418,788	2,976,984	1,863,244
Unrestricted	2,535,512	2,604,083	2,478,642	2,167,933
<i>Total Governmental Activities Net Position</i>	<u>5,915,230</u>	<u>7,407,886</u>	<u>8,854,986</u>	<u>8,565,894</u>
Business-Type Activities:				
Net Investment in Capital Assets	(46,429)	(78,683)	(80,021)	(57,466)
Unrestricted (Deficit)	(145,701)	18,068	184,759	292,602
<i>Total Business-Type Activities</i>	<u>(192,130)</u>	<u>(60,615)</u>	<u>104,738</u>	<u>235,136</u>
Primary Government:				
Net Investment in Capital Assets	1,049,717	2,306,332	3,319,339	4,477,251
Restricted	2,283,572	2,418,788	2,976,984	1,863,244
Unrestricted	2,389,811	2,622,151	2,663,401	2,460,535
<i>Total Primary Government Net Position</i>	<u>\$5,723,100</u>	<u>\$7,347,271</u>	<u>\$8,959,724</u>	<u>\$8,801,030</u>

2009	2010	2011	2012	2013	2014
\$4,985,791	\$6,188,910	\$6,887,562	\$7,027,755	\$7,073,297	\$7,273,119
3,028,063	2,655,232	2,942,250	2,823,290	3,329,404	3,742,366
2,152,885	3,262,866	4,441,506	4,950,535	5,679,868	5,744,186
10,166,739	12,107,008	14,271,318	14,801,580	16,082,569	16,759,671
(64,741)	(154,527)	(53,739)	(325,188)	(427,817)	(459,447)
238,435	229,958	27,310	173,204	106,735	138,360
173,694	75,431	(26,429)	(151,984)	(321,082)	(321,087)
4,921,050	6,034,383	6,833,823	6,702,567	6,645,480	6,813,672
3,028,063	2,655,232	2,942,250	2,823,290	3,329,404	3,742,366
2,391,320	3,492,824	4,468,816	5,123,739	5,786,603	5,882,546
\$10,340,433	\$12,182,439	\$14,244,889	\$14,649,596	\$15,761,487	\$16,438,584

City of Clayton, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2005	2006	2007	2008
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$38,031	\$169,787	\$132,499	\$102,638
Security of Persons and Property	345,607	296,703	352,411	445,672
Public Health	4,625	4,125	2,350	1,340
Transportation	0	0	1,325	1,925
Operating Grants, Contributions and Interest	817,692	908,004	1,003,649	1,093,240
Capital Grants, Contributions and Interest	276,069	572,922	389,589	317,078
<i>Total Governmental Activities Program Revenues</i>	<u>1,482,024</u>	<u>1,951,541</u>	<u>1,881,823</u>	<u>1,961,893</u>
Business-Type Activities:				
Charges for Services:				
Water Department (1)	27,111	66,812	193,040	112,285
Sewer Operating (2)	0	21,505	6,384	8,986
Capital Grants, Contributions and Interest	107,149	269,452	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>134,260</u>	<u>357,769</u>	<u>199,424</u>	<u>121,271</u>
<i>Total Primary Government Program Revenues</i>	<u>1,616,284</u>	<u>2,309,310</u>	<u>2,081,247</u>	<u>2,083,164</u>
Expenses:				
Governmental Activities:				
Current:				
General Government	2,370,105	2,549,858	1,699,954	1,665,425
Security of Persons and Property	1,801,658	2,252,398	3,081,544	3,181,958
Public Health	4,549	4,136	5,101	4,591
Economic Development	0	0	0	0
Transportation	261,669	947,510	1,174,423	1,292,387
Interest and Fiscal Charges	180,251	226,533	229,427	230,230
<i>Total Governmental Activities Expenses</i>	<u>4,618,232</u>	<u>5,980,435</u>	<u>6,190,449</u>	<u>6,374,591</u>
Business-Type Activities:				
Water Department	333,428	288,508	120,237	113,795
Sewer Operating	56,548	140,098	137,465	139,324
<i>Total Business-Type Activities Expenses</i>	<u>389,976</u>	<u>428,606</u>	<u>257,702</u>	<u>253,119</u>
<i>Total Primary Government Expenses</i>	<u>\$5,008,208</u>	<u>\$6,409,041</u>	<u>\$6,448,151</u>	<u>\$6,627,710</u>

2009	2010	2011	2012	2013	2014
\$318,580	\$760,819	\$717,170	\$787,659	\$778,361	\$735,784
438,413	380,730	483,120	424,854	693,824	363,014
8,650	5,650	1,400	6,225	8,650	7,700
1,225	2,038	3,150	2,170	8,318	5,330
1,207,084	1,567,345	1,063,694	1,012,553	1,016,512	1,049,206
884,827	1,231,631	0	136,168	0	100,000
2,858,779	3,948,213	2,268,534	2,369,629	2,505,665	2,261,034
48,037	66,178	63,449	69,363	68,432	52,659
828	2,577	575	923	20	4
98,773	0	0	0	0	0
147,638	68,755	64,024	70,286	68,452	52,663
3,006,417	4,016,968	2,332,558	2,439,915	2,574,117	2,313,697
2,102,857	3,078,190	1,995,391	2,671,295	2,026,231	2,335,282
3,103,331	3,314,654	3,309,160	3,490,585	3,513,534	3,531,717
3,557	4,576	591	1,792	1,662	390
16,883	7,935	400	10,138	20,952	15,303
1,201,965	1,413,580	1,033,701	1,466,901	1,521,183	1,490,066
226,296	234,683	248,233	388,039	249,304	182,614
6,654,889	8,053,618	6,587,476	8,028,750	7,332,866	7,555,372
161,076	149,372	151,169	174,608	140,683	152,186
233,626	218,839	215,908	222,426	209,360	206,708
394,702	368,211	367,077	397,034	350,043	358,894
\$7,049,591	\$8,421,829	\$6,954,553	\$8,425,784	\$7,682,909	\$7,914,266

(continued)

City of Clayton, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
(continued)

	2005	2006	2007	2008
Net (Expense) / Revenue:				
Governmental Activities	(\$3,136,208)	(\$4,028,894)	(\$4,308,626)	(\$4,412,698)
Business-Type Activities	(255,716)	(70,837)	(58,278)	(131,848)
<i>Total Primary Government Net Position</i>	<u>(3,391,924)</u>	<u>(4,099,731)</u>	<u>(4,366,904)</u>	<u>(4,544,546)</u>
General Revenues and Transfers:				
Governmental Activities:				
Property Taxes Levied for General Purposes	364,204	383,670	374,624	374,000
Property Taxes Levied for Police	1,098,323	1,105,558	1,085,879	1,076,541
Property Taxes Levied for Fire	421,057	443,579	423,706	421,228
Property Taxes Levied for EMS	184,599	193,639	184,206	183,452
Other Local Taxes	262,708	507,230	335,198	206,438
Increment Taxes	0	0	0	0
Municipal Income Taxes Levied for General Purposes	1,459,448	1,578,201	1,311,919	1,280,281
Municipal Income Taxes Levied for Capital Outlay	698,190	811,251	607,727	727,648
Grants and Entitlements not Restricted to Specific Programs	579,344	514,987	534,113	550,153
Investment Income	98,999	173,067	178,584	85,905
Investment in Joint Venture	0	0	0	12,955
Other	107,922	107,846	168,012	217,289
Transfers	0	(202,352)	(202,234)	(262,233)
<i>Total Governmental Activities General Revenues and Transfers</i>	<u>5,274,794</u>	<u>5,616,676</u>	<u>5,001,734</u>	<u>4,873,657</u>
Business-Type Activities:				
Other	1,150	0	0	13
Transfers	0	202,352	202,234	262,233
<i>Total Business-Type Activities General Revenues and Transfers</i>	<u>1,150</u>	<u>202,352</u>	<u>202,234</u>	<u>262,246</u>
Prior Year Restatement of Governmental Type Net Position	0	(95,126)	753,992	(750,051)
Prior Year Restatement of Business-Type Net Position	0	0	21,397	0
Change in Net Position:				
Governmental Activities	2,138,586	1,492,656	1,447,100	(289,092)
Business-Type Activities	(254,566)	131,515	165,353	130,398
<i>Total Primary Government</i>	<u>\$1,884,020</u>	<u>\$1,624,171</u>	<u>\$1,612,453</u>	<u>(\$158,694)</u>

(1) Charges for services in the Water Department increased in 2007 as operations expanded.

(2) Charges for services for Sewer Operations decreased in 2007 due to a decrease in impact fee revenue.

2009	2010	2011	2012	2013	2014
(\$3,796,110)	(\$4,105,405)	(\$4,318,942)	(\$5,659,121)	(\$4,827,201)	(\$5,294,338)
(247,064)	(299,456)	(303,053)	(326,748)	(281,591)	(306,231)
(4,043,174)	(4,404,861)	(4,621,995)	(5,985,869)	(5,108,792)	(5,600,569)
391,904	368,775	369,143	331,825	333,899	330,846
1,228,963	1,217,195	1,224,218	1,137,084	1,146,874	1,139,035
814,478	798,572	799,508	721,683	726,977	720,557
180,448	179,062	179,947	177,758	179,153	178,301
216,829	224,968	266,767	284,333	281,529	291,372
199,876	187,734	327,951	359,430	413,584	336,282
1,364,296	1,422,784	1,651,397	1,914,037	1,578,366	1,889,466
686,419	704,294	826,382	957,739	788,569	944,136
297,537	1,043,924	923,046	307,054	401,933	223,988
23,668	10,657	37,286	34,456	109,373	117,739
(8,656)	4,121	84	(568)	(5,678)	5,191
186,815	84,781	78,716	165,745	254,207	96,317
(185,622)	(201,193)	(201,193)	(201,193)	(100,596)	(301,790)
5,396,955	6,045,674	6,483,252	6,189,383	6,108,190	5,971,440
0	0	0	0	11,897	4,436
185,622	201,193	201,193	201,193	100,596	301,790
185,622	201,193	201,193	201,193	112,493	306,226
0	0	0	0	0	0
0	0	0	0	0	0
1,600,845	1,940,269	2,164,310	530,262	1,280,989	677,102
(61,442)	(98,263)	(101,860)	(125,555)	(169,098)	(5)
\$1,539,403	\$1,842,006	\$2,062,450	\$404,707	\$1,111,891	\$677,097

City of Clayton, Ohio
Program Revenues by Function/Program
Last Ten Years
(accrual basis of accounting)

Function / Program:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
General Government	\$357,923	\$783,323	\$606,334	\$595,918
Security of Persons and Property	623,878	624,108	613,690	769,283
Public Health	4,625	4,125	2,350	1,340
Transportation	495,598	539,985	659,449	595,352
<i>Total Governmental Activities Program Revenues</i>	<u>1,482,024</u>	<u>1,951,541</u>	<u>1,881,823</u>	<u>1,961,893</u>
Business-Type Activities:				
Water Department	130,227	112,469	193,040	112,285
Sewer Operating	4,033	245,300	6,384	8,986
<i>Total Business-Type Activities Program Revenues</i>	<u>134,260</u>	<u>357,769</u>	<u>199,424</u>	<u>121,271</u>
<i>Total Primary Government Program Revenues</i>	<u>\$1,616,284</u>	<u>\$2,309,310</u>	<u>\$2,081,247</u>	<u>\$2,083,164</u>

2009	2010	2011	2012	2013	2014
\$1,295,181	\$2,488,113	\$764,385	\$961,102	\$800,569	\$909,524
966,548	840,695	937,380	794,401	1,084,329	761,257
8,650	5,650	1,400	6,225	8,650	7,700
588,400	613,755	565,369	607,901	612,117	582,553
2,858,779	3,948,213	2,268,534	2,369,629	2,505,665	2,261,034
146,810	66,178	63,449	69,363	68,432	52,659
828	2,577	575	923	20	4
147,638	68,755	64,024	70,286	68,452	52,663
\$3,006,417	\$4,016,968	\$2,332,558	\$2,439,915	\$2,574,117	\$2,313,697

City of Clayton, Ohio
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2005	2006	2007	2008
General Fund				
Nonspendable	\$0	\$0	\$0	\$19,893
Assigned	0	0	0	0
Unassigned	0	0	0	1,519,538
Reserved	141,169	142,351	59,053	0
Unreserved	1,917,869	1,789,609	1,734,915	0
<i>Total General Fund</i>	<u>2,059,038</u>	<u>1,931,960</u>	<u>1,793,968</u>	<u>1,539,431</u>
All Other Governmental Funds				
Nonspendable	0	0	0	45,297
Restricted	0	0	0	1,320,123
Assigned	0	0	0	110,257
Unassigned	0	0	0	(352,411)
Reserved	136,530	210,896	110,316	0
Unreserved, Undesignated Reported in:				
Special Revenue Funds	1,328,413	1,090,855	945,875	0
Debt Service Fund	4,431	5,617	10,257	0
Capital Projects Funds	454,323	506,205	681,450	0
<i>Total All Other Governmental Funds</i>	<u>1,923,697</u>	<u>1,813,573</u>	<u>1,747,898</u>	<u>1,123,266</u>
<i>Total Governmental Funds</i>	<u><u>\$3,982,735</u></u>	<u><u>\$3,745,533</u></u>	<u><u>\$3,541,866</u></u>	<u><u>\$2,662,697</u></u>

(1) Beginning in 2009, fund balances were classified in accordance with *GASB Statement No. 54*.

2009(1)	2010	2011	2012	2013	2014
\$20,339	\$3,770	\$25,236	\$27,652	\$13,342	\$26,785
48,086	69,572	57,008	132,142	786,246	1,007,559
1,451,057	2,452,922	3,744,558	4,019,975	4,215,425	3,958,798
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,519,482</u>	<u>2,526,264</u>	<u>3,826,802</u>	<u>4,179,769</u>	<u>5,015,013</u>	<u>4,993,142</u>
45,122	2,131	63,743	53,154	10,476	38,595
1,559,714	1,912,706	2,054,698	2,327,503	2,132,183	2,796,535
115,464	105,984	100,000	100,000	168,105	100,000
(233,760)	(183,771)	(221,227)	(185,247)	(240,845)	(29,579)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>1,486,540</u>	<u>1,837,050</u>	<u>1,997,214</u>	<u>2,295,410</u>	<u>2,069,919</u>	<u>2,905,551</u>
<u>\$3,006,022</u>	<u>\$4,363,314</u>	<u>\$5,824,016</u>	<u>\$6,475,179</u>	<u>\$7,084,932</u>	<u>\$7,898,693</u>

City of Clayton, Ohio
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2005	2006	2007	2008
Revenues:				
Property Taxes	\$2,434,127	\$2,132,002	\$2,071,635	\$2,063,329
Other Local Taxes (2)	0	406,845	371,060	199,928
Municipal Income Taxes	1,882,105	2,072,428	2,000,105	2,003,061
Payment in Lieu of Taxes (1)	0	0	0	115,173
Intergovernmental	1,639,988	1,917,568	1,736,282	1,923,306
Charges for Services	341,039	360,292	379,355	393,877
Licenses and Permits	8,315	10,626	10,144	11,806
Fines and Forfeitures	13,624	13,526	20,519	17,851
Contributions and Donations	0	0	0	0
Investment Income	142,245	235,838	246,821	97,086
Special Assessments	22,124	22,228	22,718	28,991
Impact Fees	0	63,032	40,350	18,264
Other	107,554	108,214	104,369	217,289
<i>Total Revenues</i>	<u>6,591,121</u>	<u>7,342,599</u>	<u>7,003,358</u>	<u>7,089,961</u>
Expenditures:				
Current:				
General Government	5,647,391	3,627,015	2,673,903	3,018,325
Security of Persons and Property	2,454,231	2,806,686	2,906,093	2,996,332
Public Health	4,549	4,136	5,101	4,591
Economic Development	0	0	0	0
Transportation	753,543	879,686	1,015,617	1,035,123
Intergovernmental	0	0	0	44,342
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	69,973	357,611	347,434	389,680
Interest and Fiscal Charges	182,830	211,590	222,743	218,504
Issuance Costs	98,022	0	0	0
<i>Total Expenditures</i>	<u>9,210,539</u>	<u>7,886,724</u>	<u>7,170,891</u>	<u>7,706,897</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,619,418)</u>	<u>(544,125)</u>	<u>(167,533)</u>	<u>(616,936)</u>
Other Financing Sources (Uses):				
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0
General Obligation Bonds Issued	4,500,000	0	0	0
Proceeds from Refunding Notes	1,600,000	0	0	0
Premium on Debt Issued	98,022	0	0	0
Notes Issued	0	0	0	0
Proceeds of Loan	198,390	0	0	0
Inception of Capital Lease	492,000	509,275	166,100	0
Transfers-In	793,605	1,648,523	1,470,804	1,163,496
Payment to Refunded Escrow Agent	0	0	0	0
Current Refunding	(6,100,000)	0	0	0
Transfers-Out	(793,605)	(1,850,875)	(1,673,038)	(1,425,729)
<i>Total Other Financing Sources (Uses)</i>	<u>788,412</u>	<u>306,923</u>	<u>(36,134)</u>	<u>(262,233)</u>
<i>Net Change in Fund Balances</i>	<u>(\$1,831,006)</u>	<u>(\$237,202)</u>	<u>(\$203,667)</u>	<u>(\$879,169)</u>
<i>Debt Service as a Percentage of Noncapital Expenditures (3)</i>	6.6%	9.5%	9.3%	9.7%

(1) Prior to 2008 the City did not separate Payment in Lieu of Taxes and Other Local Taxes.

(2) Prior to 2006 the City did not separate Property and Other Local Taxes.

(3) Between 2005 and 2009, the City was tracking capital outlay in the functions for which the items were acquired. The capital expenditures within the various functions can be obtained from the Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

2009	2010	2011	2012	2013	2014
\$2,558,467	\$2,547,791	\$2,622,064	\$2,374,876	\$2,376,210	\$2,367,292
213,638	220,051	335,235	284,328	282,234	287,697
1,998,627	2,105,083	2,292,298	2,682,476	2,617,576	2,924,160
138,449	187,734	327,951	332,380	343,127	456,042
1,801,731	4,023,219	2,066,458	1,487,288	1,402,068	1,380,501
648,425	1,001,862	1,035,016	1,078,970	1,134,310	1,196,793
4,658	6,816	30,925	5,572	3,754	7,625
17,231	20,512	16,857	25,488	27,163	30,987
0	0	425	675	4,410	1,346
27,644	11,676	34,207	31,129	112,403	115,848
28,576	38,026	68,284	34,419	40,385	28,352
2,427	6,721	2,382	2,564	56	12
186,515	85,081	78,716	165,745	254,207	96,317
7,626,388	10,254,572	8,910,818	8,505,910	8,597,903	8,892,972
2,594,614	1,983,546	2,494,914	2,753,703	2,689,597	2,612,744
3,025,428	3,139,635	3,126,644	3,287,908	3,358,850	3,364,352
3,557	4,576	591	1,792	1,662	390
16,883	7,935	400	10,138	20,952	15,303
925,970	1,020,519	851,863	853,572	895,671	873,304
0	0	0	0	0	0
0	3,549,111	285,962	715,456	293,233	327,248
317,089	273,999	354,660	420,821	459,187	428,157
213,900	216,766	229,286	230,986	290,218	155,923
0	76,506	0	0	0	0
7,097,441	10,272,593	7,344,320	8,274,376	8,009,370	7,777,421
528,947	(18,021)	1,566,498	231,534	588,533	1,115,551
0	0	0	0	3,665,000	0
0	0	0	0	34,496	0
0	1,515,000	0	0	0	0
0	0	0	0	0	0
0	61,506	0	0	125,836	0
0	0	95,397	185,433	0	0
0	0	0	0	0	0
0	0	0	435,389	0	0
785,583	496,215	534,455	871,050	703,047	1,470,778
0	0	0	0	(3,703,516)	0
0	0	0	0	0	0
(971,205)	(697,408)	(735,648)	(1,072,243)	(803,643)	(1,772,568)
(185,622)	1,375,313	(105,796)	419,629	21,220	(301,790)
\$343,325	\$1,357,292	\$1,460,702	\$651,163	\$609,753	\$813,761
9.2%	6.3%	9.4%	8.8%	10.7%	8.2%

City of Clayton, Ohio
Tax Revenues by Source - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Year	Property and Other Local Taxes	Municipal Income Taxes	Total
2005	\$2,434,127	\$1,882,105	\$4,316,232
2006	2,538,847	2,072,428	4,611,275
2007	2,442,695	2,000,105	4,442,800
2008	2,378,430	2,003,061	4,381,491
2009	2,772,105	1,998,627	4,770,732
2010	2,767,842	2,105,083	4,872,925
2011	2,957,299	2,292,298	5,249,597
2012	2,991,584	2,682,476	5,674,060
2013	2,658,444	2,617,576	5,276,020
2014	2,654,989	2,924,160	5,579,149

Source: City of Clayton

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City of Clayton, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2005	\$227,078,110	\$13,559,680	\$687,536,543	\$5,979,780	\$6,795,205
2006	245,417,110	14,684,510	743,147,486	5,940,090	6,750,102
2007	246,309,620	14,803,000	746,036,057	5,689,890	6,465,784
2008	248,450,750	14,818,730	752,198,514	4,879,900	5,545,341
2009	250,616,410	16,233,890	762,429,429	4,970,690	5,648,511
2010	250,090,550	16,288,460	761,082,886	4,912,150	5,581,989
2011	249,250,080	16,838,570	760,253,286	5,121,640	5,820,045
2012	225,433,280	25,206,480	716,113,600	5,238,780	5,953,159
2013	224,482,070	15,447,940	685,514,314	6,156,620	6,996,159
2014	224,482,070	15,447,940	685,514,314	6,156,620	6,996,159

Source: Montgomery County Auditor

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. General business tangible personal property was phased out beginning in 2006. Both types of general business tangible personal property were assessed at 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax is 2010.)

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent rollback, 2 1/2 percent rollback, and homestead exemption before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/industrial property was eliminated.

Tangible Personal Property					Weighted Average Tax Rate (per \$1,000 of assessed value)
General Business		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$2,368,147	\$9,472,588	\$248,985,717	\$703,804,335	35.38	\$9.27
1,812,688	9,667,669	267,854,398	759,565,257	35.26	8.79
1,629,718	13,037,744	268,432,228	765,539,585	35.06	8.79
1,300,056	10,400,448	269,449,436	768,144,303	35.08	8.76
760,410	6,083,280	272,581,400	774,161,220	35.21	11.10
111,170	889,360	271,402,330	767,554,234	35.36	10.34
0	0	271,210,290	766,073,331	35.40	11.75
0	0	255,878,540	722,066,759	35.44	11.43
0	0	246,086,630	692,510,473	35.54	11.45
0	0	246,086,630	692,510,473	35.54	11.57

City of Clayton, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years

	2005	2006	2007	2008
Unvoted Millage				
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Voted Millage - by levy				
1976 Police				
Residential/Agricultural Real	0.6074	0.5715	0.5716	0.5700
Commercial/Industrial and Public Utility Real	1.0766	0.9983	1.0043	1.0038
General Business and Public Utility Personal	2.6800	2.6800	2.6800	2.6800
1998 Police				
Residential/Agricultural Real	1.2454	1.1717	1.1719	1.1687
Commercial/Industrial and Public Utility Real	1.2724	1.1798	1.1869	1.1862
General Business and Public Utility Personal	1.5000	1.5000	1.5000	1.5000
1998 Police - Replaced in 2008				
Residential/Agricultural Real	2.9059	2.7340	2.7344	2.7269
Commercial/Industrial and Public Utility Real	2.9688	2.7528	2.7693	2.7678
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	1.9097	1.7969	1.7971	1.7922
Commercial/Industrial and Public Utility Real	1.9514	1.8086	1.8194	1.8184
General Business and Public Utility Personal	2.3000	2.3000	2.3000	2.3000
1998 Fire District				
Residential/Agricultural Real	0.8303	0.7813	0.7814	0.7792
Commercial/Industrial and Public Utility Real	0.8484	0.7863	0.7911	0.7906
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
<i>Total Voted Millage by Type of Property</i>				
Residential/Agricultural Real	7.4987	7.0554	7.0564	7.0370
Commercial/Industrial and Public Utility Real	8.1176	7.5258	7.5710	7.5668
General Business and Public Utility Personal	10.9800	10.9800	10.9800	10.9800
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	9.0987	8.6554	8.6564	8.6370
Commercial/Industrial and Public Utility Real	9.7176	9.1258	9.1710	9.1668
General Business and Public Utility Personal	12.5800	12.5800	12.5800	12.5800
Weighted Average	9.27	8.79	8.79	8.76

2009	2010	2011	2012	2013	2014
\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000
0.5651	0.5682	0.6301	0.6320	0.6335	0.6563
0.9484	0.9357	0.9533	0.9753	0.9758	1.0277
2.6800	2.6800	2.6800	2.6800	2.6800	2.6800
1.1585	1.1650	1.2918	1.2958	1.2989	1.3456
1.1208	1.1570	1.1265	1.1525	1.1531	1.2146
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
3.4695	3.4888	3.5000	3.5000	3.5000	3.5000
3.3069	3.2625	3.3239	3.4007	3.4024	3.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
3.4697	3.4697	3.5000	3.5000	3.5000	3.5000
3.3064	3.3064	3.3233	3.4002	3.4002	3.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
0.7768	0.7791	0.8615	0.8641	0.8661	0.8970
0.7369	0.7293	0.7507	0.7681	0.7685	0.8095
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9.4396	9.4708	9.7834	9.7919	9.7985	9.8989
9.4194	9.3909	9.4777	9.6968	9.7000	10.0518
12.1800	12.1800	12.1800	12.1800	12.1800	12.1800
11.0396	10.2917	11.3834	11.3919	11.3985	11.4989
11.0194	10.2616	11.0777	11.2968	11.3000	11.6518
13.7800	12.7800	13.7800	13.7800	13.7800	13.7800
11.10	10.34	11.75	11.43	11.45	11.57

(continued)

City of Clayton, Ohio
Property Tax Rates - Direct and Overlapping Governments
(Per \$1,000 of Assessed Valuation)
Last Ten Years
(continued)

Overlapping Rates by Taxing District	2005	2006	2007	2008
Northmont School District				
Residential/Agricultural Real	\$33.5861	\$31.8522	\$31.7846	\$37.6076
Commercial/Industrial and Public Utility Real	37.6443	36.5464	36.5338	42.4345
General Business and Public Utility Personal	64.1500	64.1500	64.1500	70.0500
Trotwood-Madison School District				
Residential/Agricultural Real	47.1064	43.9139	43.9060	43.9211
Commercial/Industrial and Public Utility Real	51.7235	49.8603	50.1742	50.7206
General Business and Public Utility Personal	60.7000	60.0600	60.0600	60.0600
Brookville School District				
Residential/Agricultural Real	35.6903	33.5760	33.6254	33.4836
Commercial/Industrial and Public Utility Real	40.4597	40.2386	40.4653	40.5158
General Business and Public Utility Personal	65.0600	65.0400	65.0400	65.0400
Sinclair Community College				
Residential/Agricultural Real	2.0144	1.8234	1.8224	1.8199
Commercial/Industrial and Public Utility Real	2.1806	2.0774	2.0840	2.0737
General Business and Public Utility Personal	2.5000	2.5000	2.5000	2.5000
Montgomery County				
Residential/Agricultural Real	13.0835	12.0043	11.9987	16.0261
Commercial/Industrial and Public Utility Real	14.1955	13.6040	13.6420	16.6010
General Business and Public Utility Personal	15.7400	15.7400	15.7400	17.7400
Special Taxing Districts (1)				
Residential/Agricultural Real	3.5228	3.2372	3.2262	3.1931
Commercial/Industrial and Public Utility Real	3.5987	3.4506	3.4641	3.4395
General Business and Public Utility Personal	3.8300	3.8300	3.8300	3.8300

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

2009	2010	2011	2012	2013	2014
\$37.8629	\$37.9403	\$49.6344	\$49.6918	\$49.7128	\$50.4860
40.2311	40.7000	42.4559	52.5985	52.7101	52.4390
70.0500	70.0500	75.9500	75.9500	75.9500	75.9500
44.7575	45.4855	48.7887	48.8357	49.9155	52.0057
47.6358	49.7925	54.3168	54.8667	56.4753	58.3794
60.0600	60.0600	60.0600	60.0600	61.0600	61.5600
37.4278	37.4905	37.8787	37.9266	37.9222	42.6383
43.3680	43.6010	42.6548	41.9525	42.1393	48.3030
69.0300	69.0300	69.0300	69.0300	69.0000	74.2500
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
3.1026	3.1409	3.2000	3.2000	3.2000	3.2000
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
16.1213	16.4987	17.0340	17.0348	17.0355	18.0498
16.1475	16.5949	17.2213	17.2360	17.2391	18.2547
17.7400	17.7400	17.7400	17.7400	17.7400	18.7400
3.1847	3.8033	4.1938	4.1947	5.7660	5.9500
3.3231	3.9407	4.2613	4.2675	5.8209	6.1800
3.8300	4.3300	4.3300	4.3300	5.8900	6.2900

City of Clayton, Ohio
Principal Property Tax Payers
2014 and 2007 (1)

Taxpayer	2014	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$5,732,540	2.33%
Tilak Nagar/Stoneridge	2,353,210	0.96%
Pleasant Real Estate LLC	1,925,560	0.78%
LGH Properties LLC	927,660	0.38%
Randolph Investments LLC	920,140	0.37%
Garden Woods Apartment LLC	909,360	0.37%
Caterpillar Inc	908,830	0.37%
Vectren Energy Delivery of Ohio	680,640	0.28%
Greenglen Apts of Dayton	608,040	0.25%
Heck Ohio Investments LTD	411,240	0.17%
Total Real and Personal Property	15,377,220	6.26%
All Others	230,709,410	93.74%
Total Assessed Valuation	\$246,086,630	100.00%
Taxpayer	2007	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$3,991,750	1.49%
Tilak Nagar/Stoneridge	1,993,010	0.74%
Garden Woods Apartments	1,661,660	0.62%
Verizon North	1,484,590	0.55%
LGH Properties	1,065,480	0.40%
Pleasant Real Estate LLC	944,780	0.35%
Randolph Investments LLC	907,510	0.34%
Louis Fanty A. Jr.	781,110	0.29%
Greenglen Apartments of Dayton	622,350	0.23%
MB Hussain LLC	496,020	0.18%
Total Real and Personal Property	13,948,260	5.19%
All Others	254,483,968	94.81%
Total Assessed Valuation	\$268,432,228	100.00%

Source: Montgomery County Auditor

(1) Information prior to 2007 is unavailable.

City of Clayton, Ohio
Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levied (1)	Current Tax Collection (1)	Percent of Current Levy Collected	Delinquent Tax Collection (2)	Total Tax Collections	Percent of Total Collections To Total Levy
2005	\$2,191,528	\$2,100,921	95.87%	\$80,491	\$2,181,412	99.54%
2006	2,353,436	2,287,521	97.20%	90,414	2,377,935	101.04%
2007	2,294,131	2,193,496	95.61%	72,473	2,265,969	98.77%
2008	2,362,233	2,340,682	99.09%	73,306	2,413,988	102.19%
2009	2,588,041	2,605,623	100.68%	67,864	2,673,487	103.30%
2010	2,575,774	2,650,164	102.89%	70,537	2,720,701	105.63%
2011	3,020,260	2,937,182	97.25%	103,660	3,040,842	100.68%
2012	2,809,823	2,730,420	97.17%	65,689	2,796,109	99.51%
2013	2,808,964	2,739,126	97.51%	64,294	2,803,420	99.80%
2014	2,815,417	2,741,054	97.36%	58,001	2,799,055	99.42%

Source: Montgomery County Auditor

- (1) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (2) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are 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 Years

Fiscal Year	Governmental Activities				Business-Type Activities		Total Outstanding Debt
	Promissory and Improvement Notes	General Obligation Bonds	Communication Equipment Loan	Capital Leases	Water Line Loan	OWDA Loan	
2005	\$0	\$4,601,904	\$198,390	\$542,695	\$4,444,874	\$1,242,895	\$11,030,758
2006	0	4,498,269	132,260	875,489	4,397,685	3,283,377	13,187,080
2007	0	4,381,389	66,130	880,285	4,261,676	3,354,891	12,944,371
2008	0	4,264,567	0	681,735	4,232,359	3,287,506	12,466,167
2009	0	4,148,415	0	489,646	4,232,359	3,233,672	12,104,092
2010	1,505,000	5,604,576	0	355,847	4,232,359	3,161,107	14,858,889
2011	95,397	5,401,106	0	216,187	4,232,359	3,085,611	13,030,660
2012	268,527	5,198,620	0	458,058	4,232,359	3,007,065	13,164,629
2013	220,445	5,344,159	0	371,953	4,213,092	2,966,610	13,116,259
2014	171,163	5,054,111	0	283,078	4,208,656	2,840,325	12,557,333

(1) Computation of per capita personal income multiplied by population - See Demographic and Economic Statistical Table, Page 125

(2) Source: 2000 and 2010 Census

Total Personal Income (1)	Population (2)	Ratio of Debt to Total Personal Income	Debt Per Capita
\$390,546,567	13,347	2.82%	826.46
390,546,567	13,347	3.38%	988.02
390,546,567	13,347	3.31%	969.83
390,546,567	13,347	3.19%	934.01
354,616,443	13,347	3.41%	906.88
392,056,329	13,209	3.79%	1,124.91
392,677,152	13,209	3.32%	986.50
387,248,253	13,209	3.40%	996.64
409,624,299	13,209	3.20%	992.98
402,491,439	13,209	3.12%	950.66

City of Clayton, Ohio
*Ratio of General Obligation Bonded Debt to
 Estimated Actual Value and General Obligation Bonded Debt Per Capita
 Last Ten Years*

Fiscal Year	General Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of Debt to Estimated Actual Value	General Obligation Bonded Debt Per Capita
2005	\$4,601,904	\$703,804,335	13,347	0.65%	\$344.79
2006	\$4,498,269	\$759,565,257	13,347	0.59%	\$337.02
2007	4,381,389	765,539,585	13,347	0.57%	328.27
2008	4,264,567	768,144,303	13,347	0.56%	319.52
2009	4,148,415	774,161,220	13,347	0.54%	310.81
2010	5,604,576	767,554,234	13,209	0.73%	424.30
2011	5,401,106	766,073,331	13,209	0.71%	408.90
2012	5,198,620	722,066,759	13,209	0.72%	393.57
2013	5,344,159	692,510,473	13,209	0.77%	404.58
2014	5,054,111	692,510,473	13,209	0.73%	382.63

Source: (1) Montgomery County Auditor
 (2) 2000 and 2010 Census

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City of Clayton, Ohio
Legal Debt Margin Information
Last Ten Years

	2005	2006	2007	2008
Total Assessed Valuation	\$248,985,717	\$267,854,398	\$268,432,228	\$269,449,436
Overall debt limitation - 10.5% of assessed valuation	<u>26,143,500</u>	<u>28,124,712</u>	<u>28,185,384</u>	<u>28,292,191</u>
Gross indebtedness authorized by the City	10,386,159	12,198,322	11,947,694	11,659,865
Less Exempt Debt				
Road Improvement Notes	0	0	0	0
Backhoe Promissory Note	0	0	0	0
Plow/Frieghtliner Promissory Note	0	0	0	0
Water Line Loan	4,444,874	4,397,685	4,261,676	4,232,359
Various Purpose Bond - State Route 48 Improvement Portion	1,600,000	0	0	0
OWDA Loan	<u>1,242,895</u>	<u>3,283,377</u>	<u>3,354,891</u>	<u>3,287,506</u>
Total Exempt Debt	<u>7,287,769</u>	<u>7,681,062</u>	<u>7,616,567</u>	<u>7,519,865</u>
Net Debt Subject to Limitation	3,098,390	4,517,260	4,331,127	4,140,000
Less amount available in the Debt Service Fund	<u>4,431</u>	<u>5,617</u>	<u>10,257</u>	<u>10,257</u>
Total Net Debt Subject to Limitation	<u>3,093,959</u>	<u>4,511,643</u>	<u>4,320,870</u>	<u>4,129,743</u>
Legal debt margin within 10.5% limitation	<u>\$23,049,541</u>	<u>\$23,613,069</u>	<u>\$23,864,514</u>	<u>\$24,162,448</u>
Legal Debt Margin as a Percentage of the Debt Limit	88.2%	84.0%	84.7%	85.4%
Unvoted debt limitation 5.5% of assessed valuation	\$13,694,214	\$14,731,992	\$14,763,773	\$14,819,719
Gross indebtedness authorized by the City	<u>10,386,159</u>	<u>12,198,322</u>	<u>11,947,694</u>	<u>11,659,865</u>
Less Exempt Debt				
State Route 48 Improvement Note	0	0	0	0
Road Improvement Notes	0	0	0	0
Backhoe Promissory Note	0	0	0	0
Plow/Frieghtliner Promissory Note	0	0	0	0
Water Line Loan	4,444,874	4,397,685	4,261,676	4,232,359
Various Purpose Bond - State Route 48 Improvement Portion	1,600,000	0	0	0
OWDA Loan	<u>1,242,895</u>	<u>3,283,377</u>	<u>3,354,891</u>	<u>3,287,506</u>
Total Exempt Debt	<u>7,287,769</u>	<u>7,681,062</u>	<u>7,616,567</u>	<u>7,519,865</u>
Net Debt Subject to Limitation	3,098,390	4,517,260	4,331,127	4,140,000
Less amount available in the Debt Service Fund	<u>4,431</u>	<u>5,617</u>	<u>10,257</u>	<u>10,257</u>
Total Net Debt Subject to Limitation	<u>3,093,959</u>	<u>4,511,643</u>	<u>4,320,870</u>	<u>4,129,743</u>
Legal debt margin within 5.5% limitation	<u>\$10,600,255</u>	<u>\$10,220,349</u>	<u>\$10,442,903</u>	<u>\$10,689,976</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	77.4%	69.4%	70.7%	72.1%

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

2009	2010	2011	2012	2013	2014
\$272,581,400	\$271,402,330	\$271,210,290	\$255,878,540	\$246,086,630	\$246,086,630
28,621,047	28,497,245	28,477,080	26,867,247	25,839,096	25,839,096
11,481,031	14,298,466	12,598,367	12,477,951	12,440,147	12,274,255
0	1,505,000	95,397	0	0	0
0	0	0	83,094	70,438	57,393
0	0	0	185,433	150,007	113,770
4,232,359	4,232,359	4,232,359	4,232,359	4,213,092	4,208,656
0	0	0	0	0	0
3,233,672	3,161,107	3,085,611	3,007,065	2,966,610	2,840,325
7,466,031	8,898,466	7,413,367	7,507,951	7,400,147	7,220,144
4,015,000	5,400,000	5,185,000	4,970,000	5,040,000	5,054,111
15,464	5,984	0	0	0	0
3,999,536	5,394,016	5,185,000	4,970,000	5,040,000	5,054,111
\$24,621,511	\$23,103,229	\$23,292,080	\$21,897,247	\$20,799,096	\$20,784,985
86.0%	81.1%	81.8%	81.5%	80.5%	80.4%
\$14,991,977	\$14,927,128	\$14,916,566	\$14,073,320	\$13,534,765	\$13,534,765
11,481,031	14,298,466	12,598,367	12,477,951	12,440,147	12,274,255
0	0	0	0	0	0
0	1,505,000	95,397	0	0	0
0	0	0	83,094	70,438	57,393
0	0	0	185,433	150,007	113,770
4,232,359	4,232,359	4,232,359	4,232,359	4,213,092	4,208,656
0	0	0	0	0	0
3,233,672	3,161,107	3,085,611	3,007,065	2,966,610	2,840,325
7,466,031	8,898,466	7,413,367	7,507,951	7,400,147	7,220,144
4,015,000	5,400,000	5,185,000	4,970,000	5,040,000	5,054,111
15,464	5,984	0	0	0	0
3,999,536	5,394,016	5,185,000	4,970,000	5,040,000	5,054,111
\$10,992,441	\$9,533,112	\$9,731,566	\$9,103,320	\$8,494,765	\$8,480,654
73.3%	63.9%	65.2%	64.7%	62.8%	62.7%

City of Clayton, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2014

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Clayton (1)	Amount Applicable to the City of Clayton
Direct Debt:			
City of Clayton			
General Obligation Bonds	\$5,054,111	100.00%	\$5,054,111
Promissory Notes	171,163	100.00%	171,163
Capital Lease Obligations	283,078	100.00%	283,078
Total Direct Debt	<u>5,508,352</u>		<u>5,508,352</u>
Overlapping Debt:			
Montgomery County			
General Obligation Bonds	38,955,000	2.54%	989,457
Special Assessment Bonds	1,843,567	2.54%	46,827
Northmont School District (2)			
General Obligation Bonds	54,784,821	6.84%	3,747,282
Capital Lease Obligations	170,643	6.84%	11,672
Trotwood-Madison School District (2)			
School Improvement Bonds, Refunding	32,821,952	2.49%	817,267
Energy Conservation Note Payable	8,803,954	2.49%	219,218
Brookville School District (2)			
School Construction Bonds, Refunding	<u>20,091,959</u>	2.01%	<u>403,848</u>
Total Overlapping Debt	<u>157,471,896</u>		<u>6,235,571</u>
Grand Total	<u><u>\$162,980,248</u></u>		<u><u>\$11,743,923</u></u>

Source: Montgomery County Auditor

(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, 2014.

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 Years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (1)	Median Household Income (1)	Median Age (1)	Percent of High School or Higher Graduates (1)	Unemployment Rate (3)	Total Assessed Property Value (4)
2005	13,347	\$390,546,567	\$29,261	\$60,625	39.2	91.5%	2.9%	\$248,985,717
2006	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	267,854,398
2007	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.8%	268,432,228
2008	13,347	390,546,567	29,261	60,625	39.2	91.5%	5.8%	269,449,436
2009	13,347	354,616,443	26,569	60,625	39.2	91.5%	7.4%	272,581,400
2010	13,209	392,056,329	29,681	66,148	42.6	95.3%	9.5%	271,402,330
2011	13,209	392,677,152	29,728	67,033	42.6	95.3%	9.3%	271,210,290
2012	13,209	387,248,253	29,317	63,151	42.6	93.7%	7.8%	255,878,540
2013	13,209	409,624,299	31,011	64,436	42.6	93.1%	8.0%	246,086,630
2014	13,209	402,491,439	30,471	65,187	42.6	93.8%	4.6%	246,086,630

Source: (1) prior to 2010 the 2000 US Census data was used. The now uses the US Census Bureau American Fact Finder 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
Principal Employers
 2014 and 2006 (1)

Employer	2014	
	Total Employees	Percentage of Total Employees
Caterpillar	684	15.22%
Montgomery County	555	12.35%
On Time Staffing	516	11.48%
Northmont Board of Education	454	10.10%
Miami Valley CTC	143	3.18%
City of Clayton	71	1.58%
Cottages of Clayton	58	1.30%
Othopedic Associates	34	0.76%
Mountain Protective Services	33	0.73%
Rajesh Patel MD	23	0.51%
Total Employees	2,571	57.21%
All Other Employers (2)	1,924	42.79%
Total Employees	4,495	100.00%

Source: City's records

(1) Information prior to 2006 is unavailable

(2) 2014 Information was not available, 2013 information was used as an estimate.

Employer	2006	
	Total Employees	Percentage of Total Employees
Northmont Board of Education	720	19.32%
Stillwater Center	182	4.88%
City of Clayton	90	2.41%
Studebaker Electric	53	1.42%
Dayton Meadowbrook	50	1.35%
Anchor Fabricating	42	1.13%
Crapsey & Gilles	31	0.83%
Caffe Anticoli	20	0.54%
United Dairy Farmers	19	0.51%
Dennis E. McClure MD Inc.	18	0.48%
Total Employees	1,225	32.87%
All Other Employers	2,502	67.13%
Total Employees	3,727	100.00%

City of Clayton, Ohio
City Government Employees by Function/Program
Last Ten Years

Governmental Activities:	2005		2006		2007		2008	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government:								
Administration	9	11	10	11	8	17	8	17
Police	13	18	13	24	16	25	17	22
Fire/EMS	4	44	7	44	7	40	7	41
Street	10	11	8	11	7	10	8	11
<i>Total Number of Employees</i>	<u>36</u>	<u>84</u>	<u>38</u>	<u>90</u>	<u>38</u>	<u>92</u>	<u>40</u>	<u>91</u>

Source: City's records

2009		2010		2011		2012		2013		2014	
Full-Time	All										
9	17	7	16	7	16	7	16	7	15	7	15
14	21	18	24	13	20	15	20	15	20	14	20
7	39	7	29	7	25	7	33	7	33	7	26
8	11	8	12	8	12	8	12	8	12	8	10
38	88	40	81	35	73	37	81	37	80	36	71

City of Clayton, Ohio
Operating Indicators by Function/Program
Last Ten Years

	2005	2006	2007	2008
Police				
Police Calls	10,263	10,233	10,178	7,146
Fire/EMS				
Fire and EMS Calls	1,788	1,739	1,710	1,959
Street				
Dollars for Road Improvement	\$130,240	\$520,368	\$861,720	\$1,034,836
Miles of Roads	197	197	197	197
Tons of Salt Spread	400	350	350	930
Tons of Grit Spread	200	118	118	220

Source: City's records

2009	2010	2009	2011	2012	2013	2014
7,136	6,829	7,136	9,546	6,677	7,446	8,363
1,287	1,825	1,287	1,808	1,881	1,879	1,885
\$499,180	\$2,614,371	\$499,180	\$616,111	\$545,732	\$545,732	\$412,960
212	212	212	212	212	212	212
490	1,918	490	724	400	1,143	1,206
0	20	0	10	0	0	0

City of Clayton, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

	2005	2006	2007	2008	2009
General Government					
Government Center	1	1	1	1	1
Community Center	1	1	1	1	1
Gazebo	1	1	1	1	1
Parks	3	3	3	3	3
Cemeteries	2	2	2	2	2
Vehicles	2	2	2	1	1
Police					
Stations	1	1	1	1	1
Patrol Vehicles					
Active	7	9	8	8	8
Auxilliary	5	6	5	4	4
Support Vehicles/Trailers	1	1	1	1	1
Fire					
Stations	3	3	3	3	3
Response Vehicles	6	6	6	6	6
Support Vehicles	3	3	3	3	3
EMS					
Medics Vehicles	4	4	4	3	3
Street					
Buildings	2	2	2	2	2
Trucks	10	10	11	8	8
Pickups	3	3	3	5	5
Mowers	5	5	5	5	5

Source: City's records

2010	2011	2012	2013	2014
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	3	4
2	2	2	2	2
1	1	1	1	1
1	1	1	1	1
8	8	8	8	8
4	4	4	4	4
1	1	1	1	1
3	3	3	3	3
6	6	5	5	5
3	3	2	2	2
3	3	3	2	2
2	2	2	2	2
9	10	10	11	11
5	5	4	4	4
5	5	5	5	5

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