



Dave Yost • Auditor of State

CITY OF CLAYTON
MONTGOMERY COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Required By <i>Government Auditing Standards</i> 1	1

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

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

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Montgomery County, (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 22, 2011. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the City's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the City's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 22, 2011.

We intend this report solely for the information and use of management, the City Council, and others within the City. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

June 22, 2011

CITY OF CLAYTON, OHIO

MONTGOMERY COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

Prepared by:
Department of Finance

Kevin A. Schweitzer, CPA
Finance Director

Teri Birchfield
Assistant to the Finance Director

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CITY OF CLAYTON, OHIO

MONTGOMERY COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2010

Prepared by:
Department of Finance

Kevin A. Schweitzer, CPA
Finance Director

Teri Birchfield
Assistant to the Finance Director

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City of Clayton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
Table of Contents

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	iv
GFOA Certificate of Achievement	ix
Principal Officials	x
Organizational Chart	xi

FINANCIAL SECTION

Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets	11
Statement of Activities.....	12

Fund Financial Statements:

Balance Sheet – Governmental Funds	14
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – General Fund.....	21
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – Police Fund.....	22
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – Street Department Fund.....	23
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – Fire Fund	24

City of Clayton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
Table of Contents
(continued)

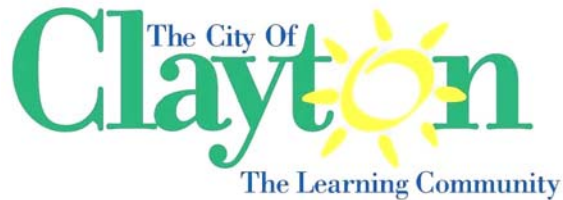
Statement of Fund Net Assets – Enterprise Funds.....	25
Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Funds	26
Statement of Cash Flows – Enterprise Funds	27
Statement of Fiduciary Assets and Liabilities – Fiduciary Funds.....	28
Statement of Changes in Fiduciary Net Assets – Private Purpose Trust Fund	29
Notes to the Basic Financial Statements	30
Combining Financial Statements and Individual Fund Schedules:	
Combining Financial Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions	64
Combining Balance Sheet – Nonmajor Governmental Funds	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	67
Combining Balance Sheet – Nonmajor Special Revenue Funds	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	70
Combining Financial Statements – Fiduciary Funds:	
Agency Fund Descriptions.....	72
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	73
Individual Fund Schedules of Revenues, Expenditures/Expenses and Changes in Fund Balance/Fund Equity – Budget and Actual (Non-GAAP Basis):	
General Fund.....	74
Police Fund	75
Street Department Fund	76
Fire Fund.....	77

City of Clayton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2010
Table of Contents
(continued)

Capital Improvement Fund	78
Water Department Fund.....	79
Sewer Operating Fund	80
Cops Fund	81
Drug Law Enforcement Fund	82
Law Enforcement Trust Fund	83
EMS Fund	84
State Highway Fund.....	85
Permissive Motor Vehicle License Tax Fund.....	86
Street Lights Fund.....	87
Cemetery Fund.....	88
Joint Economic Development District Fund.....	89
Federal Emergency Management Agency Fund	90
Tax Increment Fund.....	91
Tax Increment Financing Towne Center Fund	92
Bond Retirement Fund.....	93
Federal Stimulus Fund	94
Hoke Road Phase II Fund	95
Asset Replacement Fund.....	96

STATISTICAL SECTION

Statistical Tables Description.....	97
Net Assets by Component – Last Seven Years.....	98
Changes in Net Assets – Last Seven Years.....	100
Program Revenues by Function/Program – Last Seven Years	104
Fund Balances – Governmental Funds – Last Ten Years	106
Changes in Fund Balances – Governmental Funds – Last Ten Years	108
Tax Revenues by Source – Governmental Funds – Last Ten Years.....	110
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	112
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	114
Principal Property Tax Payers – 2010 and 2006.....	118
Property Tax Levies and Collections – Last Ten Years.....	119
Ratios of Outstanding Debt by Type – Last Ten Years	120
Ratio of General Obligation Bonded Debt to Estimated Actual Value and General Obligation Bonded Debt Per Capita – Last Six Years.....	122
Legal Debt Margin Information – Last Ten Years.....	124
Direct and Overlapping Governmental Activities Debt – December 31, 2010.....	126
Demographic and Economic Statistics – Last Ten Years	127
Principal Employers – 2010 and 2006.....	128
City Government Employees by Function/Program – Last Ten Years.....	130
Operating Indicators by Function/Program – Last Eight Years.....	132
Capital Assets Statistics by Function/Program – Last Seven Years	134



June 22, 2011

Citizens of Clayton
Members of Council
City of Clayton, Ohio

We are pleased to present the seventh Comprehensive Annual Financial Report (CAFR) for the City of Clayton. This report, for the year ended December 31, 2010, 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, 2010.

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.

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the City of Clayton's financial statements for the year ended December 31, 2010. The Independent Accountants' Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Accountants' 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 Ohio Plan, an unincorporated non-profit self-insurance risk management program. These organizations are presented in Notes 19, 20 and 21.

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 and department and is approved at the fund total. Department heads may transfer resources within a department as they see fit.

ITEMS OF LOCAL INTEREST

Parks and Recreation

The City contains three 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 seventh full year of collection, generated \$2,105,083 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 2010, 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 is expected to create an additional 500-600 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 to purchase 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 no trends of improving;
- The housing market has seen an increase 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 has developed a five year plan for the City of Clayton. It consists of an analysis of revenues and expenditures using the last five years as an indicator of future trends. Those numbers are combined to make estimates of funds available and carryover balances moving into the subsequent years.

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 Regional Income Tax Agency (R.I.T.A.) to administer the tax ordinances and collect the City income taxes by the authority of those ordinances.

The Finance Department acquired the billing and collection services from Allied National Collection Agency for waste collection during the second half of 2010. This will aid in reducing the delinquent accounts.

The City of Clayton also continues to maintain a Moody's "Aa3" bond rating.

MAJOR INITIATIVES

The Commerce Park, which was approved in 2005, is an area of the City that is trying to attract new businesses. The commerce park is a 143 acre parcel of land on Hoke Road that is adjacent to I-70. At the end of 2010, Caterpillar Logistics Inc. obtained the entire Commerce park and construction on a 1.5 million square foot parts distribution center is scheduled for early 2011. The City hopes other businesses will be more inclined to move into the area.

OTHER INFORMATION

Independent Audit

An audit team from the Auditor of State of Ohio has performed this year's audit. The results of the audit are presented in the Independent Accountants' Report.

Awards

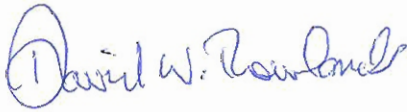
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clayton for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2009. This was the fifth year that 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,



David W. Rowlands
City Manager



Kevin A. Schweitzer, CPA
Finance Director

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, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to be "J. J.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to be "Jeffrey R. Egan", positioned above the title "Executive Director".

Executive Director

City of Clayton, Ohio

Principal Officials

December 31, 2010

Elected Officials

Name	Title	Term Expires
Joyce Deitering	Mayor	12/31/2013
Tim Gorman	Vice-Mayor	12/31/2011
Robert Peters	Council	12/31/2013
Beverly Smith	Council	12/31/2013
Ron Pretekin	Council	12/31/2011
G. Malcom Treon	Council	12/31/2011
Greg Merkle	Council	12/31/2013

Appointed Officials

Name	Title	Appointing Authority
David W. Rowlands	City Manager	Pleasure of Council
Debbie L. Manns	Assistant City Manager	Pleasure of City Manager
Kevin A. Schweitzer, CPA	Finance Director	Pleasure of City Manager
Barbara Seim	Clerk of Council	Pleasure of Council
Robert E. Portune	Law Director	Pleasure of Council
Joseph Klosterman	Community Services Director	Pleasure of City Manager
Gwen Eberly	Economic Development Director	Pleasure of City Manager

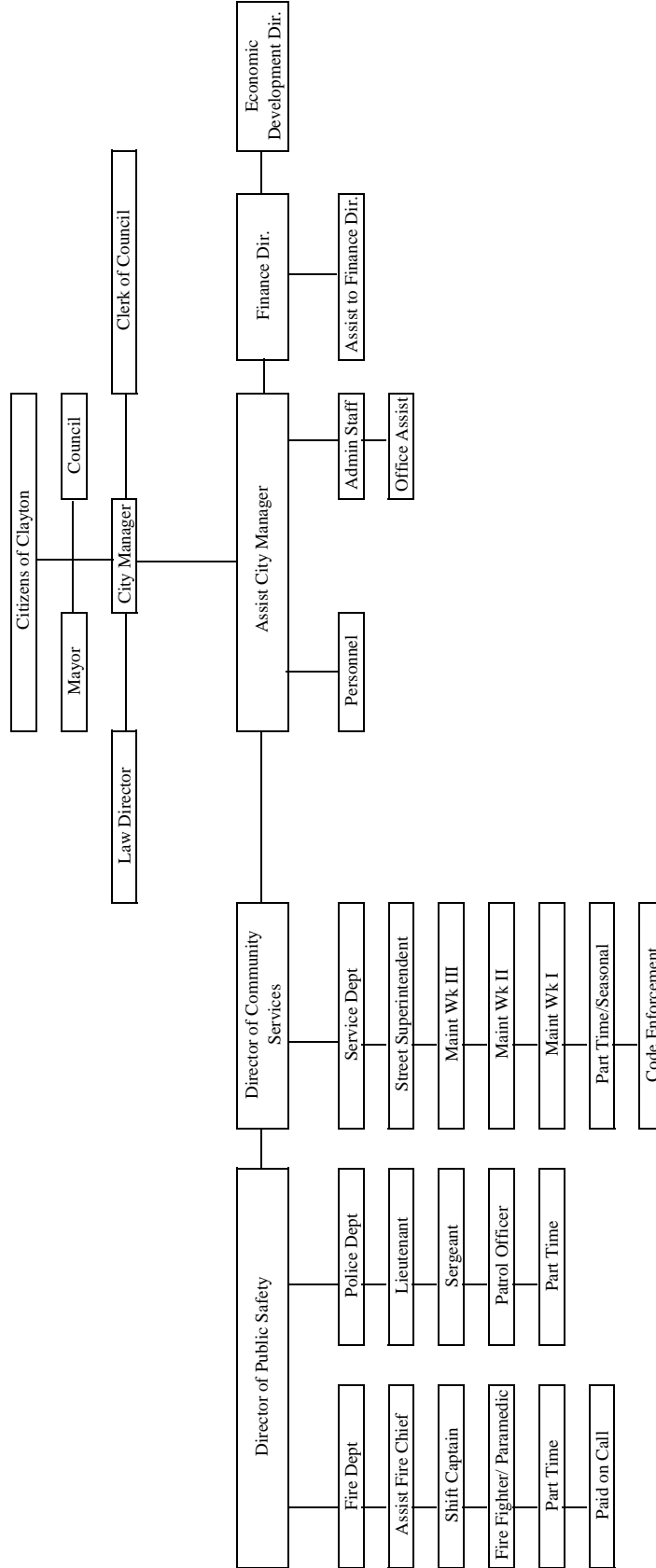
CITY OF CLAYTON ORGANIZATIONAL CHART

ADMINISTRATIVE OFFICES' MISSION

The administrative offices of the City of Clayton will have high standards of excellence in delivering City services in tending to public health, safety, morals, comfort, general welfare, and supporting and guiding future City developments. The City is 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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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the City Council:

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, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Montgomery County, Ohio, as of December 31, 2010, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparisons for the General, Police, Street Department, and Fire funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential 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 other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, individual fund statements and schedules, and the statistical section information provide additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. These statements and schedules were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.



Dave Yost
Auditor of State

June 22, 2011

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(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, 2010. 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 2010, the City received \$1,505,000 in bond anticipation note proceeds in July for the Hoke Road project and \$1,515,000 in bond proceeds in December. The bond proceeds are to be used to pay off the bond anticipation note in early 2011.
- During 2010, the City received not only debt proceeds for the Hoke Road project but also received \$600,000 in grant monies from Montgomery County as well as \$700,000 from the Ohio Department of Development.
- During 2010, the City incorporated the waste billing process into their operations and no longer contract with an outside company.
- Revenues exceeded expenditures again this year primarily due to the City receiving a large estate tax settlement over \$500,000.
- Through closely monitoring budgeted expenses throughout the year, the City was able to hold unrestricted net assets, which represents the amount of resources available for daily operations, constant with the prior year during these tough economic times.

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 Assets 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.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

The analysis of the City as a whole begins with the Statement of Net Assets 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 liabilities 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 assets and changes to those assets. 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.

In the Statement of Net Assets 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, public health, transportation, 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 Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

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.

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2010 compared to 2009.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and Other Assets	\$11,199,247	\$8,642,932	\$230,547	\$249,133	\$11,429,794	\$8,892,065
Capital Assets, Net	11,792,440	9,887,770	7,238,939	7,401,290	19,031,379	17,289,060
<i>Total Assets</i>	<u>22,991,687</u>	<u>18,530,702</u>	<u>7,469,486</u>	<u>7,650,423</u>	<u>30,461,173</u>	<u>26,181,125</u>
Liabilities:						
Current and Other Liabilities	4,722,709	3,065,254	589	10,698	4,723,298	3,075,952
Long-Term Liabilities	6,161,970	5,298,709	7,393,466	7,466,031	13,555,436	12,764,740
<i>Total Liabilities</i>	<u>10,884,679</u>	<u>8,363,963</u>	<u>7,394,055</u>	<u>7,476,729</u>	<u>18,278,734</u>	<u>15,840,692</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	6,188,910	4,985,791	(154,527)	(64,741)	6,034,383	4,921,050
Restricted for:						
Capital Outlay	1,049,551	1,342,084	0	0	1,049,551	1,342,084
Other Purposes	1,605,681	1,685,979	0	0	1,605,681	1,685,979
Unrestricted	3,262,866	2,152,885	229,958	238,435	3,492,824	2,391,320
<i>Total Net Assets</i>	<u>\$12,107,008</u>	<u>\$10,166,739</u>	<u>\$75,431</u>	<u>\$173,694</u>	<u>\$12,182,439</u>	<u>\$10,340,433</u>

Current and other assets of governmental funds increased because of an increase in cash as revenues outpaced expenditures during 2010 due to the unexpected large estate tax settlement. Also, the City issued bond anticipation notes and bonds and received grants from Montgomery County and Ohio Department of Development for the Hoke Road project. The bond anticipation notes are to be paid with

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

the bond proceeds in 2011. For governmental activities, capital assets, net, increased \$1,904,670 mainly due to increases in construction in progress relating to the Hoke Road and Kimmel Road project.

Overall, liabilities of governmental funds increased because of the issuance of short-term bond anticipation notes and general obligation bonds.

Net assets of governmental funds increased 19 percent from the prior year, a combination of invested in capital assets, net of related debt (from an increase in capital assets as stated above) and unrestricted net assets.

Net assets of business-type activities decreased \$98,263, resulting mainly from current year depreciation. Table 2 shows the changes in net assets for the year ended December 31, 2010 compared to 2009.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	\$1,149,237	\$766,868	\$68,755	\$48,865	\$1,217,992	\$815,733
Operating Grants, Contributions and Interest	1,567,345	1,207,084	0	0	1,567,345	1,207,084
Capital Grants, Contributions and Interest	1,231,631	884,827	0	98,773	1,231,631	983,600
<i>Total Program Revenues</i>	<u>3,948,213</u>	<u>2,858,779</u>	<u>68,755</u>	<u>147,638</u>	<u>4,016,968</u>	<u>3,006,417</u>
General Revenues:						
Property Taxes	2,563,604	2,615,793	0	0	2,563,604	2,615,793
Other Local Taxes	224,968	216,829	0	0	224,968	216,829
Increment Taxes	187,734	199,876	0	0	187,734	199,876
Municipal Income Taxes	2,127,078	2,050,715	0	0	2,127,078	2,050,715
Grants and Entitlements not Restricted to Specific Programs	1,043,924	297,537	0	0	1,043,924	297,537
Investment Income	10,657	23,668	0	0	10,657	23,668
Investment in Joint Venture	4,121	(8,656)	0	0	4,121	(8,656)
Other	84,781	186,815	0	0	84,781	186,815
<i>Total General Revenues</i>	<u>6,246,867</u>	<u>5,582,577</u>	<u>0</u>	<u>0</u>	<u>6,246,867</u>	<u>5,582,577</u>
<i>Total Revenues</i>	<u>10,195,080</u>	<u>8,441,356</u>	<u>68,755</u>	<u>147,638</u>	<u>10,263,835</u>	<u>8,588,994</u>

(continued)

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Table 2
Change in Net Assets
(continued)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Program Expenses:						
General Government	\$3,078,190	\$2,102,857	\$0	\$0	\$3,078,190	\$2,102,857
Security of Persons and Property	3,314,654	3,103,331	0	0	3,314,654	3,103,331
Public Health	4,576	3,557	0	0	4,576	3,557
Economic Development	7,935	16,883	0	0	7,935	16,883
Transportation	1,413,580	1,201,965	0	0	1,413,580	1,201,965
Interest and Fiscal Charges	234,683	226,296	0	0	234,683	226,296
Water Department	0	0	149,372	161,076	149,372	161,076
Sewer Operating	0	0	218,839	233,626	218,839	233,626
<i>Total Expenses</i>	<u>8,053,618</u>	<u>6,654,889</u>	<u>368,211</u>	<u>394,702</u>	<u>8,421,829</u>	<u>7,049,591</u>
<i>Increase (Decrease) in Net Assets before Transfers</i>	2,141,462	1,786,467	(299,456)	(247,064)	1,842,006	1,539,403
Transfers	(201,193)	(185,622)	201,193	185,622	0	0
<i>Change in Net Assets</i>	1,940,269	1,600,845	(98,263)	(61,442)	1,842,006	1,539,403
<i>Net Assets at Beginning of Year</i>	<u>10,166,739</u>	<u>8,565,894</u>	<u>173,694</u>	<u>235,136</u>	<u>10,340,433</u>	<u>8,801,030</u>
<i>Net Assets at End of Year</i>	<u>\$12,107,008</u>	<u>\$10,166,739</u>	<u>\$75,431</u>	<u>\$173,694</u>	<u>\$12,182,439</u>	<u>\$10,340,433</u>

Governmental Activities

Total revenues increased \$1,753,724, or 21 percent. Program revenues, which are revenues that directly offset the cost of certain program expenses, increased 38 percent. The majority of this increase was from the grants from Montgomery County and the Ohio Department of Development that the City received for the Hoke Road project.

The largest revenue sources for the City are property taxes and municipal income taxes, accounting for 46 percent of total revenues. Taxes revenue remained consistent with the prior year.

The Finance Department acquired the billing and collection for waste collection from Allied National Collection Agency during the second half of 2009. The City was able to collect delinquent monies on waste collection faster than the collection agency due to the fact that the collection agency allowed the bills to be delinquent nine months before being turned over to the City.

Grants and entitlements not restricted to specific programs increased \$746,387 due to a large estate tax settlement in 2010.

Expenses increased \$1,398,729 from 2009, or 21 percent. The increase was mainly the result of salary and benefits increasing as well as the City having several workers' compensation claims during 2010.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

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 assets of the business-type activities decreased \$98,263, due to depreciation expenses of \$162,351 and the elimination of a five year assessment that was being charged to customers.

Expenses decreased \$26,491 due mainly to a decrease in maintenance costs associated with water testing and equipment repair in the Water Department.

THE CITY'S FUNDS

Major governmental funds for the City for 2010 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 90 percent of total revenues, and 88 percent of total expenditures.

The General Fund balance increased \$1,006,782, which is a 66 percent increase. The increase in fund balance was mainly due to a large estate tax settlement in 2010 as well as the increase in waste collections from the City acquiring billing and collection from an outside collection agency.

The Police Fund balance increased \$761. Revenues, primarily property taxes, increased \$17,142, while expenditures increased \$81,651. Expenditures exceeded revenues by \$172,991 and the City transferred \$173,752 from the General Fund to help offset expenditures.

The Street Department Fund had total revenues of \$589,430, mainly intergovernmental revenues in the form of State imposed gasoline taxes and motor vehicle license registration fees. Expenditures decreased five percent from 2009 due to the budget for materials and supplies being cut during 2010. Transfers-in from the General Fund are also necessary to subsidize the activity in this fund. During 2010, the transfer amount was \$100,000, a decrease of \$150,000 from 2009.

The Fire Fund had an increase in fund balance of \$135,761 during 2010. Revenues, primarily property taxes, increased \$1,587 and expenditures decreased \$116,453. The City was able to reallocate expenditures from the Fire Fund to the EMS Fund in 2010.

The Capital Improvement Fund increased \$399,988. The increase in fund balance for 2010 is due to an increase in grants and the issuance of bonds for the Hoke and Kimmel Road Improvement project. Expenditures increased \$2,904,681 due to the continuing construction project.

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 Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has been established by Council at the fund level.

During 2010, final estimated revenues were \$13,300 higher than original estimated revenues in the General Fund. Final appropriations were \$7,499 higher than original appropriations.

Actual revenues of \$3,456,326 were higher than the final estimated budget basis revenues of \$2,970,900, resulting in a difference of \$485,426. The City received more estate tax than expected during 2010.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

Actual expenditures of \$2,065,469 were \$179,183 lower than final appropriations due to the City constantly analyzing expenditures during the year and exercising fiscal restraint.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2010, the City's book value of capital assets for governmental activities (net of accumulated depreciation) amounted to \$11,792,440. Additions included land, construction in progress, infrastructure, vehicles and furniture, fixtures and equipment. Deletions consisted of vehicles and furniture, fixtures and equipment. Overall assets of governmental activities (net of accumulated depreciation) increased \$1,904,670.

At December 31, 2010, the City's book value of capital assets for business-type activities (net of accumulated depreciation) amounted to \$7,238,939. Overall assets of business-type activities (net of accumulated depreciation) decreased \$162,351.

See Note 9 for more information about the City's capital assets at December 31, 2010.

Debt Administration

At December 31, 2010, the City's governmental activities had \$5,604,576 in general obligation bonds outstanding, \$215,000 of which is due within one year. The City's governmental activities had \$355,847 in capital leases outstanding, \$139,660 of which is due within one year. On July 21, 2010, the City issued \$1,505,000 in bond anticipation notes that will mature on February 9, 2011.

At December 31, 2010, the City's business-type activities had \$7,393,466 in outstanding loans, \$75,496 of which is due within one year.

There was one new debt issue during 2010 and the debt activity included payments made on outstanding debt, along with accretion and amortization of the premium. The liability for the City Developer Payable was eliminated due to the developer filing bankruptcy, which absolved the City from making any additional payments. See Notes 13, 14 and 15 of the Basic Financial Statements for more detailed information.

CURRENT FINANCIAL ISSUES

The City of Clayton has maintained the fiscal position from 2009. The 2010 income tax collections and real estate taxes have showed signs of the economic times by having a decrease in collections. The 2009 renewal of the Police Levy and increase in the Fire Levy millage assisted in revenues meeting expected expenditures. The department heads have continued the fiscal restraint which ultimately led to the under spending of appropriations.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2010
(Unaudited)

On September 14, 2009, winds from Hurricane Ike caused significant damage to the City. Reimbursements from the Federal Emergency Management Agency for expenses incurred to remove the debris and restore infrastructure systems of the City were received in 2010.

Also, the cash management and budgetary policies of the Department of Finance encourage the growth in fund carryovers. These actions have aided the City in enduring the financial environment that existed during 2010.

The City experienced growth of new business construction in 2010. Caterpillar Logistics Inc., started construction of a 1.5 million square foot distribution center in early 2010. Income taxes have seen an increase due to the related construction worker wages and will continue to see positive results once the facility is in operation as an estimated 600 people will be employed by Caterpillar Logistics Inc.

The City will be concentrating heavily on maintaining revenue sources while limiting expenses as 2011 begins in an effort to preserve services to the residents while operating in uncertain economic times.

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.

City of Clayton, Ohio
Statement of Net Assets
December 31, 2010

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$6,024,027	\$213,791	\$6,237,818
Accounts Receivable	352,484	16,580	369,064
Accrued Interest Receivable	103	0	103
Due from Other Governments	805,701	0	805,701
Prepaid Items	5,901	176	6,077
Increment Taxes Receivable	319,274	0	319,274
Municipal Income Taxes Receivable	798,940	0	798,940
Property Taxes Receivable	2,566,054	0	2,566,054
Other Local Taxes Receivable	120,965	0	120,965
Special Assessments Receivable - Current	42,314	0	42,314
Special Assessments Receivable - Delinquent	2,747	0	2,747
Investment in Joint Venture	8,420	0	8,420
Deferred Charges	152,317	0	152,317
Nondepreciable Capital Assets	6,077,595	0	6,077,595
Depreciable Capital Assets, net	5,714,845	7,238,939	12,953,784
<i>Total Assets</i>	<u>22,991,687</u>	<u>7,469,486</u>	<u>30,461,173</u>
Liabilities:			
Accounts Payable	71,473	0	71,473
Contracts Payable	21,562	0	21,562
Accrued Wages Payable	53,270	347	53,617
Retainage Payable	93,001	0	93,001
Due to Other Governments	231,018	242	231,260
Deferred Revenue	2,707,950	0	2,707,950
Accrued Interest Payable	36,881	0	36,881
Notes Payable	1,505,000	0	1,505,000
Matured Compensated Absences Payable	2,554	0	2,554
Long-Term Liabilities:			
Due Within One Year	488,405	75,496	563,901
Due in More Than One Year	5,673,565	7,317,970	12,991,535
<i>Total Liabilities</i>	<u>10,884,679</u>	<u>7,394,055</u>	<u>18,278,734</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	6,188,910	(154,527)	6,034,383
Restricted for Capital Outlay	1,049,551	0	1,049,551
Restricted for Security of Persons and Property	478,149	0	478,149
Restricted for Transportation	658,374	0	658,374
Restricted for Public Health	23,523	0	23,523
Restricted for Legislative and Executive	248,183	0	248,183
Restricted for Economic Development	197,452	0	197,452
Unrestricted	3,262,866	229,958	3,492,824
<i>Total Net Assets</i>	<u>\$12,107,008</u>	<u>\$75,431</u>	<u>\$12,182,439</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Activities
For the Year Ended December 31, 2010

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$3,078,190	\$760,819	\$495,663	\$1,231,631
Security of Persons and Property	3,314,654	380,730	459,965	0
Public Health	4,576	5,650	0	0
Economic Development	7,935	0	0	0
Transportation	1,413,580	2,038	611,717	0
Interest and Fiscal Charges	234,683	0	0	0
<i>Total Governmental Activities</i>	<u>8,053,618</u>	<u>1,149,237</u>	<u>1,567,345</u>	<u>1,231,631</u>
Business-Type Activities:				
Water Department	149,372	66,178	0	0
Sewer Operating	218,839	2,577	0	0
<i>Total Business-Type Activities</i>	<u>368,211</u>	<u>68,755</u>	<u>0</u>	<u>0</u>
Totals	<u><u>\$8,421,829</u></u>	<u><u>\$1,217,992</u></u>	<u><u>\$1,567,345</u></u>	<u><u>\$1,231,631</u></u>

General Revenues:

Property Taxes Levied For:
General Purposes
Police
Fire
EMS
Other Local Taxes
Increment 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 Assets

Net Assets at Beginning of Year

Net Assets at End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$590,077)	\$0	(\$590,077)
(2,473,959)	0	(2,473,959)
1,074	0	1,074
(7,935)	0	(7,935)
(799,825)	0	(799,825)
(234,683)	0	(234,683)
<u>(4,105,405)</u>	<u>0</u>	<u>(4,105,405)</u>
0	(83,194)	(83,194)
<u>0</u>	<u>(216,262)</u>	<u>(216,262)</u>
0	(299,456)	(299,456)
<u>(4,105,405)</u>	<u>(299,456)</u>	<u>(4,404,861)</u>
368,775	0	368,775
1,217,195	0	1,217,195
798,572	0	798,572
179,062	0	179,062
224,968	0	224,968
187,734	0	187,734
1,422,784	0	1,422,784
704,294	0	704,294
1,043,924	0	1,043,924
10,657	0	10,657
4,121	0	4,121
84,781	0	84,781
(201,193)	201,193	0
<u>6,045,674</u>	<u>201,193</u>	<u>6,246,867</u>
1,940,269	(98,263)	1,842,006
<u>10,166,739</u>	<u>173,694</u>	<u>10,340,433</u>
<u>\$12,107,008</u>	<u>\$75,431</u>	<u>\$12,182,439</u>

City of Clayton, Ohio
Balance Sheet
Governmental Funds
December 31, 2010

	General	Police	Street Department
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$2,031,141	\$133,079	\$66,996
Receivables:			
Property Taxes	368,686	1,219,444	0
Other Local Taxes	113,303	0	0
Municipal Income Taxes	528,071	0	0
Increment Taxes	0	0	0
Interfund	348,000	0	0
Accounts	230,948	0	0
Special Assessments - Current	0	0	0
Special Assessments - Delinquent	0	0	0
Accrued Interest	103	0	0
Due from Other Governments	310,144	109,327	278,314
Prepaid Items	3,770	0	112
<i>Total Assets</i>	<u>\$3,934,166</u>	<u>\$1,461,850</u>	<u>\$345,422</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$30,824	\$7,171	\$7,361
Contracts Payable	0	0	0
Retainage Payable	0	0	0
Interfund Payable	0	223,000	0
Accrued Wages Payable	9,047	18,780	7,842
Matured Compensated Absences Payable	0	0	0
Due to Other Governments	22,168	69,400	21,574
Deferred Revenue	1,345,863	1,326,996	232,612
Accrued Interest Payable	0	0	0
Notes Payable	0	0	0
<i>Total Liabilities</i>	<u>1,407,902</u>	<u>1,645,347</u>	<u>269,389</u>
Fund Balances:			
Nonspendable	3,770	0	112
Restricted	0	0	75,921
Assigned	69,572	0	0
Unassigned (Deficit)	2,452,922	(183,497)	0
<i>Total Fund Balances (Deficit)</i>	<u>2,526,264</u>	<u>(183,497)</u>	<u>76,033</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$3,934,166</u>	<u>\$1,461,850</u>	<u>\$345,422</u>

See accompanying notes to the basic financial statements

Fire	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$279,055	\$2,426,512	\$1,087,244	\$6,024,027
798,790	0	179,134	2,566,054
0	0	7,662	120,965
0	270,869	0	798,940
0	0	319,274	319,274
0	0	0	348,000
0	0	121,536	352,484
0	0	42,314	42,314
0	0	2,747	2,747
0	0	0	103
69,317	0	38,599	805,701
0	0	2,019	5,901
<u>\$1,147,162</u>	<u>\$2,697,381</u>	<u>\$1,800,529</u>	<u>\$11,386,510</u>
\$10,511	\$10,140	\$5,466	\$71,473
0	21,562	0	21,562
0	93,001	0	93,001
100,000	0	25,000	348,000
17,303	0	298	53,270
2,554	0	0	2,554
37,665	0	80,211	231,018
868,107	234,210	671,403	4,679,191
0	18,127	0	18,127
0	1,505,000	0	1,505,000
<u>1,036,140</u>	<u>1,882,040</u>	<u>782,378</u>	<u>7,023,196</u>
0	0	2,019	5,901
111,022	815,341	910,422	1,912,706
0	0	105,984	175,556
0	0	(274)	2,269,151
<u>111,022</u>	<u>815,341</u>	<u>1,018,151</u>	<u>4,363,314</u>
<u>\$1,147,162</u>	<u>\$2,697,381</u>	<u>\$1,800,529</u>	<u>\$11,386,510</u>

City of Clayton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2010*

Total Governmental Fund Balances \$4,363,314

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

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

Capital Assets:

Land	4,069,825
Construction in Progress	2,007,770
Depreciable Capital Assets	9,825,447
Accumulated Depreciation	<u>(4,110,602)</u>

Total 11,792,440

Bond issuance costs reported as an expenditure in governmental funds are allocated as an expense over the life of the debt on a full accrual basis.

Deferred Charges 152,317

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

8,420

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

Property Taxes	115,951
Increment Taxes	61,427
Other Local Taxes	113,303
Municipal Income Taxes	688,852
Intergovernmental	625,345
Special Assessments	45,061
Charges for Services	<u>321,302</u>

Total 1,971,241

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

Accrued Interest Payable (18,754)

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	(137,380)
General Obligation Bonds	(5,467,196)
Capital Leases Payable	(355,847)
Compensated Absences Payable	<u>(201,547)</u>

Total (6,161,970)

Net Assets of Governmental Activities \$12,107,008

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, 2010

	General	Police	Street Department
Revenues:			
Property Taxes	\$366,512	\$1,209,539	\$0
Increment Taxes	0	0	0
Other Local Taxes	117,105	0	0
Municipal Income Taxes	1,395,724	0	0
Intergovernmental	1,009,584	263,351	559,760
Charges for Services	640,924	5,931	0
Licenses and Permits	4,778	0	2,038
Fines and Forfeitures	0	19,059	0
Investment Income	10,657	0	186
Special Assessments	0	0	0
Impact Fees	786	0	0
Other	20,255	13,362	27,446
<i>Total Revenues</i>	<u>3,566,325</u>	<u>1,511,242</u>	<u>589,430</u>
Expenditures:			
Current:			
General Government	1,924,915	0	0
Security of Persons and Property	0	1,684,233	0
Public Health	0	0	0
Economic Development	0	0	0
Transportation	0	0	796,537
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Issuance Costs	0	0	0
<i>Total Expenditures</i>	<u>1,924,915</u>	<u>1,684,233</u>	<u>796,537</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,641,410</u>	<u>(172,991)</u>	<u>(207,107)</u>
Other Financing Sources (Uses):			
General Obligation Bond Issued	0	0	0
Premium on Debt Issued	0	0	0
Transfers-In	31,390	173,752	100,000
Transfers-Out	(666,018)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(634,628)</u>	<u>173,752</u>	<u>100,000</u>
<i>Net Change in Fund Balances</i>	1,006,782	761	(107,107)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,519,482</u>	<u>(184,258)</u>	<u>183,140</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$2,526,264</u></u>	<u><u>(\$183,497)</u></u>	<u><u>\$76,033</u></u>

See accompanying notes to the basic financial statements

Fire	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$793,772	\$0	\$177,968	\$2,547,791
0	0	187,734	187,734
0	0	102,946	220,051
0	696,815	12,544	2,105,083
151,075	1,926,665	112,784	4,023,219
0	0	355,007	1,001,862
0	0	0	6,816
0	0	1,453	20,512
0	0	833	11,676
0	0	38,026	38,026
0	5,935	0	6,721
1,801	7,461	14,756	85,081
946,648	2,636,876	1,004,051	10,254,572
0	0	58,631	1,983,546
810,887	0	644,515	3,139,635
0	0	4,576	4,576
0	0	7,935	7,935
0	0	223,982	1,020,519
0	3,549,111	0	3,549,111
0	143,999	130,000	273,999
0	43,778	172,988	216,766
0	76,506	0	76,506
810,887	3,813,394	1,242,627	10,272,593
135,761	(1,176,518)	(238,576)	(18,021)
0	1,515,000	0	1,515,000
0	61,506	0	61,506
0	0	191,073	496,215
0	0	(31,390)	(697,408)
0	1,576,506	159,683	1,375,313
135,761	399,988	(78,893)	1,357,292
(24,739)	415,353	1,097,044	3,006,022
\$111,022	\$815,341	\$1,018,151	\$4,363,314

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, 2010*

Net Change in Fund Balances - Total Governmental Funds \$1,357,292

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

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	2,521,383	
Depreciation	<u>(594,955)</u>	
Excess of Capital Outlay over Depreciation Expense		1,926,428

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	(21,758)
------------------------------------	----------

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. 4,121

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 Assets. In the current year, these amounts consist of:

General Obligation Bonds Payable	130,000	
Capital Leases Payable	<u>133,799</u>	
		263,799

Due to bankruptcy, the liability owed to the City Developer was forgiven (see Note 14)
On the Statement of Activities the City recorded this as contributions and donations revenue. 467,184

Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues changed by these amounts:

Property Taxes	15,813	
Other Local Taxes	4,917	
Municipal Income Taxes	21,995	
Intergovernmental	(648,522)	
Special Assessments	(13,844)	
Charges for Services	<u>88,844</u>	
		(530,797)

The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Assets, the debt is reported as a liability.

General Obligation Bonds	(1,515,000)	
Premium on Debt Issued	<u>(61,506)</u>	
		(1,576,506)

Governmental funds report bond issuance costs as expenditures, whereas these amounts are deferred and amortized in the Statement of Activities. 76,506

In the Statement of Activities, interest accrued on outstanding bonds and bond accretion, bond premium, and bond issuance costs are amortized over the terms of the bonds, whereas in the governmental funds the expenditure is reported when the bonds are issued:

Net Increase in Accrued Interest	(4,022)	
Accretion of Capital Appreciation Bonds	(13,832)	
Amortization of Premium on General Obligation Bonds	4,177	
Net Amortization of Bond Issuance Costs (Deferred Charges)	<u>(4,240)</u>	
		(17,917)

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. These activities consist of:

Decrease in City Developer Payable	10,200	
Increase in Compensated Absences	<u>(18,283)</u>	
		(8,083)

Change in Net Assets of Governmental Activities \$1,940,269

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$400,000	\$400,000	\$366,512	(\$33,488)
Other Local Taxes	105,000	105,000	117,105	12,105
Municipal Income Taxes	1,302,000	1,302,000	1,386,009	84,009
Intergovernmental	412,900	422,800	912,385	489,585
Charges for Services	699,000	699,000	641,059	(57,941)
Licenses and Permits	2,500	2,500	4,778	2,278
Investment Income	17,000	17,000	10,970	(6,030)
Other	19,200	22,600	17,508	(5,092)
<i>Total Revenues</i>	2,957,600	2,970,900	3,456,326	485,426
Expenditures:				
Current:				
General Government	2,237,153	2,244,652	2,065,469	179,183
<i>Excess of Revenues Over Expenditures</i>	720,447	726,248	1,390,857	664,609
Other Financing Sources (Uses):				
Transfers-In	0	0	31,390	31,390
Advances-In	445,649	445,649	445,649	0
Transfers-Out	(1,220,000)	(1,225,800)	(666,018)	559,782
Advances-Out	(375,000)	(375,000)	0	375,000
<i>Total Other Financing Sources (Uses)</i>	(1,149,351)	(1,155,151)	(188,979)	966,172
<i>Net Change in Fund Balance</i>	(428,904)	(428,903)	1,201,878	1,630,781
<i>Fund Balance at Beginning of Year</i>	610,837	610,837	610,837	0
<i>Prior Year Encumbrances Appropriated</i>	129,818	129,818	129,818	0
<i>Fund Balance at End of Year</i>	\$311,751	\$311,752	\$1,942,533	\$1,630,781

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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$1,195,000	\$1,195,000	\$1,209,539	\$14,539
Intergovernmental	149,000	148,000	262,700	114,700
Charges for Services	0	4,800	5,931	1,131
Fines and Forfeitures	10,000	17,165	19,719	2,554
Other	5,000	5,000	13,282	8,282
<i>Total Revenues</i>	1,359,000	1,369,965	1,511,171	141,206
Expenditures:				
Current:				
Security of Persons and Property	1,843,194	1,885,547	1,741,149	144,398
<i>Excess of Revenues Under Expenditures</i>	(484,194)	(515,582)	(229,978)	285,604
Other Financing Sources:				
Transfers-In	435,000	466,390	173,752	(292,638)
<i>Net Change in Fund Balance</i>	(49,194)	(49,192)	(56,226)	(7,034)
<i>Fund Balance at Beginning of Year</i>	81,186	81,186	81,186	0
<i>Prior Year Encumbrances Appropriated</i>	36,049	36,049	36,049	0
<i>Fund Balance at End of Year</i>	<u>\$68,041</u>	<u>\$68,043</u>	<u>\$61,009</u>	<u>(\$7,034)</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, 2010

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$510,000	\$510,000	\$558,282	\$48,282
Charges for Services	225	0	0	0
Licenses and Permits	400	625	2,038	1,413
Investment Income	500	500	186	(314)
Other	6,700	26,600	29,587	2,987
<i>Total Revenues</i>	517,825	537,725	590,093	52,368
Expenditures:				
Current:				
Transportation	925,998	945,898	810,075	135,823
<i>Excess of Revenues Under Expenditures</i>	(408,173)	(408,173)	(219,982)	188,191
Other Financing Sources:				
Transfers-In	385,000	385,000	100,000	(285,000)
<i>Net Change in Fund Balance</i>	(23,173)	(23,173)	(119,982)	(96,809)
<i>Fund Balance at Beginning of Year</i>	149,667	149,667	149,667	0
<i>Prior Year Encumbrances Appropriated</i>	13,885	13,885	13,885	0
<i>Fund Balance at End of Year</i>	<u>\$140,379</u>	<u>\$140,379</u>	<u>\$43,570</u>	<u>(\$96,809)</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, 2010

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$750,100	\$750,000	\$793,772	\$43,772
Intergovernmental	66,500	66,600	151,075	84,475
Other	100	100	1,801	1,701
<i>Total Revenues</i>	816,700	816,700	946,648	129,948
Expenditures:				
Current:				
Security of Persons and Property	825,946	825,946	811,866	14,080
<i>Net Change in Fund Balance</i>	(9,246)	(9,246)	134,782	144,028
<i>Fund Balance at Beginning of Year</i>	88,465	88,465	88,465	0
<i>Prior Year Encumbrances Appropriated</i>	25,580	25,580	25,580	0
<i>Fund Balance at End of Year</i>	<u>\$104,799</u>	<u>\$104,799</u>	<u>\$248,827</u>	<u>\$144,028</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2010

	Water Department	Sewer Operating	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$124,126	\$89,665	\$213,791
Receivables:			
Accounts	16,580	0	16,580
Prepaid Items	176	0	176
<i>Total Current Assets</i>	140,882	89,665	230,547
Non-current Assets:			
Depreciable Capital Assets, Net	3,770,644	3,468,295	7,238,939
<i>Total Assets</i>	3,911,526	3,557,960	7,469,486
Liabilities:			
Current:			
Accrued Wages Payable	347	0	347
Due to Other Governments	242	0	242
OWDA Loan Payable	0	75,496	75,496
<i>Total Current Liabilities</i>	589	75,496	76,085
Long-Term Liabilities:			
Loan Payable	4,232,359	0	4,232,359
OWDA Loan Payable	0	3,085,611	3,085,611
<i>Total Long-Term Liabilities</i>	4,232,359	3,085,611	7,317,970
<i>Total Liabilities</i>	4,232,948	3,161,107	7,394,055
Net Assets:			
Invested in Capital Assets, Net of Related Debt	(461,715)	307,188	(154,527)
Unrestricted	140,293	89,665	229,958
<i>Total Net Assets (Deficit)</i>	(\$321,422)	\$396,853	\$75,431

See accompanying notes to the basic financial statements

City of Clayton, Ohio
*Statement of Revenues, Expenses and
Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2010*

	Water Department	Sewer Operating	Total
Operating Revenues:			
Charges for Services	\$63,367	\$0	\$63,367
Tap-In Fees	386	0	386
Impact Fees	2,577	2,425	5,002
<i>Total Operating Revenues</i>	<u>66,330</u>	<u>2,425</u>	<u>68,755</u>
Operating Expenses:			
Personal Services	30,285	0	30,285
Contractual Services	3,333	0	3,333
Materials and Supplies	43,614	0	43,614
Depreciation	72,140	90,211	162,351
<i>Total Operating Expenses</i>	<u>149,372</u>	<u>90,211</u>	<u>239,583</u>
<i>Operating Loss</i>	(83,042)	(87,786)	(170,828)
Non-Operating Expenses:			
Interest and Fiscal Charges	0	(128,628)	(128,628)
Net Loss Before Transfers	(83,042)	(216,414)	(299,456)
Transfers-In	0	201,193	201,193
<i>Change in Net Assets</i>	(83,042)	(15,221)	(98,263)
<i>Net Assets (Deficit) at Beginning of Year</i>	<u>(238,380)</u>	<u>412,074</u>	<u>173,694</u>
<i>Net Assets (Deficit) at End of Year</i>	<u><u>(\$321,422)</u></u>	<u><u>\$396,853</u></u>	<u><u>\$75,431</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, 2010

	Water Department	Sewer Operating	Total
Increase (Decrease) in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received From Customers	\$63,524	\$2,425	\$65,949
Cash Payments for Employee Services and Benefits	(29,927)	0	(29,927)
Cash Payments to Suppliers	(57,590)	0	(57,590)
<i>Net Cash Provided by (Used for) Operating Activities</i>	(23,993)	2,425	(21,568)
Cash Flows from Noncapital Financing Activities:			
Transfers-In	0	201,193	201,193
Cash Flows from Capital and Related Financing Activities:			
Loan Principal Payments	0	(72,565)	(72,565)
Loan Interest Payments	0	(128,628)	(128,628)
<i>Net Cash Used for Capital and Related Financing Activities</i>	0	(201,193)	(201,193)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(23,993)	2,425	(21,568)
<i>Cash and Cash Equivalents at Beginning of Year</i>	148,119	87,240	235,359
<i>Cash and Cash Equivalents at End of Year</i>	\$124,126	\$89,665	\$213,791
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Operating Loss	(\$83,042)	(\$87,786)	(\$170,828)
Adjustments to Reconcile Operating Loss to Net Cash provided by (Used for) Operating Activities:			
Depreciation	72,140	90,211	162,351
Increase in Accounts Receivable	(2,806)	0	(2,806)
Increase in Prepaid Items	(176)	0	(176)
Decrease in Accounts Payable	(50)	0	(50)
Decrease in Due to Other Governments	(10,406)	0	(10,406)
Increase in Accrued Wages Payable	347	0	347
<i>Net Cash Provided by (Used for) Operating Activities</i>	(23,993)	\$2,425	(21,568)

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2010

	<u>Janice Paulus Fire Victim</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$10,650	<u><u>\$56,780</u></u>
Liabilities:		
Due to Other Governments	<u>0</u>	<u><u>\$56,780</u></u>
Net Assets:		
Held in Trust for Private Purposes	<u><u>\$10,650</u></u>	

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Year Ended December 31, 2010

	Janice Paulus Fire Victim
Revenues:	
Investment Earnings	\$62
Expenses:	0
<i>Change in Net Assets</i>	62
<i>Net Assets at Beginning of Year</i>	10,588
<i>Net Assets at End of Year</i>	\$10,650

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

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 19 to the Basic Financial Statements.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY (continued)

The City participates in two jointly governed organizations, the Miami Valley Regional Planning Commission and the Economic Development/Government Equity Program. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 20 to the Basic Financial Statements.

The City participates in one risk sharing pool, the Ohio Plan. This organization is presented in Note 21 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 City also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. The City does not apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities or enterprise funds. 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 Assets 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 Assets 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 Assets 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

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 liabilities 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 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 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 revenues received from a City-wide voted property tax levy restricted to expenditures of the fire department.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Improvement Fund – The Capital Improvement Fund is used to account for 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 assets, financial position, and cash flows. The City's proprietary funds are two enterprise funds.

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 assets and changes in net assets. 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 two 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 agency fund accounts for collecting and distributing the Clay Township-City of Clayton Joint Economic Development District income taxes for which the City is fiscal agent.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

Government-wide Financial Statements

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

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

Like the government-wide statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. 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 revenue, 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deferred Revenue

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of December 31, 2010, but were levied to finance 2011 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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" on the financial statements.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During 2010, investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), Federal Home Loan Mortgage Corporation Bonds and Fifth Third Institutional Money Market Mutual Fund. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2010. For investments in money market mutual funds, fair value is determined by the fund's share price.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2010 amounted to \$10,657, which includes \$7,653 assigned from other funds.

Investments with an original maturity of three months or less at the time of purchase and investments of the cash management pool are presented on the financial statements as cash equivalents.

Interfund Receivables/Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable" and "Interfund Payable". Interfund balances are eliminated on the government-wide Statement of Net Assets.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, 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 Assets 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 Assets 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacements. Depreciation is computed 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.

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 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bond Issuance Costs

On the government-wide financial statements, bond issuance costs are deferred and amortized over the term of the applicable bonds using the effective interest method. Within the governmental fund statements, bond issuance costs are expended when incurred.

As permitted by State statute, the City paid bond issuance costs from the bond proceeds and therefore does not consider that portion of the debt to be capital-related debt. That portion of the debt was offset against the unamortized bond issuance costs which were included in the determination of unrestricted net assets. Reporting both within the same element of net assets prevents one classification from being overstated while another is understated by the same amount.

Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On the governmental fund statements, bond premiums are received in the year the bonds are issued.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Committed – The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Council. Those committed amounts cannot be used for any other purpose unless Council removes or changes the specified use by taking the same type of action (ordinance or resolution) 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 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 remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Council or a City official delegated that authority by City charter or ordinance.

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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 – CHANGES IN ACCOUNTING PRINCIPLES

During 2010, the City has implemented *Governmental Accounting Standards Board (GASB) No. 51, “Accounting and Financial Reporting for Intangible Assets,”* and *Statement No. 59, “Financial Instruments Omnibus”*. *GASB Statement No. 51* establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. *GASB Statement No. 59* addresses the changes to several GASB statements regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. The implementation of these statements did not result in any changes in the City’s financial statements.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, and results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) for the General, Police, 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. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

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

	Net Change in Fund Balance			
	General	Police	Street Department	Fire
GAAP Basis	\$1,006,782	\$761	(\$107,107)	\$135,761
Revenue Accruals	(111,131)	(71)	663	0
Expenditure Accruals	(64,557)	15,154	9,888	29,249
Encumbrances	(75,997)	(72,070)	(23,426)	(30,228)
Agency Fund Allocation 2009	(11,479)	0	0	0
Agency Fund Allocation 2010	12,611	0	0	0
Advances	445,649	0	0	0
Budget Basis	\$1,201,878	(\$56,226)	(\$119,982)	\$134,782

NOTE 5 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the City into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the City's 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 the 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 may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, 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;

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the 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;
3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2); and
7. The State Treasurer's investment pool (STAROhio).

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.

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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Investments

As of December 31, 2010, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		Percentage of Total Investments	Ratings	Call Date
		Less than 1	More than 1			
STAROhio	\$480,527	\$480,527	\$0	-	AAAm	-
Fifth Third Institutional Money Market Mutual Fund	984,033	984,033	0	66.75%	Aaam	-
Federal Home Loan Mortgage Corporation Bonds	9,584	0	9,584	-	Aaa	9/15/11
Totals	\$1,474,144	\$1,464,560	\$9,584			

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.

Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute. State statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers. See the table above for the investment ratings.

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property (used in business) located in the City. Property tax revenue received during 2010 for real and public utility property taxes represents collections of 2009 taxes. Property tax payments received during 2010 for tangible personal property (other than public utility property) are for 2010 taxes.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 6 – PROPERTY TAXES (continued)

2010 real property taxes are levied after October 1, 2010 on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2010 real property taxes are collected in and intended to finance 2011.

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 alternate 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. 2010 public utility property taxes became a lien December 31, 2009, are levied after October 1, 2010, and are collected in 2011 with real property taxes.

Tangible personal property tax revenue received during 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rate for all City operations for the year ended December 31, 2010, was \$12.78 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2010 property tax receipts were based are as follows:

Category	Assessed Value	Percent
Real Property	\$266,379,010	98.15%
Public Utility Personal	4,912,150	1.81%
General Business Personal	111,170	0.04%
Totals	\$271,402,330	100.00%

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Clayton. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2010, and for which there is an enforceable legal claim. In the governmental funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2010 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 7 – MUNICIPAL INCOME TAX

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

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

NOTE 8 – RECEIVABLES

Receivables at December 31, 2010, consisted of property taxes, other local taxes, municipal income taxes, increment taxes, interfund, accounts, special assessments, interest and amounts due from other governments arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, increment taxes, and special assessments. Property, income, and increment taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. In the business-type activities, the water line tap-in fees are assessed. Special assessments expected to be collected within one year in the Street Lights Fund amount to \$42,314. The City has \$2,747 of delinquent special assessments at December 31, 2010.

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

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government	\$136,661
Estate Tax	141,707
Homestead Exemption and Rollbacks	220,540
Gasoline Tax	251,292
Motor Vehicle Tax	50,129
City of Dayton	2,167
Court Fines	60
Bullet Proof Vest Grant	3,145
Total Intergovernmental Receivable	<u>\$805,701</u>

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 8 – RECEIVABLES (continued)

Increment 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, 2010. The City is not able to measure the receivable for all future payments because the payments are based upon projected tax collections.

NOTE 9 – CAPITAL ASSETS

Changes in general capital assets during the year ended December 31, 2010, were as follows:

	<u>Balance At</u> <u>12/31/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At</u> <u>12/31/2010</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$3,973,450	\$96,375	\$0	\$4,069,825
Construction in Progress	100,269	2,007,770	(100,269)	2,007,770
Total Capital Assets, Not Being Depreciated	<u>4,073,719</u>	<u>2,104,145</u>	<u>(100,269)</u>	<u>6,077,595</u>
Depreciable Capital Assets:				
Buildings	1,475,170	0	0	1,475,170
Improvements Other Than Buildings	100,332	0	0	100,332
Vehicles	2,842,815	13,000	(3,150)	2,852,665
Furniture, Fixtures and Equipment	1,057,492	63,947	(21,758)	1,099,681
Infrastructure	3,857,039	440,560	0	4,297,599
Total Depreciable Capital Assets	<u>9,332,848</u>	<u>517,507</u>	<u>(24,908)</u>	<u>9,825,447</u>
Less Accumulated Depreciation:				
Buildings	(1,184,706)	(25,788)	0	(1,210,494)
Improvements Other Than Buildings	(34,043)	(4,744)	0	(38,787)
Vehicles	(1,138,597)	(164,656)	3,150	(1,300,103)
Furniture, Fixtures and Equipment	(649,495)	(74,360)	0	(723,855)
Infrastructure	(511,956)	(325,407)	0	(837,363)
Total Accumulated Depreciation	<u>(3,518,797)</u>	<u>(594,955)</u>	<u>3,150</u>	<u>(4,110,602)</u>
Depreciable Capital Assets, Net	<u>5,814,051</u>	<u>(77,448)</u>	<u>(21,758)</u>	<u>5,714,845</u>
Governmental Activities Capital Assets, Net	<u>\$9,887,770</u>	<u>\$2,026,697</u>	<u>(\$122,027)</u>	<u>\$11,792,440</u>

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 9 – CAPITAL ASSETS (continued)

Capital assets activity of the business-type activities for the year ended December 31, 2010, was as follows:

	Balance at 12/31/09	Additions	Deletions	Balance at 12/31/10
Business-Type Activities:				
Depreciable Capital Assets:				
Infrastructure	\$8,261,897	\$0	\$0	\$8,261,897
Less Accumulated Depreciation:				
Infrastructure	(860,607)	(162,351)	0	(1,022,958)
Business-Type Activities Capital Assets, Net	\$7,401,290	(\$162,351)	\$0	\$7,238,939

Depreciation expense was charged to governmental programs as follows:

General Government	\$34,365
Security of Persons and Property	168,169
Transportation	392,421
Total Depreciation Expense	\$594,955

NOTE 10 – 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 Pension 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 Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, 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 Pension 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. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

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 14.0 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10.0 percent of covered payroll. For the year ended December 31, 2010, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contribute 10.5 percent and 11.1 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2010, member and employer contribution rates were consistent across all three plans.

The City's 2010 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the City's contribution was 17.87 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2010, 2009, and 2008 were \$163,072, \$158,828, and \$103,868, respectively. For 2010, 89.3 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008. Contributions to the Member-Directed Plan for 2010 were \$3,486 made by the City and \$2,490 made by plan members.

Ohio Police and Fire Pension Fund

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple-employer defined benefit pension plan. OP&F provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code requires plan members to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

The OP&F Pension Fund is authorized by the Ohio Revised Code to allocate a portion of the employer contributions to retiree health care benefits. The portion of employer contributions used to fund pension benefits was 12.75 percent of covered payroll for police officers and 17.25 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$58,099 and \$82,865 for the year ended December 31, 2010, \$46,927 and \$72,169 for the year ended December 31, 2009, and \$56,663 and \$74,221 for the year ended December 31, 2008. The full amount has been contributed for 2009 and 2008. 71.15 percent has been contributed for police and 72.28 percent has been contributed for firefighters for 2010 with the balances due included in intergovernmental payable.

NOTE 11 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2010, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.87 percent. The Ohio Revised Code 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 law and public safety employer units.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in the Traditional Plan was 5.5 percent from January 1 through February 28, 2010, and 5.0 percent from March 1 through December 31, 2010. The portion of employer contributions allocated to health care for members in the Combined Plan was 4.73 percent from January 1 through February 28, 2010, and 4.23 percent from March 1 through December 31, 2010.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2010, 2009, and 2008 were \$94,013, \$93,387, and \$92,655, respectively. For 2010, 89.3 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2009 and 2008.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care 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 health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

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

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. That report may be obtained by writing to OP&F, 140 East Town Street, Columbus, Ohio 43215-5164.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required by Ohio Revised Code to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently, 19.5 percent and 24.0 percent of covered payroll for police and fire employers, respectively. Active members do not make contributions to the OPEB Plan.

OP&F maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B reimbursements administrated 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 OP&F Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2010, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$30,758 and \$32,425 for the year ended December 31, 2010, \$24,844 and \$28,240 for the year ended December 31, 2009, and \$29,998 and \$29,043 for the year ended December 31, 2008. For 2010, 71.15 percent has been contributed for police and 72.28 percent has been contributed for firefighters with the balances due included in intergovernmental payable. The full amount has been contributed for 2009 and 2008.

NOTE 12 – OTHER EMPLOYEE BENEFITS

Deferred Compensation

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

Compensated Absences

City employees earn vacation 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 for unused vacation leave.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 12 – OTHER EMPLOYEE BENEFITS (continued)

City employees earn sick leave at the rate of one and one-fourth days per month. 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 sick leave up to a payment of 240 hours, based on the union agreements and the City’s personnel policy.

City employees can also earn compensatory time. Compensatory time is paid at one and one-half times an employee’s regular rate. Employees with time remaining upon termination of their employment will be paid for any unused compensatory time.

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. Life insurance is provided through Anthem Life. All employees of the City receive \$50,000 in life insurance. Group dental insurance is provided through Dental Care Plus.

NOTE 13 – CAPITAL LEASES – LESSEE DISCLOSURE

In prior years, the City entered into lease agreements for the purchase of equipment and vehicles. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, “Accounting for Leases”*, which defines a capital lease generally as one which transfers benefits and risks of ownership 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 Assets for governmental activities in the amount of \$907,578. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in 2010 totaled \$133,799.

The assets acquired through capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value December 31, 2010
Asset:			
Furniture, Fixtures and Equipment	\$260,000	(\$129,152)	\$130,848
Vehicles	647,578	(143,345)	504,233
Total	\$907,578	(\$272,497)	\$635,081

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 13 – CAPITAL LEASES – LESSEE DISCLOSURE (continued)

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, 2010.

December 31,	Total Payments
2011	\$154,451
2012	134,990
2013	32,245
2014	32,245
2015	32,245
Total	386,176
Less: Amount Representing Interest	(30,329)
Present Value of Minimum Lease Payments	\$355,847

NOTE 14 – LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2010 were as follows:

	Amount Outstanding 12/31/09	Additions	Deductions	Amount Outstanding 12/31/10	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2005 Various Purpose					
Serial Bonds - 3.25 to 3.75%	\$555,000	\$0	\$130,000	\$425,000	\$140,000
Term Bonds - 4.25 to 5.00%	3,270,000	0	0	3,270,000	0
Capital Appreciation Bonds - 4.977%	190,000	0	0	190,000	0
Accretion on Capital Appreciation Bonds	53,364	13,475	0	66,839	0
Premium on Debt Issue	80,051	0	3,921	76,130	0
2010 Roadway Improvement					
Serial Bonds - 2.0 to 3.25%	0	600,000	0	600,000	75,000
Term Bonds - 4.0 to 4.5%	0	880,000	0	880,000	0
Capital Appreciation Bonds - 4.1 to 4.35%	0	35,000	0	35,000	0
Accretion on Capital Appreciation Bonds	0	357	0	357	0
Premium on Debt Issue	0	61,506	256	61,250	0
Total General Obligation Bonds	4,148,415	1,590,338	134,177	5,604,576	215,000
City Developer Payable	477,384	0	477,384	0	0
Capital Leases Payable	489,646	0	133,799	355,847	139,660
Compensated Absences	183,264	169,946	151,663	201,547	133,745
Total Governmental Activities	\$5,298,709	\$1,760,284	\$897,023	\$6,161,970	\$488,405

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

	Amount Outstanding 12/31/09	Additions	Deductions	Amount Outstanding 12/31/10	Amounts Due Within One Year
Business-Type Activities:					
2004 Water Line Loan - 0%	\$4,232,359	\$0	\$0	\$4,232,359	\$0
2005 OWDA Loan - 4%	3,233,672	0	72,565	3,161,107	75,496
Total Business-Type Activities	<u>\$7,466,031</u>	<u>\$0</u>	<u>\$72,565</u>	<u>\$7,393,466</u>	<u>\$75,496</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 bonds will be retired from the Bond Retirement Fund and the Tax Increment Fund.

The serial bonds, issued at \$1,040,000 with maturity dates of December 1, 2006 to December 1, 2013, are subject to optional redemption, in whole or in part on any date at the option of the issuer on or after December 1, 2015, at a redemption price equal to the par amount of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

The term bonds issued at \$3,270,000 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:

Year	Amount
2016	\$155,000
2017	155,000
2018	170,000
2019	180,000
2020	185,000
2021-2025	1,075,000
2026-2030	1,350,000
Total	<u>\$3,270,000</u>

The capital appreciation bonds, issued at \$190,000, are not subject to prior redemption. The capital appreciation bonds will mature in years 2014 and 2015, with a maturity amount of \$155,000 each year, including interest. For 2010, the capital appreciation bonds were accreted \$13,475.

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

\$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 Bond Retirement 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:

<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>\$880,000</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 2010, the capital appreciation bonds were accreted \$357.

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

The City entered into an agreement with the developer of the Clayton Towne Center and will reimburse the developer for capital assets constructed by the developer that are owned by the City. The city developer payable will be repaid from the TIF Towne Center Fund. During the year the City made a \$10,200 payment to the developer. Later in the year the developer filed bankruptcy, which released the City from this obligation. The forgiven portion of this liability is recorded on the statements as gifts and donations.

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 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. No per acre fee was collected during 2010. 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, 2010, which was issued during 2005 at a rate of four percent. The total amount of the loan is \$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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The City’s overall legal debt margin was \$23,103,229 at December 31, 2010, and the unvoted debt margin was \$8,904,450.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2010, are as follows:

Governmental Activities						
December 31,	Serial Bonds Principal	Serial Bonds Interest	Term Bonds Principal	Term Bonds Interest	Capital Appreciation Bonds Principal	Capital Appreciation Bonds Interest
2011	\$215,000	\$28,978	\$0	\$191,225	\$0	\$0
2012	215,000	23,076	0	191,225	0	0
2013	220,000	16,501	0	191,225	0	0
2014	75,000	9,563	0	191,225	97,333	57,667
2015	75,000	8,063	0	191,225	92,667	62,333
2016-2020	225,000	13,689	845,000	875,875	35,000	115,000
2021-2025	0	0	1,465,000	611,975	0	0
2026-2030	0	0	1,840,000	244,750	0	0
Total	\$1,025,000	\$99,870	\$4,150,000	\$2,688,725	\$225,000	\$235,000

Business-Type Activities		
December 31,	OWDA Loan Principal	OWDA Loan Interest
2011	\$75,496	\$125,697
2012	78,546	122,647
2013	81,720	119,473
2014	85,021	116,172
2015	88,456	112,737
2016-2020	498,861	507,105
2021-2025	608,109	397,857
2026-2030	741,281	264,685
2031-2035	903,617	102,349
Total	\$3,161,107	\$1,868,722

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 15 - SHORT-TERM OBLIGATION

A summary of the short-term notes transactions for the year ended December 31, 2010 follows:

<i>Types / Issues</i>	<i>Balance 12/31/09</i>	<i>Issued</i>	<i>Retired</i>	<i>Balance 12/31/10</i>
2010 - 1.5% Road Improvement Notes \$1,505,000	\$0	\$1,505,000	\$0	\$1,505,000

On July 21, 2010, the City issued 1.5 percent Road Improvement Bond Anticipation Notes, in the amount of \$1,505,000. These notes were issued for the purpose of construction, rebuilding, widening, and making drainage improvements to roadway in the City. The notes will mature on February 9, 2011.

NOTE 16 – INTERFUND ASSETS/LIABILITIES

Interfund balances at December 31, 2010, 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.

		<u>Interfund Receivable</u>	
		General Fund	
Interfund Payable	Police Fund	\$223,000	
	Fire Fund	100,000	
	Nonmajor Governmental Funds	25,000	
	Total	<u>\$348,000</u>	

Transfers made during the year ended December 31, 2010, were as follows:

		<u>Transfers From</u>		
		Nonmajor Governmental Funds		Total
		General Fund	Funds	
Transfers To	General Fund	\$0	\$31,390	\$31,390
	Police Fund	173,752	\$0	173,752
	Street Department Fund	100,000	0	100,000
	Nonmajor Governmental Funds	191,073	0	191,073
	Sewer Operating Fund	201,193	0	201,193
	Total	<u>\$666,018</u>	<u>\$31,390</u>	<u>\$697,408</u>

Transfers are used to move General Fund revenues that are used to subsidize various programs into other funds and for repayment of debt. The transfer from the nonmajor governmental fund to the General Fund was to move the remaining balance of the COPS Special Revenue Fund that is no longer needed.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 17 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains comprehensive insurance coverage through the Ohio Plan (the “Plan”) (See Note 21) with building contents, vehicles, general liability, public official and police professional liability. Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The City pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated on accident history and administrative costs.

NOTE 18 – CONSTRUCTION COMMITMENT

<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance At 12/31/10</u>
Hoke and Kimmel Road	<u>\$2,800,000</u>	<u>\$2,007,770</u>	<u>\$792,230</u>

NOTE 19 – 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 \$8,420 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, 2010

NOTE 20 – 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. Payments to the Commission are made from the General Fund. The City contributed \$6,140 for the operation of the Commission during 2010. Financial information may be obtained by writing to Donald Spang, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

Economic Development/Government Equity Program

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

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

The ED/GE Advisory Committee, made up of alternating member entities’ representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for 10 years, ending December 31, 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. Payments to ED/GE are made from and received in the General Fund. Financial information may be obtained by writing to Pamela Frannin, Secretary, 451 West Third Street, Dayton, Ohio, 45422.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 21 – RISK SHARING POOL

Ohio Plan

The City belongs to the Ohio Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 500 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures with A-VII or better rated carriers, except for a five percent portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of five percent or \$25,000 for casualty losses up to the coverage limit and the lesser of five percent or \$50,000 for property losses up to the coverage limit. The individual members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

NOTE 22 – CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2010, to December 31, 2010, 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 party to legal proceedings. The City is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the City.

NOTE 23 – ACCOUNTABILITY AND COMPLIANCE

Accountability

The Police and Street Lights Special Revenue Funds had deficit fund balances at December 31, 2010 of \$183,497 and \$274, respectively. 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 assets of \$321,422 at December 31, 2010. The City anticipates increased revenues in charges for services and a corresponding decrease in the net assets deficit in future years.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2010

NOTE 23 – ACCOUNTABILITY AND COMPLIANCE (continued)

Compliance

Ohio Revised Code Section 5705.10(H) provides that money paid into a fund must be used only for the purpose for which such fund has been established. As a result, a negative balance indicates that money from one fund was used to cover the expenses of another fund. The Streets Lights Fund had a negative balance of \$274.

NOTE 24 – FUND BALANCE

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

Fund Balances	General	Police	Street Department	Fire	Capital Improvement	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>							
Prepaid Items	\$3,770	\$0	\$112	\$0	\$0	\$2,019	\$5,901
<u>Restricted for:</u>							
Road Improvements	0	0	75,921	0	0	373,743	449,664
Police and Fire Operations	0	0	0	111,022	0	18,606	129,628
Cemetery Operations	0	0	0	0	0	23,523	23,523
Drug and Alcohol Enforcement	0	0	0	0	0	10,380	10,380
Economic Development	0	0	0	0	0	380,438	380,438
Construction and Improvement of City Facilities	0	0	0	0	815,341	0	815,341
Emergency Medical Services	0	0	0	0	0	103,732	103,732
<u>Assigned to:</u>							
Capital Asset Replacement	0	0	0	0	0	100,000	100,000
Debt Payments	0	0	0	0	0	5,984	5,984
Other Purposes	69,572	0	0	0	0	0	69,572
<u>Unassigned (Deficits):</u>	<u>2,452,922</u>	<u>(183,497)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(274)</u>	<u>2,269,151</u>
Total Fund Balances (Deficits)	<u>\$2,526,264</u>	<u>(\$183,497)</u>	<u>\$76,033</u>	<u>\$111,022</u>	<u>\$815,341</u>	<u>\$1,018,151</u>	<u>\$4,363,314</u>

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

Cops Fund

To account for federal grants used to employ additional police officers. The grant program no longer generates revenue for the City.

Drug Law Enforcement Fund

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

Street Lights Fund

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

Cemetery Fund

To account for 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 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.

Federal Emergency Management Agency Fund

To account for federal grant money used to aid in cost reimbursements for wind storm damage.

(continued)

City of Clayton, Ohio
Nonmajor Fund Descriptions
(continued)

Tax Increment Fund

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

Tax Increment Financing Towne Center Fund

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

Capital Projects Funds

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 Funds

Federal Stimulus Fund

To account for federal grants used to finance handicap ramps on City sidewalks.

Hoke Road Phase II Fund

To account for State and federal grants used in the reconstruction of Hoke Road.

Asset Replacement Fund

To account for 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, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$981,260	\$5,984	\$100,000	\$1,087,244
Receivables:				
Property Taxes	179,134	0	0	179,134
Other Local Taxes	7,662	0	0	7,662
Increment Taxes	319,274	0	0	319,274
Accounts	121,536	0	0	121,536
Special Assessments - Current	42,314	0	0	42,314
Special Assessments - Delinquent	2,747	0	0	2,747
Due from Other Governments	38,599	0	0	38,599
Prepaid Items	2,019	0	0	2,019
<i>Total Assets</i>	<u>\$1,694,545</u>	<u>\$5,984</u>	<u>\$100,000</u>	<u>\$1,800,529</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$5,466	\$0	\$0	\$5,466
Interfund Payable	25,000	0	0	25,000
Accrued Wages Payable	298	0	0	298
Due to Other Governments	80,211	0	0	80,211
Deferred Revenue	671,403	0	0	671,403
<i>Total Liabilities</i>	<u>782,378</u>	<u>0</u>	<u>0</u>	<u>782,378</u>
Fund Balances:				
Nonspendable	2,019	0	0	2,019
Restricted	910,422	0	0	910,422
Assigned	0	5,984	100,000	105,984
Unassigned (Deficit)	(274)	0	0	(274)
<i>Total Fund Balances</i>	<u>912,167</u>	<u>5,984</u>	<u>100,000</u>	<u>1,018,151</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,694,545</u>	<u>\$5,984</u>	<u>\$100,000</u>	<u>\$1,800,529</u>

City of Clayton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$177,968	\$0	\$0	\$177,968
Increment Taxes	187,734	0	0	187,734
Other Local Taxes	102,946	0	0	102,946
Municipal Income Taxes	12,544	0	0	12,544
Intergovernmental	112,784	0	0	112,784
Charges for Services	355,007	0	0	355,007
Fines and Forfeitures	1,453	0	0	1,453
Investment Income	833	0	0	833
Special Assesments	38,026	0	0	38,026
Other	14,756	0	0	14,756
<i>Total Revenues</i>	<u>1,004,051</u>	<u>0</u>	<u>0</u>	<u>1,004,051</u>
Expenditures:				
Current:				
General Government	58,631	0	0	58,631
Security of Persons and Property	644,515	0	0	644,515
Public Health	4,576	0	0	4,576
Economic Development	7,935	0	0	7,935
Transportation	223,982	0	0	223,982
Debt Service:				
Principal Retirement	45,000	85,000	0	130,000
Interest and Fiscal Charges	61,538	111,450	0	172,988
<i>Total Expenditures</i>	<u>1,046,177</u>	<u>196,450</u>	<u>0</u>	<u>1,242,627</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(42,126)</u>	<u>(196,450)</u>	<u>0</u>	<u>(238,576)</u>
Other Financing Sources (Uses):				
Transfers-In	4,103	186,970	0	191,073
Transfers-Out	(31,390)	0	0	(31,390)
<i>Total Other Financing Sources (Uses)</i>	<u>(27,287)</u>	<u>186,970</u>	<u>0</u>	<u>159,683</u>
<i>Net Change in Fund Balances</i>	(69,413)	(9,480)	0	(78,893)
<i>Fund Balances at Beginning of Year</i>	<u>981,580</u>	<u>15,464</u>	<u>100,000</u>	<u>1,097,044</u>
<i>Fund Balances at End of Year</i>	<u><u>\$912,167</u></u>	<u><u>\$5,984</u></u>	<u><u>\$100,000</u></u>	<u><u>\$1,018,151</u></u>

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Drug Law Enforcement	Law Enforcement Trust	EMS	State Highway	Permissive Motor Vehicle License Tax
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$10,320	\$18,606	\$132,075	\$222,881	\$141,085
Receivables:					
Property Taxes	0	0	179,134	0	0
Other Local Taxes	0	0	0	0	7,662
Increment Taxes	0	0	0	0	0
Accounts	0	0	121,536	0	0
Special Assessments - Current	0	0	0	0	0
Special Assessments - Delinquent	0	0	0	0	0
Due from Other Governments	60	0	15,432	23,107	0
Prepaid Items	0	0	2,019	0	0
<i>Total Assets</i>	<u>\$10,380</u>	<u>\$18,606</u>	<u>\$450,196</u>	<u>\$245,988</u>	<u>\$148,747</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$0	\$0	\$4,414	\$897	\$155
Interfund Payable	0	0	25,000	0	0
Accrued Wages Payable	0	0	0	0	298
Due to Other Governments	0	0	27,364	0	241
Deferred Revenue	0	0	287,667	19,401	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>344,445</u>	<u>20,298</u>	<u>694</u>
Fund Balances:					
Nonspendable	0	0	2,019	0	0
Restricted	10,380	18,606	103,732	225,690	148,053
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>10,380</u>	<u>18,606</u>	<u>105,751</u>	<u>225,690</u>	<u>148,053</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$10,380</u>	<u>\$18,606</u>	<u>\$450,196</u>	<u>\$245,988</u>	<u>\$148,747</u>

Street Lights	Cemetery	Joint Economic Development District	Tax Increment	Tax Increment Financing Towne Center	Total Nonmajor Special Revenue Funds
(\$274)	\$23,523	\$75,774	\$249,857	\$107,413	\$981,260
0	0	0	0	0	179,134
0	0	0	0	0	7,662
0	0	0	222,095	97,179	319,274
0	0	0	0	0	121,536
42,314	0	0	0	0	42,314
2,747	0	0	0	0	2,747
0	0	0	0	0	38,599
0	0	0	0	0	2,019
<u>\$44,787</u>	<u>\$23,523</u>	<u>\$75,774</u>	<u>\$471,952</u>	<u>\$204,592</u>	<u>\$1,694,545</u>
\$0	\$0	\$0	\$0	\$0	\$5,466
0	0	0	0	0	25,000
0	0	0	0	0	298
0	0	0	35,366	17,240	80,211
45,061	0	0	222,095	97,179	671,403
<u>45,061</u>	<u>0</u>	<u>0</u>	<u>257,461</u>	<u>114,419</u>	<u>782,378</u>
0	0	0	0	0	2,019
0	23,523	75,774	214,491	90,173	910,422
(274)	0	0	0	0	(274)
<u>(274)</u>	<u>23,523</u>	<u>75,774</u>	<u>214,491</u>	<u>90,173</u>	<u>912,167</u>
<u>\$44,787</u>	<u>\$23,523</u>	<u>\$75,774</u>	<u>\$471,952</u>	<u>\$204,592</u>	<u>\$1,694,545</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, 2010

	Cops	Drug Law Enforcement	Law Enforcement Trust	EMS	State Highway	Permissive Motor Vehicle License Tax
Revenues:						
Property Taxes	\$0	\$0	\$0	\$177,968	\$0	\$0
Increment Taxes	0	0	0	0	0	0
Other Local Taxes	0	0	0	0	0	102,946
Municipal Income Taxes	0	0	0	0	0	0
Intergovernmental	0	0	0	39,228	45,387	0
Charges for Services	0	0	0	349,357	0	0
Fines and Forfeitures	0	270	1,183	0	0	0
Investment Income	0	0	0	0	455	378
Special Assessments	0	0	0	0	0	0
Other	0	0	0	4,611	0	965
<i>Total Revenues</i>	<u>0</u>	<u>270</u>	<u>1,183</u>	<u>571,164</u>	<u>45,842</u>	<u>104,289</u>
Expenditures:						
Current:						
General Government	0	0	0	0	0	0
Security of Persons and Property	0	0	0	593,694	0	0
Public Health	0	0	0	0	0	0
Economic Development	0	0	0	0	0	0
Transportation	0	0	0	0	32,886	191,096
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>593,694</u>	<u>32,886</u>	<u>191,096</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>0</u>	<u>270</u>	<u>1,183</u>	<u>(22,530)</u>	<u>12,956</u>	<u>(86,807)</u>
Other Financing Sources (Uses):						
Transfers-In	0	0	0	0	0	0
Transfers-Out	(31,390)	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(31,390)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(31,390)	270	1,183	(22,530)	12,956	(86,807)
<i>Fund Balances (Deficit) at Beginning of Year</i>	31,390	10,110	17,423	128,281	212,734	234,860
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$10,380</u>	<u>\$18,606</u>	<u>\$105,751</u>	<u>\$225,690</u>	<u>\$148,053</u>

Street Lights	Cemetery	Joint Economic Development District	Federal Emergency Management Agency	Tax Increment	Tax Increment Financing Towne Center	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$177,968
0	0	0	0	100,656	87,078	187,734
0	0	0	0	0	0	102,946
0	0	12,544	0	0	0	12,544
0	0	24,706	3,463	0	0	112,784
0	5,650	0	0	0	0	355,007
0	0	0	0	0	0	1,453
0	0	0	0	0	0	833
38,026	0	0	0	0	0	38,026
9,180	0	0	0	0	0	14,756
<u>47,206</u>	<u>5,650</u>	<u>37,250</u>	<u>3,463</u>	<u>100,656</u>	<u>87,078</u>	<u>1,004,051</u>
0	0	0	3,724	36,637	18,270	58,631
50,821	0	0	0	0	0	644,515
0	4,576	0	0	0	0	4,576
0	0	7,935	0	0	0	7,935
0	0	0	0	0	0	223,982
0	0	0	0	45,000	0	45,000
0	0	0	0	61,538	0	61,538
<u>50,821</u>	<u>4,576</u>	<u>7,935</u>	<u>3,724</u>	<u>143,175</u>	<u>18,270</u>	<u>1,046,177</u>
<u>(3,615)</u>	<u>1,074</u>	<u>29,315</u>	<u>(261)</u>	<u>(42,519)</u>	<u>68,808</u>	<u>(42,126)</u>
4,103	0	0	0	0	0	4,103
0	0	0	0	0	0	(31,390)
<u>4,103</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(27,287)</u>
488	1,074	29,315	(261)	(42,519)	68,808	(69,413)
<u>(762)</u>	<u>22,449</u>	<u>46,459</u>	<u>261</u>	<u>257,010</u>	<u>21,365</u>	<u>981,580</u>
<u>(\$274)</u>	<u>\$23,523</u>	<u>\$75,774</u>	<u>\$0</u>	<u>\$214,491</u>	<u>\$90,173</u>	<u>\$912,167</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.

City of Clayton, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
December 31, 2010

	Balance at 12/31/2009	Additions	Reductions	Balance at 12/31/2010
<u>IMPACT FEE</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$55,502	\$20,849	\$19,571	\$56,780
Liabilities:				
Due to Other Governments	\$55,502	\$56,780	\$55,502	\$56,780
<u>JOINT ECONOMIC DEVELOPMENT DISTRICT</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$12,547	\$92,607	\$105,154	\$0
Liabilities:				
Due to Other Governments	\$12,547	\$92,607	\$105,154	\$0
<u>TOTAL AGENCY FUNDS</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$68,049	\$113,456	\$124,725	\$56,780
Liabilities:				
Due to Other Governments	\$68,049	\$149,387	\$160,656	\$56,780

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$400,000	\$366,512	(\$33,488)
Other Local Taxes	105,000	117,105	12,105
Municipal Income Taxes	1,302,000	1,386,009	84,009
Intergovernmental	422,800	912,385	489,585
Charges for Services	699,000	641,059	(57,941)
Licenses and Permits	2,500	4,778	2,278
Investment Income	17,000	10,970	(6,030)
Other	22,600	17,508	(5,092)
<i>Total Revenues</i>	<u>2,970,900</u>	<u>3,456,326</u>	<u>485,426</u>
Expenditures:			
Current:			
General Government			
Personal Services	1,007,241	856,936	150,305
Contractual Services	1,203,800	1,178,525	25,275
Materials and Supplies	21,111	18,639	2,472
Capital Outlay	12,500	11,369	1,131
<i>Total Expenditures</i>	<u>2,244,652</u>	<u>2,065,469</u>	<u>179,183</u>
<i>Excess of Revenues Over Expenditures</i>	<u>726,248</u>	<u>1,390,857</u>	<u>664,609</u>
Other Financing Sources (Uses):			
Transfers-In	0	31,390	31,390
Advances-In	445,649	445,649	0
Transfers-Out	(1,225,800)	(666,018)	559,782
Advances-Out	(375,000)	0	375,000
<i>Total Other Financing Sources (Uses)</i>	<u>(1,155,151)</u>	<u>(188,979)</u>	<u>966,172</u>
<i>Net Change in Fund Balance</i>	(428,903)	1,201,878	1,630,781
<i>Fund Balance at Beginning of Year</i>	610,837	610,837	0
<i>Prior Year Encumbrances Appropriated</i>	<u>129,818</u>	<u>129,818</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$311,752</u>	<u>\$1,942,533</u>	<u>\$1,630,781</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,195,000	\$1,209,539	\$14,539
Intergovernmental	148,000	262,700	114,700
Charges for Services	4,800	5,931	1,131
Fines and Forfeitures	17,165	19,719	2,554
Other	5,000	13,282	8,282
<i>Total Revenues</i>	<u>1,369,965</u>	<u>1,511,171</u>	<u>141,206</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	1,538,255	1,440,009	98,246
Contractual Services	267,980	228,390	39,590
Materials and Supplies	69,473	63,002	6,471
Capital Outlay	9,839	9,748	91
<i>Total Expenditures</i>	<u>1,885,547</u>	<u>1,741,149</u>	<u>144,398</u>
<i>Excess of Revenues Under Expenditures</i>	(515,582)	(229,978)	285,604
Other Financing Sources:			
Transfers-In	466,390	173,752	(292,638)
<i>Net Change in Fund Balance</i>	(49,192)	(56,226)	(7,034)
<i>Fund Balance at Beginning of Year</i>	81,186	81,186	0
<i>Prior Year Encumbrances Appropriated</i>	<u>36,049</u>	<u>36,049</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$68,043</u></u>	<u><u>\$61,009</u></u>	<u><u>(\$7,034)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$510,000	\$558,282	\$48,282
Licenses and Permits	625	2,038	1,413
Investment Income	500	186	(314)
Other	26,600	29,587	2,987
<i>Total Revenues</i>	<u>537,725</u>	<u>590,093</u>	<u>52,368</u>
Expenditures:			
Current:			
Transportation			
Personal Services	731,434	655,742	75,692
Contractual Services	117,248	97,485	19,763
Materials and Supplies	93,116	56,848	36,268
Capital Outlay	4,100	0	4,100
<i>Total Expenditures</i>	<u>945,898</u>	<u>810,075</u>	<u>135,823</u>
<i>Excess of Revenues Under Expenditures</i>	(408,173)	(219,982)	188,191
Other Financing Sources:			
Transfers-In	385,000	100,000	(285,000)
<i>Net Change in Fund Balance</i>	(23,173)	(119,982)	(96,809)
<i>Fund Balance at Beginning of Year</i>	149,667	149,667	0
<i>Prior Year Encumbrances Appropriated</i>	13,885	13,885	0
<i>Fund Balance at End of Year</i>	<u>\$140,379</u>	<u>\$43,570</u>	<u>(\$96,809)</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$750,000	\$793,772	\$43,772
Intergovernmental	66,600	151,075	84,475
Other	100	1,801	1,701
<i>Total Revenues</i>	<u>816,700</u>	<u>946,648</u>	<u>129,948</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	708,986	705,199	3,787
Contractual Services	104,510	94,574	9,936
Materials and Supplies	9,942	9,801	141
Capital Outlay	2,508	2,292	216
<i>Total Expenditures</i>	<u>825,946</u>	<u>811,866</u>	<u>14,080</u>
<i>Net Change in Fund Balance</i>	(9,246)	134,782	144,028
<i>Fund Balance at Beginning of Year</i>	88,465	88,465	0
<i>Prior Year Encumbrances Appropriated</i>	<u>25,580</u>	<u>25,580</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$104,799</u></u>	<u><u>\$248,827</u></u>	<u><u>\$144,028</u></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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$641,000	\$691,965	\$50,965
Intergovernmental	993,485	1,926,665	933,180
Other	8,500	7,461	(1,039)
<i>Total Revenues</i>	<u>1,642,985</u>	<u>2,626,091</u>	<u>983,106</u>
Expenditures:			
Current:			
General Government			
Contractual Services	3,831,123	3,058,207	772,916
Capital Outlay	983,901	931,412	52,489
Debt Service:			
Principal Retirement	133,799	133,799	0
Interest and Fiscal Charges	1,741,642	20,651	1,720,991
Issuance Costs	76,506	76,506	0
<i>Total Expenditures</i>	<u>6,766,971</u>	<u>4,220,575</u>	<u>2,546,396</u>
<i>Excess of Revenues Under Expenditures</i>	(5,123,986)	(1,594,484)	3,529,502
Other Financing Sources (Uses):			
General Obligation Bonds Issued	0	1,576,506	1,576,506
Proceeds of Notes	4,803,473	1,500,000	(3,303,473)
Advances-Out	(445,649)	(445,649)	0
<i>Total Other Financing Sources (Uses)</i>	<u>4,357,824</u>	<u>2,630,857</u>	<u>(1,726,967)</u>
<i>Net Change in Fund Balance</i>	(766,162)	1,036,373	1,802,535
<i>Fund Balance at Beginning of Year</i>	571,122	571,122	0
<i>Prior Year Encumbrances Appropriated</i>	<u>201,015</u>	<u>201,015</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$5,975</u>	<u>\$1,808,510</u>	<u>\$1,802,535</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$55,000	\$60,561	\$5,561
Tap-In Fees	10,500	386	(10,114)
<i>Total Revenues</i>	<u>65,500</u>	<u>60,947</u>	<u>(4,553)</u>
Expenses:			
Personal Services	32,468	30,207	2,261
Contractual Services	7,170	4,009	3,161
Materials and Supplies	57,818	54,196	3,622
<i>Total Expenses</i>	<u>97,456</u>	<u>88,412</u>	<u>9,044</u>
<i>Net Change in Fund Equity</i>	(31,956)	(27,465)	4,491
<i>Fund Equity at Beginning of Year</i>	114,614	114,614	0
<i>Prior Year Encumbrances Appropriated</i>	<u>11,238</u>	<u>11,238</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$93,896</u></u>	<u><u>\$98,387</u></u>	<u><u>\$4,491</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, 2010

	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>	<u>\$59,298</u>	<u>\$59,298</u>	<u>\$0</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Cops Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Uses			
Transfers - Out	(31,390)	(31,390)	0
<i>Net Change in Fund Balance</i>	(31,390)	(31,390)	0
<i>Fund Balance at Beginning of Year</i>	31,390	31,390	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$0	\$210	\$210
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	210	210
<i>Fund Balance at Beginning of Year</i>	10,110	10,110	0
<i>Fund Balance at End of Year</i>	\$10,110	\$10,320	\$210

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$0	\$1,183	\$1,183
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	1,183	1,183
<i>Fund Balance at Beginning of Year</i>	17,423	17,423	0
<i>Fund Balance at End of Year</i>	\$17,423	\$18,606	\$1,183

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$150,000	\$177,968	\$27,968
Intergovernmental	22,000	39,228	17,228
Charges for Services	265,000	353,009	88,009
Other	3,600	4,611	1,011
<i>Total Revenues</i>	<u>440,600</u>	<u>574,816</u>	<u>134,216</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	529,113	526,335	2,778
Contractual Services	97,859	79,300	18,559
Materials and Supplies	29,931	20,969	8,962
Capital Outlay	5,399	5,398	1
<i>Total Expenditures</i>	<u>662,302</u>	<u>632,002</u>	<u>30,300</u>
<i>Excess of Revenues Under Expenditures</i>	(221,702)	(57,186)	164,516
Other Financing Sources			
Advances-In	125,000	0	(125,000)
<i>Net Change in Fund Balance</i>	(96,702)	(57,186)	39,516
<i>Fund Balance at Beginning of Year</i>	129,460	129,460	0
<i>Prior Year Encumbrances Appropriated</i>	25,965	25,965	0
<i>Fund Balance at End of Year</i>	<u>\$58,723</u>	<u>\$98,239</u>	<u>\$39,516</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$36,500	\$45,266	\$8,766
Investment Income	200	455	255
<i>Total Revenues</i>	<u>36,700</u>	<u>45,721</u>	<u>9,021</u>
Expenditures:			
Current:			
Transportation			
Contractual Services	43,517	13,937	29,580
Materials and Supplies	27,000	20,300	6,700
<i>Total Expenditures</i>	<u>70,517</u>	<u>34,237</u>	<u>36,280</u>
<i>Net Change in Fund Balance</i>	(33,817)	11,484	45,301
<i>Fund Balance at Beginning of Year</i>	208,882	208,882	0
<i>Prior Year Encumbrances Appropriated</i>	<u>267</u>	<u>267</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$175,332</u></u>	<u><u>\$220,633</u></u>	<u><u>\$45,301</u></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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$95,000	\$103,542	\$8,542
Investment Income	500	378	(122)
Other	0	965	965
<i>Total Revenues</i>	<u>95,500</u>	<u>104,885</u>	<u>9,385</u>
Expenditures:			
Current:			
Transportation			
Personal Services	59,165	51,463	7,702
Contractual Services	49,387	38,281	11,106
Materials and Supplies	110,395	108,820	1,575
<i>Total Expenditures</i>	<u>218,947</u>	<u>198,564</u>	<u>20,383</u>
<i>Net Change in Fund Balance</i>	(123,447)	(93,679)	29,768
<i>Fund Balance at Beginning of Year</i>	222,114	222,114	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,780</u>	<u>4,780</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$103,447</u></u>	<u><u>\$133,215</u></u>	<u><u>\$29,768</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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$52,000	\$38,026	(\$13,974)
Other	9,180	9,180	0
<i>Total Revenues</i>	61,180	47,206	(13,974)
Expenditures:			
Current:			
Security of Persons and Property			
Other	66,480	50,821	15,659
<i>Excess of Revenues Under Expenditures</i>	(5,300)	(3,615)	1,685
Other Financing Sources:			
Transfers-In	5,800	4,103	(1,697)
<i>Net Change in Fund Balance</i>	500	488	(12)
<i>Fund Balance (Deficit) at Beginning of Year</i>	(762)	(762)	0
<i>Fund Balance (Deficit) at End of Year</i>	(\$262)	(\$274)	(\$12)

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$1,200	\$5,650	\$4,450
Expenditures:			
Current:			
Public Health			
Contractual Services	2,300	1,490	810
Materials and Supplies	500	499	1
<i>Total Expenditures</i>	<u>2,800</u>	<u>1,989</u>	<u>811</u>
<i>Net Change in Fund Balance</i>	(1,600)	3,661	5,261
<i>Fund Balance at Beginning of Year</i>	<u>19,862</u>	<u>19,862</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$18,262</u></u>	<u><u>\$23,523</u></u>	<u><u>\$5,261</u></u>

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$0	\$12,544	\$12,544
Intergovernmental	40,010	24,706	(15,304)
<i>Total Revenues</i>	40,010	37,250	(2,760)
Expenditures:			
Current:			
Economic Development			
Contractual Services	18,845	7,935	10,910
<i>Net Change in Fund Balance</i>	21,165	29,315	8,150
<i>Fund Balance at Beginning of Year</i>	46,459	46,459	0
<i>Fund Balance at End of Year</i>	\$67,624	\$75,774	\$8,150

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Emergency Management Agency Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$3,724	\$3,724	\$0
Expenditures:			
Current:			
General Government			
Contractual Services	524	524	0
Capital Outlay	3,200	3,200	0
<i>Total Expenditures</i>	<u>3,724</u>	<u>3,724</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Increment Taxes	\$100,000	\$100,656	\$656
Expenditures:			
Current:			
General Government			
Contractual Services	177,841	173,800	4,041
Debt Service:			
Principal Retirement	45,000	45,000	0
Interest and Fiscal Charges	61,538	61,538	0
<i>Total Expenditures</i>	<u>284,379</u>	<u>280,338</u>	<u>4,041</u>
<i>Net Change in Fund Balance</i>	(184,379)	(179,682)	4,697
<i>Fund Balance at Beginning of Year</i>	172,573	172,573	0
<i>Prior Year Encumbrances Appropriated</i>	<u>119,841</u>	<u>119,841</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$108,035</u></u>	<u><u>\$112,732</u></u>	<u><u>\$4,697</u></u>

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Increment Taxes	\$15,000	\$87,078	\$72,078
Expenditures:			
Current:			
General Government			
Contractual Services	19,600	19,530	70
<i>Net Change in Fund Balance</i>	(4,600)	67,548	72,148
<i>Fund Balance at Beginning of Year</i>	39,493	39,493	0
<i>Fund Balance at End of Year</i>	\$34,893	\$107,041	\$72,148

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, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Debt Service:			
Principal Retirement	157,565	157,565	0
Interest and Fiscal Charges	241,119	240,078	1,041
<i>Total Expenditures</i>	398,684	397,643	1,041
<i>Excess of Revenues Under Expenditures</i>	(398,684)	(397,643)	1,041
Other Financing Sources:			
Transfers-In	400,000	388,163	(11,837)
<i>Net Change in Fund Balance</i>	1,316	(9,480)	(10,796)
<i>Fund Balance at Beginning of Year</i>	15,464	15,464	0
<i>Fund Balance at End of Year</i>	\$16,780	\$5,984	(\$10,796)

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Stimulus Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$312,985	\$0	(\$312,985)
Expenditures:			
Current:			
General Government			
Capital Outlay	312,985	0	312,985
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Hoke Road Phase II Fund
For the Year Ended December 31, 2010

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
General Government			
Contractual Services	250,000	0	250,000
<i>Excess of Revenues Under Expenditures</i>	(250,000)	0	250,000
Other Financing Sources:			
Advances-In	250,000	0	(250,000)
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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, 2010

	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>

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	98-109
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	110-119
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	120-126
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	127-129
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	130-134
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. The City implemented *GASB Statement No. 34* in 2004. Schedules presenting government-wide information include information beginning in that year.

City of Clayton, Ohio
Net Assets by Component
Last Seven Years
(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental Activities:			
Invested in Capital Assets, Net of Related Debt	\$3,952	\$1,096,146	\$2,385,015
Restricted	1,937,007	2,283,572	2,418,788
Unrestricted	<u>1,835,685</u>	<u>2,535,512</u>	<u>2,604,083</u>
<i>Total Governmental Activities Net Assets</i>	<u>3,776,644</u>	<u>5,915,230</u>	<u>7,407,886</u>
Business-Type Activities:			
Invested in Capital Assets, Net of Related Debt	(102,187)	(46,429)	(78,683)
Unrestricted (Deficit)	<u>164,623</u>	<u>(145,701)</u>	<u>18,068</u>
<i>Total Business-Type Activities</i>	<u>62,436</u>	<u>(192,130)</u>	<u>(60,615)</u>
Primary Government:			
Invested in Capital Assets, Net of Related Debt	(98,235)	1,049,717	2,306,332
Restricted	1,937,007	2,283,572	2,418,788
Unrestricted	<u>2,000,308</u>	<u>2,389,811</u>	<u>2,622,151</u>
<i>Total Primary Government Net Assets</i>	<u>\$3,839,080</u>	<u>\$5,723,100</u>	<u>\$7,347,271</u>

2007	2008	2009	2010
\$3,399,360	\$4,534,717	\$4,985,791	\$6,188,910
2,976,984	1,863,244	3,028,063	2,655,232
2,478,642	2,167,933	2,152,885	3,262,866
8,854,986	8,565,894	10,166,739	12,107,008
(80,021)	(57,466)	(64,741)	(154,527)
184,759	292,602	238,435	229,958
104,738	235,136	173,694	75,431
3,319,339	4,477,251	4,921,050	6,034,383
2,976,984	1,863,244	3,028,063	2,655,232
2,663,401	2,460,535	2,391,320	3,492,824
\$8,959,724	\$8,801,030	\$10,340,433	\$12,182,439

City of Clayton, Ohio
Changes in Net Assets
Last Seven Years
(accrual basis of accounting)

	2004	2005	2006
Program Revenues:			
Governmental Activities:			
Charges for Services:			
General Government	\$26,772	\$38,031	\$169,787
Security of Persons and Property	314,897	345,607	296,703
Public Health	800	4,625	4,125
Transportation	0	0	0
Operating Grants, Contributions and Interest	552,811	817,692	908,004
Capital Grants, Contributions and Interest	0	276,069	572,922
<i>Total Governmental Activities Program Revenues</i>	<u>895,280</u>	<u>1,482,024</u>	<u>1,951,541</u>
Business-Type Activities:			
Charges for Services:			
Water Department (1)	31,303	27,111	66,812
Sewer Operating (2)	0	0	21,505
Capital Grants, Contributions and Interest	0	107,149	269,452
<i>Total Business-Type Activities Program Revenues</i>	<u>31,303</u>	<u>134,260</u>	<u>357,769</u>
<i>Total Primary Government Program Revenues</i>	<u>926,583</u>	<u>1,616,284</u>	<u>2,309,310</u>
Expenses:			
Governmental Activities:			
Current:			
General Government	1,368,528	2,370,105	2,549,858
Security of Persons and Property	2,407,965	1,801,658	2,252,398
Leisure Time Activities	667	0	0
Public Health	5,376	4,549	4,136
Economic Development	0	0	0
Transportation	537,134	261,669	947,510
Interest and Fiscal Charges	34,215	180,251	226,533
<i>Total Governmental Activities Expenses</i>	<u>4,353,885</u>	<u>4,618,232</u>	<u>5,980,435</u>
Business-Type Activities:			
Water Department	118,331	333,428	288,508
Sewer Operating	0	56,548	140,098
<i>Total Business-Type Activities Expenses</i>	<u>118,331</u>	<u>389,976</u>	<u>428,606</u>
<i>Total Primary Government Expenses</i>	<u>\$4,472,216</u>	<u>\$5,008,208</u>	<u>\$6,409,041</u>

2007	2008	2009	2010
\$132,499	\$102,638	\$318,580	\$760,819
352,411	445,672	438,413	380,730
2,350	1,340	8,650	5,650
1,325	1,925	1,225	2,038
1,003,649	1,093,240	1,207,084	1,567,345
389,589	317,078	884,827	1,231,631
<u>1,881,823</u>	<u>1,961,893</u>	<u>2,858,779</u>	<u>3,948,213</u>
193,040	112,285	48,037	66,178
6,384	8,986	828	2,577
0	0	98,773	0
<u>199,424</u>	<u>121,271</u>	<u>147,638</u>	<u>68,755</u>
<u>2,081,247</u>	<u>2,083,164</u>	<u>3,006,417</u>	<u>4,016,968</u>
1,699,954	1,665,425	2,102,857	3,078,190
3,081,544	3,181,958	3,103,331	3,314,654
0	0	0	0
5,101	4,591	3,557	4,576
0	0	16,883	7,935
1,174,423	1,292,387	1,201,965	1,413,580
229,427	230,230	226,296	234,683
<u>6,190,449</u>	<u>6,374,591</u>	<u>6,654,889</u>	<u>8,053,618</u>
120,237	113,795	161,076	149,372
137,465	139,324	233,626	218,839
<u>257,702</u>	<u>253,119</u>	<u>394,702</u>	<u>368,211</u>
<u>\$6,448,151</u>	<u>\$6,627,710</u>	<u>\$7,049,591</u>	<u>\$8,421,829</u>

(continued)

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

	2004	2005	2006
Net (Expense) / Revenue:			
Governmental Activities	(\$3,458,605)	(\$3,136,208)	(\$4,028,894)
Business-Type Activities	(87,028)	(255,716)	(70,837)
<i>Total Primary Government Net Assets</i>	<u>(3,545,633)</u>	<u>(3,391,924)</u>	<u>(4,099,731)</u>
General Revenues and Transfers:			
Governmental Activities:			
Property Taxes Levied for General Purposes	342,712	364,204	383,670
Property Taxes Levied for Police	1,022,788	1,098,323	1,105,558
Property Taxes Levied for Fire	405,506	421,057	443,579
Property Taxes Levied for EMS	176,307	184,599	193,639
Other Local Taxes	336,326	262,708	507,230
Increment Taxes	0	0	0
Municipal Income Taxes Levied for General Purposes	852,187	1,459,448	1,578,201
Municipal Income Taxes Levied for Capital Outlay	429,971	698,190	811,251
Grants and Entitlements not Restricted to Specific Programs	820,270	579,344	514,987
Contributions	12,331	0	0
Investment Income	2,622	98,999	173,067
Investment in Joint Venture	0	0	0
Other	90,905	107,922	107,846
Transfers	0	0	(202,352)
<i>Total Governmental Activities General Revenues and Transfers</i>	<u>4,491,925</u>	<u>5,274,794</u>	<u>5,616,676</u>
Business-Type Activities:			
Other	0	1,150	0
Transfers	0	0	202,352
<i>Total Business-Type Activities General Revenues and Transfers</i>	<u>0</u>	<u>1,150</u>	<u>202,352</u>
Prior Year Restatement of Governmental Type Net Assets	0	0	(95,126)
Prior Year Restatement of Business-Type Net Assets	0	0	0
Change in Net Assets:			
Governmental Activities	1,033,320	2,138,586	1,492,656
Business-Type Activities	(87,028)	(254,566)	131,515
<i>Total Primary Government</i>	<u>\$946,292</u>	<u>\$1,884,020</u>	<u>\$1,624,171</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

2007	2008	2009	2010
(\$4,308,626)	(\$4,412,698)	(\$3,796,110)	(\$4,105,405)
(58,278)	(131,848)	(247,064)	(299,456)
(4,366,904)	(4,544,546)	(4,043,174)	(4,404,861)
374,624	374,000	391,904	368,775
1,085,879	1,076,541	1,228,963	1,217,195
423,706	421,228	814,478	798,572
184,206	183,452	180,448	179,062
335,198	206,438	216,829	224,968
0	0	199,876	187,734
1,311,919	1,280,281	1,364,296	1,422,784
607,727	727,648	686,419	704,294
534,113	550,153	297,537	1,043,924
0	0	0	0
178,584	85,905	23,668	10,657
0	12,955	(8,656)	4,121
168,012	217,289	186,815	84,781
(202,234)	(262,233)	(185,622)	(201,193)
5,001,734	4,873,657	5,396,955	6,045,674
0	13	0	0
202,234	262,233	185,622	201,193
202,234	262,246	185,622	201,193
753,992	(750,051)	0	0
21,397	0	0	0
1,447,100	(289,092)	1,600,845	1,940,269
165,353	130,398	(61,442)	(98,263)
\$1,612,453	(\$158,694)	\$1,539,403	\$1,842,006

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

	2004	2005	2006
Function / Program:			
Governmental Activities:			
General Government	\$54,892	\$357,923	\$783,323
Security of Persons and Property	353,681	623,878	624,108
Public Health	800	4,625	4,125
Transportation	485,907	495,598	539,985
<i>Total Governmental Activities Program Revenues</i>	895,280	1,482,024	1,951,541
Business-Type Activities:			
Water Department	31,303	130,227	112,469
Sewer Operating	0	4,033	245,300
<i>Total Business-Type Activities Program Revenues</i>	31,303	134,260	357,769
<i>Total Primary Government Program Revenues</i>	\$926,583	\$1,616,284	\$2,309,310

2007	2008	2009	2010
\$606,334	\$595,918	\$1,295,181	\$2,488,113
613,690	769,283	966,548	840,695
2,350	1,340	8,650	5,650
659,449	595,352	588,400	613,755
1,881,823	1,961,893	2,858,779	3,948,213
193,040	112,285	146,810	66,178
6,384	8,986	828	2,577
199,424	121,271	147,638	68,755
\$2,081,247	\$2,083,164	\$3,006,417	\$4,016,968

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

	2001	2002	2003	2004
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	23,351	68,376	128,863	77,786
Unreserved	966,509	1,056,776	687,905	1,322,683
<i>Total General Fund</i>	989,860	1,125,152	816,768	1,400,469
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	174,066	243,079	408,995	243,191
Unreserved, Undesignated (Deficit) Reported in:				
Special Revenue Funds	856,525	650,808	733,282	1,077,057
Debt Service Fund	0	0	0	0
Capital Projects Funds	(237,791)	(497,824)	96,248	3,093,024
<i>Total All Other Governmental Funds</i>	792,800	396,063	1,238,525	4,413,272
<i>Total Governmental Funds</i>	\$1,782,660	\$1,521,215	\$2,055,293	\$5,813,741

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

2005	2006	2007	2008	2009(1)	2010
\$0	\$0	\$0	\$19,893	\$20,339	\$3,770
0	0	0	0	48,086	69,572
0	0	0	1,519,538	1,451,057	2,452,922
141,169	142,351	59,053	0	0	0
1,917,869	1,789,609	1,734,915	0	0	0
<u>2,059,038</u>	<u>1,931,960</u>	<u>1,793,968</u>	<u>1,539,431</u>	<u>1,519,482</u>	<u>2,526,264</u>
0	0	0	45,297	45,122	2,131
0	0	0	1,320,123	1,559,714	1,912,706
0	0	0	110,257	115,464	105,984
0	0	0	(352,411)	(233,760)	(183,771)
136,530	210,896	110,316	0	0	0
1,328,413	1,090,855	945,875	0	0	0
4,431	5,617	10,257	0	0	0
454,323	506,205	681,450	0	0	0
<u>1,923,697</u>	<u>1,813,573</u>	<u>1,747,898</u>	<u>1,123,266</u>	<u>1,486,540</u>	<u>1,837,050</u>
<u>\$3,982,735</u>	<u>\$3,745,533</u>	<u>\$3,541,866</u>	<u>\$2,662,697</u>	<u>\$3,006,022</u>	<u>\$4,363,314</u>

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

	2001	2002	2003	2004
Revenues:				
Property Taxes	\$2,146,736	\$2,239,105	\$2,222,997	\$2,341,468
Increment Taxes (1)	0	0	0	0
Other Local Taxes (2)	0	0	0	0
Municipal Income Taxes	0	0	0	1,184,355
Intergovernmental	2,034,908	1,696,953	1,648,301	1,294,237
Charges for Services	127,143	240,292	264,812	301,520
Licenses and Permits	22,229	31,918	27,589	7,960
Fines and Forfeitures	0	0	0	22,263
Contributions and Donations	66,370	77,712	400	12,331
Investment Income	97,840	81,178	28,500	32,442
Special Assessments	26,747	31,056	22,765	22,128
Impact Fees	0	0	0	0
Other	65,766	38,011	43,869	95,932
<i>Total Revenues</i>	<u>4,587,739</u>	<u>4,436,225</u>	<u>4,259,233</u>	<u>5,314,636</u>
Expenditures:				
Current:				
General Government	861,745	788,044	762,008	1,572,028
Security of Persons and Property	2,033,113	2,127,539	2,362,097	2,388,868
Leisure Time Activities	0	0	0	667
Public Health	7,393	3,410	6,910	5,376
Economic Development	0	0	0	0
Community Environment	87,233	86,588	106,591	0
Transportation	538,912	785,432	663,815	586,560
Intergovernmental	0	0	0	0
Capital Outlay	661,085	805,690	1,370,997	0
Debt Service:				
Principal Retirement	77,606	83,493	33,255	1,616,253
Interest and Fiscal Charges	26,025	21,548	19,482	21,449
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>4,293,112</u>	<u>4,701,744</u>	<u>5,325,155</u>	<u>6,191,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>294,627</u>	<u>(265,519)</u>	<u>(1,065,922)</u>	<u>(876,565)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	5,981	4,074	0	0
General Obligation Bonds Issued	0	0	0	0
Proceeds from Refunding Notes	0	0	0	0
Premium on Debt Issued	0	0	0	0
Notes Issued	0	0	1,600,000	4,500,000
Proceeds of Loan	0	0	0	0
Proceeds from Capital Lease	5,512	0	0	135,013
Transfers-In	200,000	337,500	524,052	278,442
Current Refunding	0	0	0	0
Transfers-Out	(200,000)	(337,500)	(524,052)	(278,442)
<i>Total Other Financing Sources (Uses)</i>	<u>11,493</u>	<u>4,074</u>	<u>1,600,000</u>	<u>4,635,013</u>
<i>Net Change in Fund Balances</i>	<u>\$306,120</u>	<u>(\$261,445)</u>	<u>\$534,078</u>	<u>\$3,758,448</u>
<i>Debt Service as a Percentage of Noncapital Expenditures (3)</i>	2.9%	2.8%	1.4%	28.3%

(1) Prior to 2008 the City did not separate Increment and Other Local Taxes.

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

(3) Between 2004 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.

2005	2006	2007	2008	2009	2010
\$2,434,127	\$2,132,002	\$2,071,635	\$2,063,329	\$2,558,467	\$2,547,791
0	0	0	115,173	138,449	187,734
0	406,845	371,060	199,928	213,638	220,051
1,882,105	2,072,428	2,000,105	2,003,061	1,998,627	2,105,083
1,639,988	1,917,568	1,736,282	1,923,306	1,801,731	4,023,219
341,039	360,292	379,355	393,877	648,425	1,001,862
8,315	10,626	10,144	11,806	4,658	6,816
13,624	13,526	20,519	17,851	17,231	20,512
0	0	0	0	0	0
142,245	235,838	246,821	97,086	27,644	11,676
22,124	22,228	22,718	28,991	28,576	38,026
0	63,032	40,350	18,264	2,427	6,721
107,554	108,214	104,369	217,289	186,515	85,081
6,591,121	7,342,599	7,003,358	7,089,961	7,626,388	10,254,572
5,647,391	3,627,015	2,673,903	3,018,325	2,594,614	1,983,546
2,454,231	2,806,686	2,906,093	2,996,332	3,025,428	3,139,635
0	0	0	0	0	0
4,549	4,136	5,101	4,591	3,557	4,576
0	0	0	0	16,883	7,935
0	0	0	0	0	0
753,543	879,686	1,015,617	1,035,123	925,970	1,020,519
0	0	0	44,342	0	0
0	0	0	0	0	3,549,111
69,973	357,611	347,434	389,680	317,089	273,999
182,830	211,590	222,743	218,504	213,900	216,766
98,022	0	0	0	0	76,506
9,210,539	7,886,724	7,170,891	7,706,897	7,097,441	10,272,593
(2,619,418)	(544,125)	(167,533)	(616,936)	528,947	(18,021)
0	0	0	0	0	0
4,500,000	0	0	0	0	1,515,000
1,600,000	0	0	0	0	0
98,022	0	0	0	0	61,506
0	0	0	0	0	0
198,390	0	0	0	0	0
492,000	509,275	166,100	0	0	0
793,605	1,648,523	1,470,804	1,163,496	785,583	496,215
(6,100,000)	0	0	0	0	0
(793,605)	(1,850,875)	(1,673,038)	(1,425,729)	(971,205)	(697,408)
788,412	306,923	(36,134)	(262,233)	(185,622)	1,375,313
(\$1,831,006)	(\$237,202)	(\$203,667)	(\$879,169)	\$343,325	\$1,357,292
6.6%	9.5%	9.3%	9.7%	9.2%	6.3%

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
2001	2,107,593	0	2,107,593
2002	2,239,105	0	2,239,105
2003	2,222,997	0	2,222,997
2004 (1)	2,341,468	1,184,355	3,525,823
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

(1) Beginning in 2004, the City started collecting a voter approved 1.5 percent municipal income tax.

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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
2001	\$195,821,450	\$12,701,070	\$595,778,629	\$9,256,180	\$10,518,386
2002	198,251,620	12,087,280	600,968,286	6,811,490	7,740,330
2003	220,594,270	14,047,960	670,406,371	6,969,700	7,920,114
2004	223,733,540	13,378,050	677,461,686	6,750,130	7,670,602
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

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	
\$1,865,725	\$7,462,900	\$219,644,425	\$601,306,098	36.53%	10.13%
2,144,783	8,579,132	219,295,173	599,187,353	36.60	9.30
2,287,021	9,148,084	243,898,951	664,021,629	36.73	9.29
2,422,986	9,691,944	246,284,706	694,824,232	35.45	9.28
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	10.32
111,170	889,360	271,402,330	767,554,234	35.36	10.34

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

	2001	2002	2003	2004
Unvoted Millage				
Operating	\$1.60000	\$1.60000	\$1.60000	\$1.60000
Voted Millage - by levy				
1976 Police				
Residential/Agricultural Real	0.6741	0.6100	0.6100	0.6084
Commercial/Industrial and Public Utility Real	1.2690	1.0753	1.0753	1.0767
General Business and Public Utility Personal	2.6800	2.6800	2.6800	2.6800
1998 Police				
Residential/Agricultural Real	1.3821	1.2507	1.2507	1.2475
Commercial/Industrial and Public Utility Real	1.4997	1.2708	1.2708	1.2725
General Business and Public Utility Personal	1.5000	1.5000	1.5000	1.5000
1998 Police - Replaced in 2008				
Residential/Agricultural Real	3.2249	2.9183	2.9183	2.9107
Commercial/Industrial and Public Utility Real	3.4993	2.9652	2.9652	2.9691
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	2.1193	1.9179	1.9179	1.9129
Commercial/Industrial and Public Utility Real	2.2996	1.9490	1.9490	1.9515
General Business and Public Utility Personal	2.3000	2.3000	2.3000	2.3000
1998 Fire District				
Residential/Agricultural Real	0.9214	0.8339	0.8339	0.8317
Commercial/Industrial and Public Utility Real	0.9998	0.8474	0.8474	0.8485
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
Total Voted Millage by Type of Property				
Residential/Agricultural Real	8.32180	7.53080	7.53080	7.51120
Commercial/Industrial and Public Utility Real	9.56740	8.10770	8.10770	8.11830
General Business and Public Utility Personal	10.98000	10.98000	10.98000	10.98000
Total Millage by Type of Property				
Residential/Agricultural Real	9.92180	9.13080	9.13080	9.11120
Commercial/Industrial and Public Utility Real	11.16740	9.70770	9.70770	9.71830
General Business and Public Utility Personal	12.58000	12.58000	12.58000	12.58000

2005	2006	2007	2008	2009	2010
\$1.60000	\$1.60000	\$1.60000	\$1.60000	\$1.60000	\$1.60000
0.6074	0.5715	0.5716	0.5700	0.5651	0.5682
1.0766	0.9983	1.0043	1.0038	0.9484	0.9357
2.6800	2.6800	2.6800	2.6800	2.6800	2.6800
1.2454	1.1717	1.1719	1.1687	1.1585	1.1650
1.2724	1.1798	1.1869	1.1862	1.1208	1.1570
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
2.9059	2.7340	2.7344	2.7269	3.4695	3.4888
2.9688	2.7528	2.7693	2.7678	3.3069	3.2625
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
1.9097	1.7969	1.7971	1.7922	3.4697	3.4697
1.9514	1.8086	1.8194	1.8184	3.3064	3.3064
2.3000	2.3000	2.3000	2.3000	3.5000	3.5000
0.8303	0.7813	0.7814	0.7792	0.0000	0.0000
0.8484	0.7863	0.7911	0.7906	0.0000	0.0000
1.0000	1.0000	1.0000	1.0000	0.0000	0.0000
7.49870	7.05540	7.05640	7.03700	8.66280	8.69170
8.11760	7.52580	7.57100	7.56680	8.68250	8.66160
10.98000	10.98000	10.98000	10.98000	11.18000	11.18000
9.09870	8.65540	8.65640	8.63700	10.26280	10.29170
9.71760	9.12580	9.17100	9.16680	10.28250	10.26160
12.58000	12.58000	12.58000	12.58000	12.78000	12.78000

(continued)

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

Overlapping Rates by Taxing District	2001	2002	2003	2004
Northmont School District				
Residential/Agricultural Real	\$30.8410	\$30.7310	\$28.0041	\$33.6824
Commercial/Industrial and Public Utility Real	35.8719	35.6492	31.4708	37.2891
General Business and Public Utility Personal	58.8300	58.8000	58.3500	64.1500
Trotwood-Madison School District				
Residential/Agricultural Real	39.3770	39.6467	47.4226	47.2126
Commercial/Industrial and Public Utility Real	43.5789	45.2203	51.6159	51.5069
General Business and Public Utility Personal	52.6400	52.9100	61.0500	60.8500
Brookville School District				
Residential/Agricultural Real	30.0433	29.9119	35.8699	35.8140
Commercial/Industrial and Public Utility Real	36.4068	36.0303	40.7727	40.4013
General Business and Public Utility Personal	57.0900	57.0800	65.0600	65.0600
Sinclair Community College				
Residential/Agricultural Real	0.0000	0.0000	0.0000	2.0190
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	2.1749
General Business and Public Utility Personal	0.0000	0.0000	0.0000	2.5000
Montgomery County				
Residential/Agricultural Real	14.1326	14.1053	12.7219	13.1094
Commercial/Industrial and Public Utility Real	15.8608	15.8389	14.5574	14.1786
General Business and Public Utility Personal	17.2400	17.2400	17.2400	15.7400
Special Taxing Districts (1)				
Residential/Agricultural Real	2.2365	2.2361	2.5161	2.5049
Commercial/Industrial and Public Utility Real	2.5278	2.5084	2.5632	2.5676
General Business and Public Utility Personal	2.8400	2.8400	2.8400	2.8400

Source: Montgomery County Auditor

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

2005	2006	2007	2008	2009	2010
\$33.5861	\$31.8522	\$31.7846	\$37.6076	\$37.8629	\$37.9403
37.6443	36.5464	36.5338	42.4345	40.2311	40.7000
64.1500	64.1500	64.1500	70.0500	70.0500	70.0500
47.1064	43.9139	43.9060	43.9211	44.7575	45.4855
51.7235	49.8603	50.1742	50.7206	47.6358	49.7925
60.7000	60.0600	60.0600	60.0600	60.0600	60.0600
35.6903	33.5760	33.6254	33.4836	37.4278	37.4905
40.4597	40.2386	40.4653	40.5158	43.3680	43.6010
65.0600	65.0400	65.0400	65.0400	69.0300	69.0300
2.0144	1.8234	1.8224	1.8199	3.2000	3.2000
2.1806	2.0774	2.0840	2.0737	3.1026	3.1409
2.5000	2.5000	2.5000	2.5000	3.2000	3.2000
13.0835	12.0043	11.9987	16.0261	16.1213	16.4987
14.1955	13.6040	13.6420	16.6010	16.1475	16.5949
15.7400	15.7400	15.7400	17.7400	17.7400	17.7400
3.5228	3.2372	3.2262	3.1931	3.1847	3.8033
3.5987	3.4506	3.4641	3.4395	3.3231	3.9407
3.8300	3.8300	3.8300	3.8300	3.8300	4.3300

City of Clayton, Ohio
Principal Property Tax Payers
2010 and 2006 (1)

Taxpayer	2010	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$4,659,770	1.72%
Tilak Nagar/Stoneridge	2,469,030	0.91%
Pleasant Real Estate LLC	1,754,290	0.64%
Garden Woods Apartments	1,431,360	0.53%
LGH Properties	1,343,600	0.49%
Randolph Investments LLC	970,510	0.36%
Greenglen Apartments of Dayton	652,630	0.24%
Louis Fanty A. Jr.	549,300	0.20%
Vectren Energy	461,870	0.17%
Stone Tree Properties	422,140	0.16%
Total Real and Personal Property	14,714,500	5.42%
All Others	256,687,830	94.58%
Total Assessed Valuation	\$271,402,330	100.00%
Taxpayer	2006	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$3,989,200	1.49%
Tilak Nagar/Stoneridge	1,945,370	0.73%
Garden Woods Apartments	1,661,670	0.62%
LGH Properties	1,265,480	0.47%
Pleasant Real Estate LLC	944,870	0.35%
Verizon North	940,820	0.35%
Randolph Investments LLC	911,850	0.34%
Louis Fanty A. Jr.	781,110	0.29%
Greenglen Apartments of Dayton	622,350	0.23%
MB Hussain LLC	496,020	0.19%
Total Real and Personal Property	13,558,740	5.06%
All Others	254,295,658	94.94%
Total Assessed Valuation	\$267,854,398	100.00%

Source: Montgomery County Auditor

(1) Information prior to 2006 is unavailable.

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

<u>Collection Year</u>	<u>Total Tax Levied (1)</u>	<u>Current Tax Collection (1)</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collection (2)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Total Levy</u>
2001	\$2,234,420	\$2,210,156	98.91%	\$59,142	\$2,269,298	101.56%
2002	2,356,324	2,279,078	96.72%	62,215	2,341,293	99.36%
2003	2,362,074	2,333,517	98.79%	77,248	2,410,765	102.06%
2004	2,305,743	2,218,299	96.21%	54,778	2,273,077	98.58%
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%

Source: Montgomery County Auditor

- (1) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (2) Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. The County does not identify delinquent collections by the year for which the tax was levied.

City of Clayton, Ohio
Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Outstanding Debt	
	Improvement Notes	General Obligation Bonds	Communication Equipment Loan	Capital Leases	Water Line Loan		OWDA Loan
2001	\$650,000	\$0	\$0	\$118,656	\$0	\$0	\$768,656
2002	650,000	0	0	35,163	0	0	685,163
2003	1,600,000	0	0	1,908	0	0	1,601,908
2004	4,500,000	0	0	120,668	4,464,274	0	9,084,942
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

(1) Computation of per capita personal income multiplied by population - See Demographic and Economic Statistical Table, Page 127

(2) Source: 2010 Census

Total Personal Income (1)	Population (2)	Ratio of Debt to Total Personal Income	Debt Per Capita
\$390,546,567	13,347	0.20%	\$57.59
390,546,567	13,347	0.18%	51.33
390,546,567	13,347	0.41%	120.02
390,546,567	13,347	2.33%	680.67
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
390,546,567	13,347	3.10%	906.88
392,056,329	13,209	3.79%	1,124.91

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

Fiscal Year	General Bonded Debt (1)	Estimated Actual Value (2)	Population (3)	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

Source: (1) The City of Clayton did not have General Bonded Debt prior to January 1, 2005.
 (2) Montgomery County Auditor
 (3) 2010 Census

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

	2001	2002	2003
Total Assessed Valuation	\$219,644,425	\$219,295,173	\$243,898,951
Overall debt limitation - 10.5% of assessed valuation	<u>23,062,665</u>	<u>23,025,993</u>	<u>25,609,390</u>
Gross indebtedness authorized by the City	650,000	650,000	1,600,000
Less Exempt Debt			
State Route 48 Improvement Note	650,000	650,000	1,600,000
Road Improvement Notes	0	0	0
Water Line Loan	0	0	0
Various Purpose Bond - State Route 48 Improvement Portion	0	0	0
OWDA Loan	<u>0</u>	<u>0</u>	<u>0</u>
Total Exempt Debt	<u>650,000</u>	<u>650,000</u>	<u>1,600,000</u>
Net Debt Subject to Limitation	0	0	0
Less amount available in the Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin within 10.5% limitation	<u>\$23,062,665</u>	<u>\$23,025,993</u>	<u>\$25,609,390</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.0%	100.0%	100.0%
<hr/>			
Unvoted debt limitation 5.5% of assessed valuation	\$12,080,443	\$12,061,235	\$13,414,442
Gross indebtedness authorized by the City	<u>650,000</u>	<u>650,000</u>	<u>1,600,000</u>
Less Exempt Debt			
State Route 48 Improvement Note	650,000	650,000	1,600,000
Road Improvement Notes	0	0	0
Water Line Loan	0	0	0
Various Purpose Bond - State Route 48 Improvement Portion	0	0	0
OWDA Loan	<u>0</u>	<u>0</u>	<u>0</u>
Total Exempt Debt	<u>650,000</u>	<u>650,000</u>	<u>1,600,000</u>
Net Debt Subject to Limitation	0	0	0
Less amount available in the Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin within 5.5% limitation	<u>\$12,080,443</u>	<u>\$12,061,235</u>	<u>\$13,414,442</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.0%	100.0%	100.0%

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

2004	2005	2006	2007	2008	2009	2010
\$246,284,706	\$248,985,717	\$267,854,398	\$268,432,228	\$269,449,436	\$272,581,400	\$271,402,330
25,859,894	26,143,500	28,124,712	28,185,384	28,292,191	28,621,047	28,497,245
8,964,274	10,386,159	12,198,322	11,947,694	11,659,865	11,481,031	14,298,466
1,600,000	0	0	0	0	0	0
0	0	0	0	0	0	1,505,000
4,464,274	4,444,874	4,397,685	4,261,676	4,232,359	4,232,359	4,232,359
0	1,600,000	0	0	0	0	0
0	1,242,895	3,283,377	3,354,891	3,287,506	3,233,672	3,161,107
6,064,274	7,287,769	7,681,062	7,616,567	7,519,865	7,466,031	8,898,466
2,900,000	3,098,390	4,517,260	4,331,127	4,140,000	4,015,000	5,400,000
0	4,431	5,617	10,257	10,257	15,464	5,984
2,900,000	3,093,959	4,511,643	4,320,870	4,129,743	3,999,536	5,394,016
\$22,959,894	\$23,049,541	\$23,613,069	\$23,864,514	\$24,162,448	\$24,621,511	\$23,103,229
88.8%	88.2%	84.0%	84.7%	85.4%	86.0%	81.1%
\$13,545,659	\$13,694,214	\$14,731,992	\$14,763,773	\$14,819,719	\$14,991,977	\$14,927,128
8,964,274	10,386,159	12,198,322	11,947,694	11,659,865	11,481,031	14,298,466
1,600,000	0	0	0	0	0	0
0	0	0	0	0	0	1,505,000
4,464,274	4,444,874	4,397,685	4,261,676	4,232,359	4,232,359	4,232,359
0	1,600,000	0	0	0	0	0
0	1,242,895	3,283,377	3,354,891	3,287,506	3,233,672	3,161,107
6,064,274	7,287,769	7,681,062	7,616,567	7,519,865	7,466,031	8,898,466
2,900,000	3,098,390	4,517,260	4,331,127	4,140,000	4,015,000	5,400,000
0	4,431	5,617	10,257	10,257	15,464	5,984
2,900,000	3,093,959	4,511,643	4,320,870	4,129,743	3,999,536	5,394,016
\$10,645,659	\$10,600,255	\$10,220,349	\$10,442,903	\$10,689,976	\$10,992,441	\$8,904,450
78.6%	77.4%	69.4%	70.7%	72.1%	73.3%	59.7%

City of Clayton, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2010

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	\$5,604,576	100.00%	\$5,604,576
Capital Lease Obligations	<u>355,847</u>	100.00%	<u>355,847</u>
Total Direct Debt	<u>5,960,423</u>		<u>5,960,423</u>
Overlapping Debt:			
Montgomery County			
General Obligation Bonds	38,913,573	2.66%	1,035,101
Special Assessment Bonds	1,827,758	2.66%	48,618
Trotwood-Madison School District (2)			
School Improvement Bonds, Refunding	33,316,488	2.77%	922,867
Energy Conservation Note Payable	9,512,665	2.77%	263,501
Brookville School District (2)			
School Construction Bonds, Refunding	21,447,921	1.85%	396,787
Greater Dayton Regional Transit Authority			
Capital Facility Bonds	<u>1,795,000</u>	2.66%	<u>47,747</u>
Total Overlapping Debt	<u>106,813,405</u>		<u>2,714,621</u>
Grand Total	<u><u>\$112,773,828</u></u>		<u><u>\$8,675,044</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, 2010.

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)
2001	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	219,644,425
2002	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	219,295,173
2003	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	243,898,951
2004	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	246,284,706
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

Source: (1) 2010 Census
(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

2010 and 2006 (1)

Employer	2010	
	Total Employees	Percentage of Total Employees
Northmont Board of Education	287	8.37%
Stillwater Center	193	5.63%
Dayton Meadowbrook	91	2.65%
City of Clayton	81	2.36%
Landes Meats, Inc.	65	1.90%
Anchor Fabricating	42	1.22%
Cottages of Clayton	33	0.96%
Salem Christian Academy	22	0.64%
Studebaker Electric	21	0.61%
Dayton Respiratory	13	0.38%
Total Employees	848	24.72%
All Other Employers	2,582	75.28%
Total Employees	3,430	100.00%

Source: City's records

(1) Information prior to 2006 is unavailable

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:	2001		2002		2003		2004	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government:								
Administration	8	8	9	13	7	17	7	19
Police	14	14	15	26	15	23	15	22
Fire/EMS	5	45	6	50	6	49	5	52
Street	10	6	7	8	8	13	8	14
<i>Total Number of Employees</i>	<u>37</u>	<u>73</u>	<u>37</u>	<u>97</u>	<u>36</u>	<u>102</u>	<u>35</u>	<u>107</u>

Source: City's records

2005		2006		2007		2008		2009		2010	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
9	11	10	11	8	17	8	17	9	17	7	16
13	18	13	24	16	25	17	22	14	21	18	24
4	44	7	44	7	40	7	41	7	39	7	29
10	11	8	11	7	10	8	11	8	11	8	12
<u>36</u>	<u>84</u>	<u>38</u>	<u>90</u>	<u>38</u>	<u>92</u>	<u>40</u>	<u>91</u>	<u>38</u>	<u>88</u>	<u>40</u>	<u>81</u>

City of Clayton, Ohio
Operating Indicators by Function/Program
Last Eight Years (1)

	2003	2004	2005
Police			
Police Calls	12,892	11,203	10,263
Fire/EMS			
Fire and EMS Calls	1,376	1,494	1,788
Street			
Dollars for Road Improvement	\$119,823	\$150,285	\$130,240
Miles of Roads	197	197	197
Tons of Salt Spread	791	700	400
Tons of Grit Spread	1,037	1,500	200

Source: City's records

(1) Information prior to 2002 is not available.

2006	2007	2008	2009	2010
10,233	10,178	7,146	7,136	6,829
1,739	1,710	1,959	1,287	1,825
\$520,368	\$861,720	\$1,034,836	\$499,180	\$2,614,371
197	197	197	212	212
350	350	930	490	1,918
118	118	220	0	20

City of Clayton, Ohio
Capital Assets Statistics by Function/Program
Last Seven Years (1)

	2004	2005	2006	2007	2008	2009	2010
General Government							
Government Center	1	1	1	1	1	1	1
Community Center	1	1	1	1	1	1	1
Gazebo	1	1	1	1	1	1	1
Parks	3	3	3	3	4	4	4
Cemeteries	2	2	2	2	2	2	2
Vehicles	2	2	2	2	1	1	1
Police							
Stations	1	1	1	1	1	1	1
Patrol Vehicles							
Active	7	7	9	8	8	8	8
Auxilliary	8	5	6	5	4	4	4
Support Vehicles/Trailers	2	1	1	1	1	1	1
Fire							
Stations	3	3	3	3	3	3	3
Response Vehicles	12	6	6	6	6	6	6
Support Vehicles	2	3	3	3	3	3	3
EMS							
Medics Vehicles	5	4	4	4	3	3	3
Street							
Buildings	2	2	2	2	2	2	2
Trucks	14	10	10	11	8	8	9
Pickups	3	3	3	3	5	5	5
Mowers	7	5	5	5	5	5	5

Source: City's records

(1) Information prior to 2004 is not available.



Dave Yost • Auditor of State

CITY OF CLAYTON

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 26, 2011