

City of Clayton
Montgomery County, Ohio

Report on Internal Controls and Compliance
For Year Ended December 31, 2015



Dave Yost • Auditor of State

City Council
City of Clayton
6996 Taywood Road
Englewood, Ohio 45322

We have reviewed the *Independent Auditors' Report* of the City of Clayton, Montgomery County, prepared by Clark, Schaefer, Hackett & Co., for the audit period January 1, 2015 through December 31, 2015. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Clayton is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

August 11, 2016

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

City Council
City of Clayton, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Clayton, Ohio (the City), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 27, 2016, wherein we noted the City adopted the provisions of GASB Statements No. 68 and No. 71 for the year ended December 31, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency, described in the accompanying schedule of audit findings and responses as item 2015-001, which we consider to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of audit findings and responses. The City's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 27, 2016

Finding Number 2015-001: Audit Adjustments

The City contracts with an independent outside party to complete the annual conversion process to produce its annual financial statements. However, the ultimate responsibility for the preparation and fair presentation of financial statements that are free from material misstatements resides with the management of the City. The annual independent audit process cannot be considered a part of the City's internal control for detecting and correcting material misstatements contained within the financial statements. Auditing standards generally accepted in the United States of America require that certain audit adjustments should be communicated to those charged with governance.

During the audit, we determined amounts presented within the financial statements were not properly calculated or reported within the financial statements. The following noted adjustment was subsequently posted to the City's financial statements.

- The calculation used to establish the emergency medical services (EMS) receivable at year end did not include the appropriate balance reported at the end of the prior year. As a result, the amount reported for EMS receivable was understated by a total of \$186,694, and the charges for services revenue was understated by the same amount on the full accrual basis of accounting.

Other audit adjustments were also noted during the audit, which were not as significant and therefore not posted to the financial statement, included:

- The City is not accreting interest in the appropriate amount each year for its capital appreciation bonds reported for governmental activities. As such, the amounts being reported as capital appreciation bond principal and interest expense for the year are understated.
- The City's estimate for income taxes receivable at year did not contain a provision for delinquent amounts. While this amount is deemed insignificant, it is prudent to be aware of this amount on an annual basis so that proper management decisions can be made regarding the collection function.
- The budgetary statement presented for the general fund includes the activity of the emergency special revenue fund for the year. GAAP requires budgetary comparison schedules be presented as adopted by the local government and any prospective differences due to budgeting differences be reported as reconciling items.

Management's Response: Methodologies for all receivables will be discussed before accrual entries are prepared for 2016 CAFR.

Finding Number 2014-001: Audit Adjustments

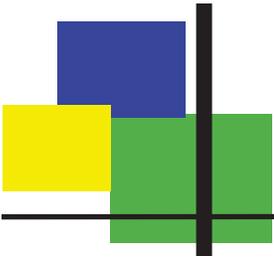
There were audit adjustments related to taxes receivable, accounts receivable and classification of general fund balance which were material to various opinion units of the City and were subsequently posted to the financial statements by the City.

Status: Reported as significant deficiency for 2015 – see audit finding 2015-001.



At Clark Schaefer Hackett, we are the sum of our individuals. Each team member's training, experience and drive is well-suited to each client's needs and goals. We are committed to providing insightful and flexible service – from efficient compliance to sophisticated consulting – to help each client prosper today and plan for future success.

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City of Clayton, Ohio

Comprehensive Annual Financial Report

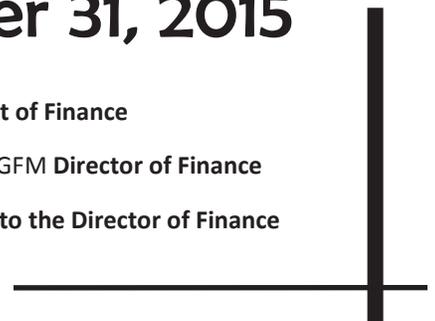


For the Year Ended December 31, 2015

Prepared by: **Department of Finance**

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

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



CITY OF CLAYTON, OHIO

MONTGOMERY COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

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
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June 27, 2016

Citizens of Clayton
Members of Council
City of Clayton, Ohio

We are pleased to present the eleventh Comprehensive Annual Financial Report (CAFR) for the City of Clayton. This report, for the year ended December 31, 2015, 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, 2015.

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

Clark Schaefer Hackett has issued an unmodified ("clean") opinion on the City of Clayton's financial statements for the year ended December 31, 2015. The Independent Auditors' Report is located at the front of the financial section of this report.

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

CITY OVERVIEW

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

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

CITY ORGANIZATION AND REPORTING ENTITY

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

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

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

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

The City participates in a joint venture, the Clay Township-City of Clayton Joint Economic Development District (the "District") with Clay Township. The District was established for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the District. The District will permit the City and the Township to share income tax revenues from the development of business operations within the District. The Miami Valley Regional Planning Commission is a jointly governed organization. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that City resources are efficiently used, that economic growth is properly balanced, and that City economic development is coordinated with that of the State of Ohio and other local governments. The City belongs to the Public Entitles Pool of Ohio, a risk-sharing pool available to Ohio local governments. These organizations are presented in Notes 17, 18 and 19.

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

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

ITEMS OF LOCAL INTEREST

Parks and Recreation

The City contains four parks covering 45.27 acres and provides year-round recreational and educational programs for its citizens. Hardscrabble Park is a 21.1 acre park that provides outdoor playing fields and is the home of the Clayton Hardscrabble Baseball League. Northview Playground is a 6.37 acre park with playground equipment, a picnic shelter and basketball courts. Westbrook Park is a 17.8 acre park with walking trails and tennis courts.

Culture and Education

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

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

Transportation

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

In November of 2003, the Clayton voters approved a 1.5 percent income tax which, in its twelfth full year of collection, generated \$2,958,434 in governmental fund revenue. In January 2005, in an attempt to increase the number of jobs within the City limits, the City of Clayton exercised its eight year-old option to purchase 143 acres of prime industrial land adjacent to I-70 for a commerce park. During 2006, the installation of the infrastructure for the commerce park was completed. During 2011, the City reached an agreement with Caterpillar Logistics Inc. to build a parts distribution center on the site of the current commerce park. The distribution center created an additional 684 jobs and additional income to the area.

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

To further enhance potential economic development opportunities, City Council continues to belong to the Montgomery County ED/GE program. The ED/GE program is a combined economic development/tax-sharing program whose participants include Montgomery County and its townships, villages and cities. The City was approved for an ED/GE program grant during 2010 and used the monies to purchase the additional land to expand the commerce park for the Caterpillar Logistics Inc. parts distribution center.

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

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

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

FINANCIAL PLANNING AND POLICIES

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

The City of Clayton contracts with the City of Vandalia to administer the tax ordinances and collect the City income taxes by the authority of those ordinances. In 2016, the Central Collection Agency will be performing the administering of the income tax collections due to the City of Vandalia ceasing its operations for external entities.

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

The following items are the goals established by City Council during their 2014 Goal Setting Workshop and were in place starting in 2015. These goals provide a plan for the City to continue the consistent, reliable service to the citizens, providing a safe and secure community as well as aiding in a solid economic development plan for the present and future. These goals directly affect the long-term financial planning and budgeting and are reviewed throughout the year as to the measure of striving or reaching these goals.

GOALS

A. Maintain Financial Stability

Priorities:

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

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

Priorities:

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

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

Priorities:

- Improve the appearance of the City
 - Main Street – streets, curbs, gutters and sidewalks
 - Salem Avenue – streets, curbs and gutters
 - Develop a budget to support the priorities
- Develop a Comprehensive Road Revitalization Plan and schedule
- Reach a decision about bringing sewer service to the Village area of Old Clayton
- Plan more community engagement activities
- Support the pathway from the YMCA to the High School

MAJOR INITIATIVES

The City received a donation of a golf course that was previously a country club. The City has established a three year plan to make this property a viable, self-supporting asset that adds to the amenities of the City of Clayton.

OTHER INFORMATION

Independent Audit

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clayton for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014. This was the twelfth year that the City of Clayton achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. Teri Birchfield, Assistant to the Finance Director, is to be commended for her continued contribution, effort and commitment. We would also like to express appreciation to the Montgomery County Auditor's office for their continued effort in helping gather the information presented in the report. Finally, we would like to express appreciation to Mr. Dave Yost, Auditor of State, and his Local Government Services staff for their guidance and assistance in preparing this report.

Respectively Submitted,



Richard C. Rose
City Manager



Kevin A. Schweitzer, CPA
Finance Director



Government Finance Officers Association

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

Presented to

**City of Clayton
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

City of Clayton, Ohio

Principal Officials

December 31, 2015

Elected Officials

Name	Title	Term Expires
Joyce Deitering	Mayor	12/31/2017
Tim Gorman	Vice-Mayor	12/31/2019
Kenneth C. Henning	Council	12/31/2019
Ray A. Slone, Jr.	Council	12/31/2019
Greg Merkle	Council	12/31/2017
Dennis Liberman	Council	12/31/2017
Tina Kelly	Council	12/31/2017

Appointed Officials

Name	Title	Appointing Authority
Richard Rose	City Manager	Pleasure of Council
Kevin A. Schweitzer, CPA	Finance Director	Pleasure of City Manager
Barbara Seim	Clerk of Council	Pleasure of Council
Martina Dillon	Law Director	Pleasure of Council
Rob Anderson	Director of Community Services and Economic Development Director	Pleasure of City Manager

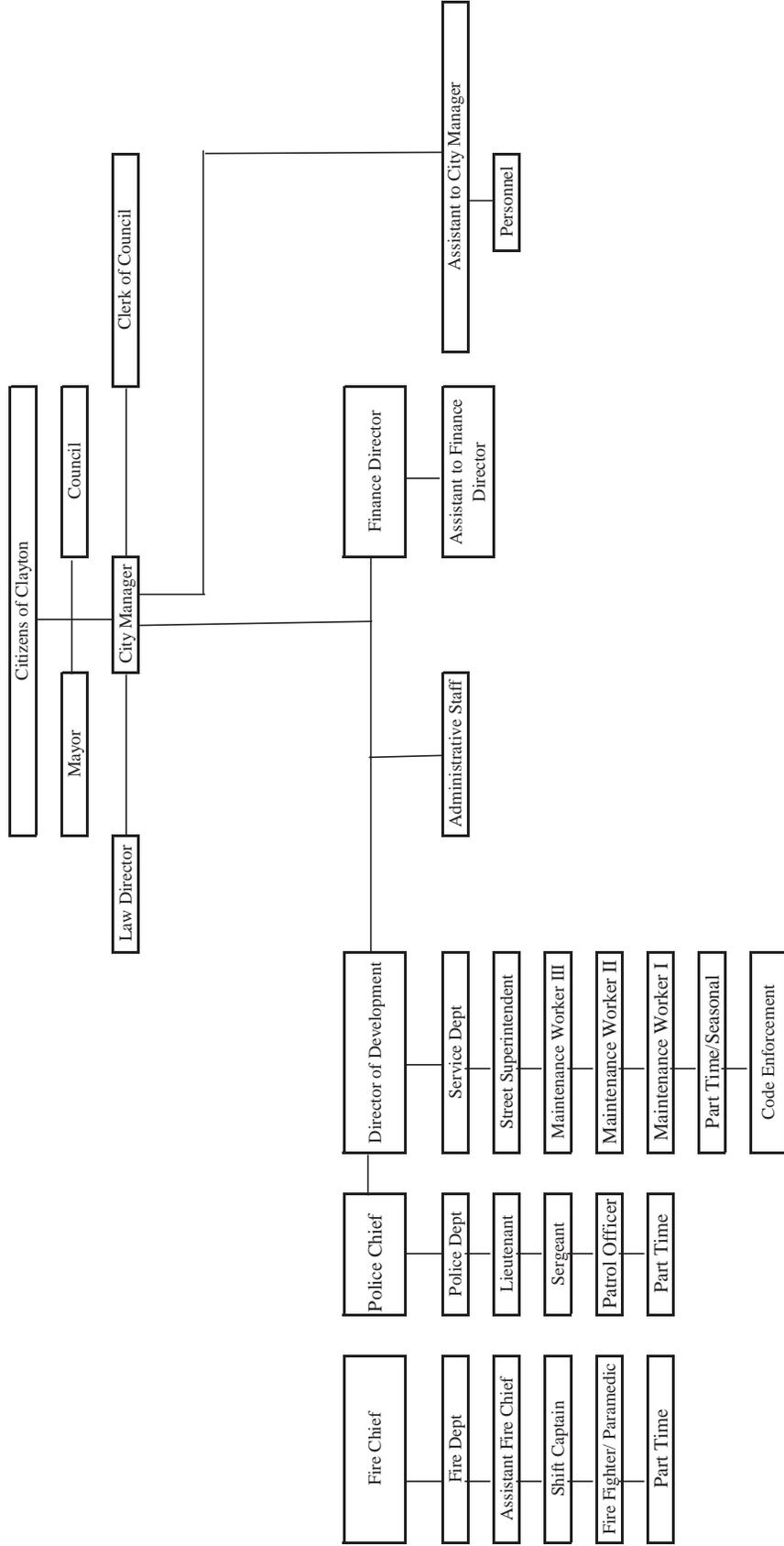
CITY OF CLAYTON ORGANIZATIONAL CHART

ADMINISTRATIVE OFFICES MISSION

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

SERVICE DEPARTMENT MISSION

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



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INDEPENDENT AUDITORS' REPORT

City Council
City of Clayton, Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Ohio (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Ohio, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General, Police, Street Department and Fire Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Change in Accounting Principle

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and related GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (page 3 - 11) and the schedules of the City's proportionate share of net pension liabilities and contributions (page 75 – 79) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Springfield, Ohio
June 27, 2016

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(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, 2015. 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

- Since 2013, Northmont City School District started construction on a new 270,000 square foot high school costing \$44 million. This construction was completed in late 2015. As of December 31, 2015, over \$71,000 has been collected in associated income tax. Demolition of the old high school will be completed by summer 2016.
- During the year the owner of the Meadowbrook County Club donated the land and buildings to the City.

USING THIS ANNUAL FINANCIAL REPORT

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

The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

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

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

City of Clayton, Ohio
Management's Discussion and Analysis
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In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities.

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

Business-Type Activities – These services consist of fees for water, sewer and golf customers and payments for water line installation to the City of Dayton. The intent is that the fees charged to cover all costs of operations.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page nine. 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, Sewer Operating, and Golf Course Funds.

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

THE CITY AS A WHOLE

As stated previously, the Statement of Net Position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2015 compared to 2014.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
Assets:						
Current and Other Assets	\$12,369,444	\$12,935,686	(\$7,901)	\$138,360	\$12,361,543	\$13,074,046
Capital Assets, Net	12,039,215	12,257,795	9,442,295	6,589,534	21,481,510	18,847,329
<i>Total Assets</i>	<u>24,408,659</u>	<u>25,193,481</u>	<u>9,434,394</u>	<u>6,727,894</u>	<u>33,843,053</u>	<u>31,921,375</u>
Deferred Outflow of Resources:						
Deferred Charge on Refunding Pension	363,521	390,616	0	0	363,521	390,616
	<u>623,037</u>	<u>408,360</u>	<u>16,698</u>	<u>0</u>	<u>639,735</u>	<u>408,360</u>
<i>Total Deferred Outflows of Resources</i>	<u>986,558</u>	<u>798,976</u>	<u>16,698</u>	<u>0</u>	<u>1,003,256</u>	<u>798,976</u>
Liabilities:						
Current and Other Liabilities	347,959	550,695	33,936	0	381,895	550,695
Long-Term Liabilities						
Net Pension Liability	4,266,008	4,067,512	0	0	4,266,008	4,067,512
Other Amounts	5,352,175	5,803,527	6,968,780	7,048,981	12,320,955	12,852,508
<i>Total Liabilities</i>	<u>9,966,142</u>	<u>10,421,734</u>	<u>7,002,716</u>	<u>7,048,981</u>	<u>16,968,858</u>	<u>17,470,715</u>
Deferred Inflow of Resources:						
Property Taxes	2,202,545	2,203,517	0	0	2,202,545	2,203,517
Payments in Lieu of Taxes	166,331	266,687	0	0	166,331	266,687
Pension	26,805	0	0	0	26,805	0
<i>Total Deferred Inflows of Resources</i>	<u>2,395,681</u>	<u>2,470,204</u>	<u>0</u>	<u>0</u>	<u>2,395,681</u>	<u>2,470,204</u> continued

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	2015	2014	2015	2014	2015	2014
Net Position:						
Net Investment in Capital Assets	7,410,232	7,273,119	2,481,770	(459,447)	9,892,002	6,813,672
Restricted for:						
Capital Outlay	699,574	984,057	0	0	699,574	984,057
Other Purposes	2,721,158	2,758,309	0	0	2,721,158	2,758,309
Unrestricted (Deficit)	2,202,430	2,085,034	(33,394)	138,360	2,169,036	2,223,394
<i>Total Net Position (Deficit)</i>	<u>\$13,033,394</u>	<u>\$13,100,519</u>	<u>\$2,448,376</u>	<u>(\$321,087)</u>	<u>\$15,481,770</u>	<u>\$12,779,432</u>

During 2015, the City adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the City’s proportionate share of each plan’s collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer’s promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to

City of Clayton, Ohio
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mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating net position at December 31, 2014, from \$16,759,671 to \$13,100,519.

Current and other assets of governmental activities decreased by \$566,242. This was due mainly to cash balances being utilized for improvements within the City. Capital assets decreased due to current year depreciation exceeded current year additions

Total liabilities of governmental activities decreased \$455,592 due to scheduled principal payments and a decrease in the compensated absences liability.

Net position of governmental activities decreased less than one percent from the prior year. Net investment in capital assets increased \$137,113 due to annual debt service payments. Net position restricted for capital outlay decreased \$284,483 due to projects scheduled for 2014 which were delayed until 2015.

Unrestricted net position of business-type activities had a decrease of \$171,754. Overall net position of business-type activities saw a \$2,769,463 increase in net position. This increase is due to the donation of land and buildings in relation to the Golf Course Fund.

Table 2 shows the changes in net position for the year ended December 31, 2015 compared to 2014.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$1,292,397	\$1,111,828	\$536,286	\$52,663	\$1,828,683	\$1,164,491
Operating Grants, Contributions and Interest	1,168,499	1,049,206	0	0	1,168,499	1,049,206
Capital Grants and Contributions	78,557	100,000	0	0	78,557	100,000
<i>Total Program Revenues</i>	<u>2,539,453</u>	<u>2,261,034</u>	<u>536,286</u>	<u>52,663</u>	<u>3,075,739</u>	<u>2,313,697</u>
General Revenues:						
Property Taxes	2,314,475	2,368,739	0	0	2,314,475	2,368,739
Other Local Taxes	296,470	291,372	0	0	296,470	291,372
Payment in Lieu of Taxes	402,260	336,282	0	0	402,260	336,282
Municipal Income Taxes	2,844,916	2,833,602	0	0	2,844,916	2,833,602
Grants and Entitlements not Restricted to Specific Programs	248,671	223,988	0	0	248,671	223,988
Investment Income	(21,121)	117,739	0	0	(21,121)	117,739
Investment in Joint Venture	1,349	5,191	0	0	1,349	5,191
Other	110,967	96,317	6,113	4,436	117,080	100,753
<i>Total General Revenues</i>	<u>6,197,987</u>	<u>6,273,230</u>	<u>6,113</u>	<u>4,436</u>	<u>6,204,100</u>	<u>6,277,666</u>
<i>Total Revenues</i>	<u>8,737,440</u>	<u>8,534,264</u>	<u>542,399</u>	<u>57,099</u>	<u>9,279,839</u>	<u>8,591,363</u>
Program Expenses:						
General Government	2,928,788	2,335,282	0	0	2,928,788	2,335,282
Security of Persons and Property	3,630,121	3,531,717	0	0	3,630,121	3,531,717
Public Health	6,873	390	0	0	6,873	390
Economic Development	10,277	15,303	0	0	10,277	15,303
Transportation	1,812,643	1,490,066	0	0	1,812,643	1,490,066
Interest and Fiscal Charges	164,670	182,614	0	0	164,670	182,614
Water Department	0	0	153,496	152,186	153,496	152,186
Sewer Operating	0	0	202,948	206,708	202,948	206,708
Golf Course	0	0	669,535	0	669,535	0
<i>Total Expenses</i>	<u>8,553,372</u>	<u>7,555,372</u>	<u>1,025,979</u>	<u>358,894</u>	<u>9,579,351</u>	<u>7,914,266</u>
<i>Increase (Decrease) in Net Position before Extraordinary Item and Transfers</i>						
	184,068	978,892	(483,580)	(301,795)	(299,512)	677,097
Extraordinary Item	0	0	3,001,850	0	3,001,850	0
Transfers	(251,193)	(301,790)	251,193	301,790	0	0
<i>Change in Net Position</i>	(67,125)	677,102	2,769,463	(5)	2,702,338	677,097
<i>Net Position at Beginning of Year - Restated (See Note 3)</i>						
	13,100,519	N/A	(321,087)	N/A	12,779,432	N/A
<i>Net Position at End of Year</i>	<u>\$13,033,394</u>	<u>\$13,100,519</u>	<u>\$2,448,376</u>	<u>(\$321,087)</u>	<u>\$15,481,770</u>	<u>\$12,779,432</u>

City of Clayton, Ohio
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The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$408,360 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the 2015 statements report pension expense of \$434,149. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-Type Activities	Total
Total 2015 program expenses under GASB 68	\$8,553,372	\$1,025,979	\$9,579,351
Pension expense under GASB 68	(434,149)	0	(434,149)
2015 contractually required contribution	423,525	16,698	440,223
Adjusted 2015 program expenses	8,542,748	1,042,677	9,585,425
Total 2014 program expenses under GASB 27	7,555,372	358,894	7,914,266
Change in program expenses not related to pension	\$987,376	\$683,783	\$1,671,159

Governmental Activities

Total revenues increased \$203,176 due to an increase in grants received in 2015 as evidenced by an increase in operating grants revenue. The largest revenue sources for the City are property taxes and municipal income taxes, accounting for 59.1 percent of total revenues. Property tax revenue decreased \$54,264. Municipal income tax increased \$11,314 due to collections from an ongoing construction project. Operating grants, contributions and interest increased \$119,293 due to awarding of local neighborhood grants at the County level.

Expenses reported for Governmental Activities for 2015 increased \$998,000 compared with those reported for 2014. This is due largely to the increased capital outlay in general government activities for large, non-recurring purchases such as a new 800mhz radio system for police, fire and service departments and a new salt barn.

Business – Type Activities

The City's water and sewer operating system operations and the golf course constitute the only business-type activities. Business-type activities are projects or funds in which revenues offset or nearly offset the costs of providing the services. Net position of the business-type activities increased \$2,769,463. This increase is related to the donation of land and buildings for the golf course.

Total revenues for 2015, increased \$485,300 due to the fees associated with the operation for the golf course. Largest increase for the fund balances was from the extraordinary item from the contribution of land and buildings for the golf course. Transfers from Governmental Activities decreased \$50,597 from the prior year.

Expenses increased \$667,085 due to the operation of the golf course.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

THE CITY'S FUNDS

Major governmental funds for the City for 2015 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 84 percent of total revenues, and 82 percent of total expenditures.

The General Fund balance increased \$223,848. The increase in fund balance was due to decreases in expenditures primarily relating to transfers out.

The Police Fund balance increased \$31,931. Expenditures exceeded revenues by \$493,069 and the City transferred \$525,000 from the General Fund to help offset the increase in expenditures.

The Street Department Fund had total revenues of \$581,909, mainly intergovernmental revenues in the form of State imposed gasoline taxes and motor vehicle license registration fees. Expenditures exceeded revenues by \$336,657. Transfers-in from the General Fund are also necessary to subsidize the activity in this fund.

The Fire Fund had a decrease in fund balance of \$215,831 during 2015 due to expenditures exceeding revenue. The expenditures increased due to the purchase of new equipment for fire personnel and operating a fire station on a twenty-four shift rotation that was not previously staffed in that manner. The City reallocates expenditures between the Fire Fund and the EMS Fund.

The Capital Improvement Fund decreased \$245,886. The decrease in fund balance for 2015 is due to utilization of fund balances to incur large, non-recurring purchases such as a new 800mhz radio system for police, fire and service departments and a new salt barn.

General Fund Budgeting Highlights

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

Original budgeted revenues were \$3,294,600 and final budgeted revenues were \$3,585,933. Final appropriations, excluding transfers out, were \$182,231 higher than original appropriations. This increase is related to an increase for capital improvement projects completed during the year that were not included in original budget.

Actual revenues of \$3,613,594 were higher than the final estimated budget basis revenues of \$3,585,933, resulting in a difference of \$27,661. Actual expenditures of \$2,562,331 were \$157,629 lower than final appropriations due to the City constantly analyzing expenditures during the year and exercising fiscal restraint.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2015
(Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2015, the City's book value of capital assets for governmental activities (net of accumulated depreciation) amounted to \$12,039,215. Significant additions to capital assets included vehicles, furniture, fixture and equipment, and infrastructure. Deletions consisted of vehicles and furniture, fixtures and equipment. Overall capital assets of governmental activities (net of accumulated depreciation) decreased \$218,580.

At December 31, 2015, the City's book value of capital assets for business-type activities (net of accumulated depreciation) amounted to \$9,442,295. Overall assets of business-type activities (net of accumulated depreciation) increased \$2,852,761 due to the contribution of land and buildings related to the golf course.

See Note 9 for more information about the City's capital assets at December 31, 2015.

Debt Administration

At December 31, 2015, the City's governmental activities had \$4,751,408 in general obligation bonds outstanding, \$295,000 of which is due within one year. The City's governmental activities had \$120,649 in two promissory notes outstanding and \$191,337 in capital leases outstanding; \$81,864 and \$62,113 of which is due within one year, respectively.

At December 31, 2015, the City's business-type activities had \$6,960,525 in outstanding loans, \$92,030 of which is due within one year.

See Notes 13 and 14 for more detailed information.

CURRENT FINANCIAL ISSUES

The City of Clayton continues to provide services to residents at levels they are accustomed to even though revenues remain relatively flat. The department heads have continued the fiscal restraint which ultimately led to the under spending of appropriations.

Also, the cash management and budgetary policies of the Department of Finance encourage the growth in fund carryovers. It has been the intent of Council to only utilize current revenues to fund budgeted expenditures, but this has not been possible in the current year. Greater utilization of grants, where possible, have also assisted in supporting the operations of the City. These actions have aided the City in enduring the financial environment that existed during 2015.

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 Position
December 31, 2015

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$7,495,965	\$169,213	\$7,665,178
Accounts Receivable	565,541	2,750	568,291
Accrued Interest Receivable	15,692	0	15,692
Due from Other Governments	573,387	0	573,387
Internal Balances	200,000	(200,000)	0
Prepaid Items	72,836	20,136	92,972
Payments in Lieu of Taxes Receivable	219,546	0	219,546
Municipal Income Taxes Receivable	828,460	0	828,460
Property Taxes Receivable	2,279,696	0	2,279,696
Other Local Taxes Receivable	56,427	0	56,427
Special Assessments Receivable - Current	30,627	0	30,627
Special Assessments Receivable - Delinquent	22,469	0	22,469
Investment in Joint Venture	8,798	0	8,798
Nondepreciable Capital Assets	4,069,825	1,527,200	5,597,025
Depreciable Capital Assets, net	7,969,390	7,915,095	15,884,485
<i>Total Assets</i>	<u>24,408,659</u>	<u>9,434,394</u>	<u>33,843,053</u>
Deferred Outflows of Resources:			
Deferred Charge on Refunding	363,521	0	363,521
Pension	623,037	16,698	639,735
<i>Total Deferred Outflows of Resources</i>	<u>986,558</u>	<u>16,698</u>	<u>1,003,256</u>
Liabilities:			
Accounts Payable	79,949	0	79,949
Accrued Wages Payable	101,837	4,459	106,296
Due to Other Governments	154,927	29,477	184,404
Accrued Interest Payable	11,246	0	11,246
Long-Term Liabilities:			
Due Within One Year	614,851	98,521	713,372
Due in More Than One Year:			
Net Pension Liability (See Note 10)	4,266,008	0	4,266,008
Other Amounts	4,737,324	6,870,259	11,607,583
<i>Total Liabilities</i>	<u>9,966,142</u>	<u>7,002,716</u>	<u>16,968,858</u>
Deferred Inflows of Resources:			
Property Taxes	2,202,545	0	2,202,545
Payments in Lieu of Taxes	166,331	0	166,331
Pension	26,805	0	26,805
<i>Total Deferred Inflows of Resources</i>	<u>2,395,681</u>	<u>0</u>	<u>2,395,681</u>
Net Position:			
Net Investment in Capital Assets	7,410,232	2,481,770	9,892,002
Restricted for:			
Road Improvements	735,834	0	735,834
Capital Improvements	699,574	0	699,574
Fire Operations	199,378	0	199,378
Cemetery Operations	51,465	0	51,465
Drug and Alcohol Enforcement	85,704	0	85,704
Street Lighting	75,643	0	75,643
Economic Development	1,023,655	0	1,023,655
Emergency Medical Services	549,479	0	549,479
Unrestricted (Deficit)	2,202,430	(33,394)	2,169,036
<i>Total Net Position</i>	<u>\$13,033,394</u>	<u>\$2,448,376</u>	<u>\$15,481,770</u>

See accompanying notes to the basic financial statements

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City of Clayton, Ohio
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	
Governmental Activities:				
General Government	\$2,928,788	\$752,368	\$43,506	\$0
Security of Persons and Property	3,630,121	499,638	372,502	14,033
Public Health	6,873	15,275	0	0
Economic Development	10,277	0	21,272	0
Transportation	1,812,643	25,116	731,219	64,524
Interest and Fiscal Charges	164,670	0	0	0
<i>Total Governmental Activities</i>	<u>8,553,372</u>	<u>1,292,397</u>	<u>1,168,499</u>	<u>78,557</u>
Business-Type Activities:				
Water Department	153,496	74,248	0	0
Sewer Operating	202,948	0	0	0
Golf Course	669,535	462,038	0	0
<i>Total Business-Type Activities</i>	<u>1,025,979</u>	<u>536,286</u>	<u>0</u>	<u>0</u>
<i>Totals</i>	<u><u>\$9,579,351</u></u>	<u><u>\$1,828,683</u></u>	<u><u>\$1,168,499</u></u>	<u><u>\$78,557</u></u>

General Revenues:

Property Taxes Levied For:

General Purposes

Police

Fire

EMS

Other Local Taxes

Payments in Lieu of Taxes

Municipal Income Taxes Levied For:

General Purposes

Capital Outlay

Grants and Entitlements not

Restricted to Specific Programs

Investment Income

Investment in Joint Venture

Other

Extraordinary Item

Transfers

Total General Revenues, Extraordinary Item, and Transfers

Change in Net Position

Net Position (Deficit) at Beginning of Year -

Restated (See Note 3)

Net Position at End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$2,132,914)	\$0	(\$2,132,914)
(2,743,948)	0	(2,743,948)
8,402	0	8,402
10,995	0	10,995
(991,784)	0	(991,784)
<u>(164,670)</u>	<u>0</u>	<u>(164,670)</u>
<u>(6,013,919)</u>	<u>0</u>	<u>(6,013,919)</u>
0	(79,248)	(79,248)
0	(202,948)	(202,948)
<u>0</u>	<u>(207,497)</u>	<u>(207,497)</u>
<u>0</u>	<u>(489,693)</u>	<u>(489,693)</u>
<u>(6,013,919)</u>	<u>(489,693)</u>	<u>(6,503,612)</u>
319,977	0	319,977
1,117,627	0	1,117,627
698,407	0	698,407
178,464	0	178,464
296,470	0	296,470
402,260		402,260
1,897,729	0	1,897,729
947,187	0	947,187
248,671	0	248,671
(21,121)	0	(21,121)
1,349	0	1,349
110,967	6,113	117,080
0	3,001,850	3,001,850
<u>(251,193)</u>	<u>251,193</u>	<u>0</u>
<u>5,946,794</u>	<u>3,259,156</u>	<u>9,205,950</u>
(67,125)	2,769,463	2,702,338
<u>13,100,519</u>	<u>(321,087)</u>	<u>12,779,432</u>
<u>\$13,033,394</u>	<u>\$2,448,376</u>	<u>\$15,481,770</u>

City of Clayton, Ohio

Balance Sheet

Governmental Funds

December 31, 2015

	General Fund	Police Fund	Street Department Fund
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$4,880,661	\$87,990	\$176,074
Receivables:			
Property Taxes	315,060	1,101,857	0
Other Local Taxes	47,710	0	0
Municipal Income Taxes	546,784	0	0
Payments in Lieu of Taxes	0	0	0
Interfund	200,000	0	0
Accounts	197,974	1,005	0
Special Assessments - Current	0	0	0
Special Assessments - Delinquent	0	0	0
Accrued Interest	14,813	0	141
Due from Other Governments	104,255	103,703	262,504
Prepaid Items	34,762	9,386	13,123
<i>Total Assets</i>	<u>\$6,342,019</u>	<u>\$1,303,941</u>	<u>\$451,842</u>
Liabilities:			
Accounts Payable	\$13,285	\$5,591	\$35,790
Accrued Wages Payable	15,884	39,008	14,643
Due to Other Governments	26,927	44,455	15,321
<i>Total Liabilities</i>	<u>56,096</u>	<u>89,054</u>	<u>65,754</u>
Deferred Inflows of Resources:			
Property Taxes	304,289	1,063,949	0
Payments in Lieu of Taxes	0	0	0
Unavailable Revenue	764,644	138,401	219,701
<i>Total Deferred Inflows of Resources</i>	<u>1,068,933</u>	<u>1,202,350</u>	<u>219,701</u>
Fund Balances:			
Nonspendable	34,762	9,386	13,123
Restricted	0	3,151	153,264
Assigned	1,091,413	0	0
Unassigned	4,090,815	0	0
<i>Total Fund Balances</i>	<u>5,216,990</u>	<u>12,537</u>	<u>166,387</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$6,342,019</u>	<u>\$1,303,941</u>	<u>\$451,842</u>

See accompanying notes to the basic financial statements

Fire Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$193,344	\$428,559	\$1,729,337	\$7,495,965
686,843	0	175,936	2,279,696
0	0	8,717	56,427
0	281,676	0	828,460
0	0	219,546	219,546
0	0	0	200,000
0	0	366,562	565,541
0	0	30,627	30,627
0	0	22,469	22,469
0	0	738	15,692
63,749	0	39,176	573,387
15,565	0	0	72,836
<u>\$959,501</u>	<u>\$710,235</u>	<u>\$2,593,108</u>	<u>\$12,360,646</u>
\$5,231	\$5,597	\$14,455	\$79,949
32,302	0	0	101,837
22,334	5,064	40,826	154,927
<u>59,867</u>	<u>10,661</u>	<u>55,281</u>	<u>336,713</u>
664,183	0	170,124	2,202,545
0	0	166,331	166,331
86,409	207,031	508,791	1,924,977
<u>750,592</u>	<u>207,031</u>	<u>845,246</u>	<u>4,293,853</u>
15,565	0	0	72,836
133,477	492,543	1,663,751	2,446,186
0	0	28,830	1,120,243
0	0	0	4,090,815
<u>149,042</u>	<u>492,543</u>	<u>1,692,581</u>	<u>7,730,080</u>
<u>\$959,501</u>	<u>\$710,235</u>	<u>\$2,593,108</u>	<u>\$12,360,646</u>

City of Clayton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 December 31, 2015*

Total Governmental Fund Balances \$7,730,080

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

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

Capital Assets:

Land	4,069,825
Depreciable Capital Assets	15,006,848
Accumulated Depreciation	(7,037,458)

Total 12,039,215

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:

8,798

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

Property Taxes	77,151
Payments in Lieu of Taxes	53,215
Other Local Taxes	47,710
Municipal Income Taxes	608,916
Intergovernmental	511,467
Special Assessments	53,096
Accounts	557,730
Accrued Interest	15,692

Total 1,924,977

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

(11,246)

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

363,521

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	623,037
Deferred Inflows - Pension	(26,805)
Net Pension Liability	(4,266,008)

Total (3,669,776)

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	(151,392)
General Obligation Bonds	(4,600,016)
Promisory Note	(120,649)
Capital Leases Payable	(191,337)
Compensated Absences Payable	(288,781)

Total (5,352,175)

Net Position of Governmental Activities **\$13,033,394**

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, 2015

	General Fund	Police Fund	Street Department Fund
Revenues:			
Property Taxes	\$319,404	\$1,114,935	\$0
Other Local Taxes	190,265	0	0
Municipal Income Taxes	1,972,650	0	0
Payments in Lieu of Taxes	0	0	0
Intergovernmental	243,783	212,534	547,295
Charges for Services	762,811	80,611	25,116
Licenses and Permits	7,605	0	0
Fines and Forfeitures	0	20,992	0
Contributions and Donations	0	0	0
Investment Income	(25,094)	0	(575)
Special Assessments	0	0	0
Impact Fees	8	0	0
Other	4,354	840	10,073
<i>Total Revenues</i>	<u>3,475,786</u>	<u>1,429,912</u>	<u>581,909</u>
Expenditures:			
Current:			
General Government	1,898,905	0	0
Security of Persons and Property	0	1,922,981	0
Public Health	0	0	0
Economic Development	0	0	0
Transportation	0	0	912,841
Capital Outlay	40,964	0	5,725
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Capital Appreciation Bond Interest	0	0	0
<i>Total Expenditures</i>	<u>1,939,869</u>	<u>1,922,981</u>	<u>918,566</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,535,917</u>	<u>(493,069)</u>	<u>(336,657)</u>
Other Financing Sources (Uses):			
Transfers-In	0	525,000	400,000
Transfers-Out	(1,312,069)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,312,069)</u>	<u>525,000</u>	<u>400,000</u>
<i>Net Change in Fund Balances</i>	223,848	31,931	63,343
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>4,993,142</u>	<u>(19,394)</u>	<u>103,044</u>
<i>Fund Balances at End of Year</i>	<u><u>\$5,216,990</u></u>	<u><u>\$12,537</u></u>	<u><u>\$166,387</u></u>

See accompanying notes to the basic financial statements

Fire Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$697,197	\$0	\$178,105	\$2,309,641
0	0	106,305	296,570
0	985,784	0	2,958,434
0	0	388,219	388,219
128,022	78,557	279,979	1,490,170
0	0	373,557	1,242,095
0	0	0	7,605
1,352	0	5,151	27,495
460	0	20	480
(21)	0	(2,166)	(27,856)
0	0	27,484	27,484
0	62	0	70
6,243	59,203	30,254	110,967
833,253	1,123,606	1,386,908	8,831,374
0	712,009	263,162	2,874,076
982,028	0	544,021	3,449,030
0	0	6,873	6,873
0	0	10,277	10,277
0	0	192,839	1,105,680
67,056	382,670	223,541	719,956
0	217,255	157,668	374,923
0	57,558	88,089	145,647
0	0	62,332	62,332
1,049,084	1,369,492	1,548,802	8,748,794
(215,831)	(245,886)	(161,894)	82,580
0	0	337,069	1,262,069
0	0	(201,193)	(1,513,262)
0	0	135,876	(251,193)
(215,831)	(245,886)	(26,018)	(168,613)
364,873	738,429	1,718,599	7,898,693
\$149,042	\$492,543	\$1,692,581	\$7,730,080

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, 2015*

Net Change in Fund Balances - Total Governmental Funds (\$168,613)

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	719,956	
Depreciation	(904,867)	
Excess of Depreciation Expense over Capital Outlay		(184,911)

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	(33,669)
------------------------------------	----------

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.

1,349

Repayment of long-term obligations is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:

General Obligation Bonds Payable	232,668	
Payment on Accretion	62,332	
Promissory Notes Payable	50,514	
Capital Leases Payable	91,741	
Total		437,255

Some revenues that will not be collected for several months after the City's year-end are not considered "available" revenues and are therefore recorded as deferred inflows of governmental funds.

Deferred inflows of resources changed by these amounts this year:

Property Taxes	4,834	
Other Local Taxes	(100)	
Municipal Income Taxes	(113,518)	
Payments in Lieu of Taxes	14,041	
Intergovernmental	5,077	
Special Assessments	5,979	
Charges for Services	(18,331)	
Accrued Interest	6,735	
Total		(95,283)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

423,525

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.

(434,149)

Amortization of deferred charge on refunding, accrued interest, bond accretion, as well as premium on bonds are not reported in the funds, but are allocated over the life of the debt in the Statement on Activities.

Amortization of Deferred Charge on Refunding	(27,095)	
Net Decrease in Accrued Interest	369	
Accretion of Capital Appreciation Bonds	(5,507)	
Amortization of Premium on General Obligation Bonds	13,210	
Total		(19,023)

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.

Decrease in Compensated Absences	6,394
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Change in Net Position of Governmental Activities (\$67,125)

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$289,409	\$315,000	\$319,404	\$4,404
Other Local Taxes	156,189	170,000	190,265	20,265
Municipal Income Taxes	1,699,700	1,850,000	2,008,264	158,264
Intergovernmental	440,436	479,383	243,155	(236,228)
Charges for Services	667,844	726,900	762,811	35,911
Licenses and Permits	3,675	4,000	7,965	3,965
Investment Income	36,750	40,000	77,276	37,276
Other	597	650	4,454	3,804
<i>Total Revenues</i>	<u>3,294,600</u>	<u>3,585,933</u>	<u>3,613,594</u>	<u>27,661</u>
Expenditures:				
Current:				
General Government	2,063,850	2,212,052	2,072,880	139,172
Capital Outlay	473,879	507,908	489,451	18,457
<i>Total Expenditures</i>	<u>2,537,729</u>	<u>2,719,960</u>	<u>2,562,331</u>	<u>157,629</u>
<i>Excess of Revenues Over Expenditures</i>	756,871	865,973	1,051,263	185,290
Other Financing Uses:				
Transfers-Out	(1,847,245)	(1,979,893)	(1,312,069)	667,824
Advances-Out	0	(200,000)	(200,000)	0
<i>Total Other Financing Uses</i>	<u>(1,847,245)</u>	<u>(2,179,893)</u>	<u>(1,512,069)</u>	<u>667,824</u>
<i>Net Change in Fund Balance</i>	(1,090,374)	(1,313,920)	(460,806)	853,114
<i>Fund Balance at Beginning of Year</i>	4,554,781	4,554,781	4,554,781	0
<i>Prior Year Encumbrances Appropriated</i>	<u>329,421</u>	<u>329,421</u>	<u>329,421</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$3,793,828</u>	<u>\$3,570,282</u>	<u>\$4,423,396</u>	<u>\$853,114</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$1,050,000	\$1,050,000	\$1,114,935	\$64,935
Intergovernmental	211,500	211,500	211,688	188
Charges for Services	44,500	44,500	80,551	36,051
Fines and Forfeitures	16,000	16,000	20,562	4,562
Other	100	100	1,082	982
<i>Total Revenues</i>	<u>1,322,100</u>	<u>1,322,100</u>	<u>1,428,818</u>	<u>106,718</u>
Expenditures:				
Current:				
Security of Persons and Property	2,089,905	2,083,086	1,919,719	163,367
Capital Outlay	3,511	3,500	3,500	0
<i>Total Expenditures</i>	<u>2,093,416</u>	<u>2,086,586</u>	<u>1,923,219</u>	<u>163,367</u>
<i>Excess of Revenues Under Expenditures</i>	(771,316)	(764,486)	(494,401)	270,085
Other Financing Sources:				
Transfers-In	745,000	745,000	525,000	(220,000)
<i>Net Change in Fund Balance</i>	(26,316)	(19,486)	30,599	50,085
<i>Fund Balance at Beginning of Year</i>	26,367	26,367	26,367	0
<i>Prior Year Encumbrances Appropriated</i>	<u>13,635</u>	<u>13,635</u>	<u>13,635</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$13,686</u>	<u>\$20,516</u>	<u>\$70,601</u>	<u>\$50,085</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$535,000	\$535,000	\$548,706	\$13,706
Charges for Services	18,500	18,500	25,436	6,936
Investment Income	200	200	401	201
Other	0	0	10,167	10,167
<i>Total Revenues</i>	<u>553,700</u>	<u>553,700</u>	<u>584,710</u>	<u>31,010</u>
Expenditures:				
Current:				
Transportation	1,159,026	1,153,992	977,941	176,051
Capital Outlay	6,528	6,500	5,725	775
<i>Total Expenditures</i>	<u>1,165,554</u>	<u>1,160,492</u>	<u>983,666</u>	<u>176,826</u>
<i>Excess of Revenues Under Expenditures</i>	(611,854)	(606,792)	(398,956)	207,836
Other Financing Sources:				
Transfers-In	570,000	570,000	400,000	(170,000)
<i>Net Change in Fund Balance</i>	(41,854)	(36,792)	1,044	37,836
<i>Fund Balance at Beginning of Year</i>	47,987	47,987	47,987	0
<i>Prior Year Encumbrances Appropriated</i>	<u>27,438</u>	<u>27,438</u>	<u>27,438</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$33,571</u>	<u>\$38,633</u>	<u>\$76,469</u>	<u>\$37,836</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, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property Taxes	\$700,631	\$700,000	\$697,197	(\$2,803)
Intergovernmental	130,117	130,000	128,022	(1,978)
Fines and Forfeitures	2,500	2,500	1,352	(1,148)
Contributions and Donations	0	750	460	(290)
Other	2	0	328	328
<i>Total Revenues</i>	<u>833,250</u>	<u>833,250</u>	<u>827,359</u>	<u>(5,891)</u>
Expenditures:				
Current:				
Security of Persons and Property	1,048,903	1,049,867	992,528	57,339
Capital Outlay	69,523	69,587	69,507	80
<i>Total Expenditures</i>	<u>1,118,426</u>	<u>1,119,454</u>	<u>1,062,035</u>	<u>57,419</u>
<i>Excess of Revenues Under Expenditures</i>	(285,176)	(286,204)	(234,676)	51,528
Other Financing Sources:				
Proceeds from Sale of Capital Assets	0	5,564	6,015	451
<i>Net Change in Fund Balance</i>	(285,176)	(280,640)	(228,661)	51,979
<i>Fund Balance at Beginning of Year</i>	300,246	300,246	300,246	0
<i>Prior Year Encumbrances Appropriated</i>	97,881	97,881	97,881	0
<i>Fund Balance at End of Year</i>	<u>\$112,951</u>	<u>\$117,487</u>	<u>\$169,466</u>	<u>\$51,979</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fund Net Position
Enterprise Funds
December 31, 2015

	Water Department Fund	Sewer Operating Fund	Golf Course Fund	Total
Assets:				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$64,339	\$81,644	\$23,230	\$169,213
Receivables:				
Accounts	0	0	2,750	2,750
Prepaid Items	0	0	20,136	20,136
<i>Total Current Assets</i>	<u>64,339</u>	<u>81,644</u>	<u>46,116</u>	<u>192,099</u>
Non-current Assets:				
Nondepreciable Capital Assets	0	0	1,527,200	1,527,200
Depreciable Capital Assets, Net	3,409,943	3,017,240	1,487,912	7,915,095
<i>Total Non-current Assets</i>	<u>3,409,943</u>	<u>3,017,240</u>	<u>3,015,112</u>	<u>9,442,295</u>
<i>Total Assets</i>	<u>3,474,282</u>	<u>3,098,884</u>	<u>3,061,228</u>	<u>9,634,394</u>
Deferred Outflows of Resources:				
Pension	0	0	16,698	16,698
Liabilities:				
Current:				
Accrued Wages Payable	53	0	4,406	4,459
Due to Other Governments	14,626	0	14,851	29,477
Interfund Payable	0	0	200,000	200,000
Compensated Absences Payable	0	0	6,491	6,491
OWDA Loan Payable	0	92,030	0	92,030
Long-Term Liabilities:				
Loan Payable	4,208,656	0	0	4,208,656
OWDA Loan Payable	0	2,659,839	0	2,659,839
Compensated Absences Payable	0	0	1,764	1,764
<i>Total Liabilities</i>	<u>4,223,335</u>	<u>2,751,869</u>	<u>227,512</u>	<u>7,202,716</u>
Net Position:				
Net Investment in Capital Assets (Deficit)	(798,713)	265,371	3,015,112	2,481,770
Unrestricted	49,660	81,644	(164,698)	(33,394)
<i>Total Net Position (Deficit)</i>	<u>(\$749,053)</u>	<u>\$347,015</u>	<u>\$2,850,414</u>	<u>\$2,448,376</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
*Statement of Revenues, Expenses and
Changes in Fund Net Position
Enterprise Funds
For the Year Ended December 31, 2015*

	Water Department Fund	Sewer Operating Fund	Golf Course Fund	Total
Operating Revenues:				
Charges for Services	\$74,248	\$0	\$462,038	\$536,286
Impact Fees	27	25	0	52
Other	0	0	6,061	6,061
<i>Total Operating Revenues</i>	<u>74,275</u>	<u>25</u>	<u>468,099</u>	<u>542,399</u>
Operating Expenses:				
Personal Services	24,768	0	311,452	336,220
Contractual Services	14,642	0	292,011	306,653
Materials and Supplies	41,946	0	66,072	108,018
Depreciation	72,140	90,211	0	162,351
<i>Total Operating Expenses</i>	<u>153,496</u>	<u>90,211</u>	<u>669,535</u>	<u>913,242</u>
<i>Operating Loss</i>	(79,221)	(90,186)	(201,436)	(370,843)
Non-Operating Expenses:				
Interest and Fiscal Charges	0	(112,737)	0	(112,737)
Change in Net Position (Loss) Before Transfers and Extraordinary Item	<u>(79,221)</u>	<u>(202,923)</u>	<u>(201,436)</u>	<u>(483,580)</u>
Extraordinary Item	0	0	3,001,850	3,001,850
Transfers-In	0	201,193	50,000	251,193
<i>Change in Net Position</i>	(79,221)	(1,730)	2,850,414	2,769,463
<i>Net Position (Deficit) at Beginning of Year</i>	<u>(669,832)</u>	<u>348,745</u>	<u>0</u>	<u>(321,087)</u>
<i>Net Position (Deficit) at End of Year</i>	<u>(\$749,053)</u>	<u>\$347,015</u>	<u>\$2,850,414</u>	<u>\$2,448,376</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, 2015

	Water Department Fund	Sewer Operating Fund	Golf Course Fund	Total
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash Received From Customers	\$74,248	\$0	\$459,288	\$533,536
Cash Received From Other Operating Revenues	27	25	6,061	6,113
Cash Payments for Employee Services	(24,526)	0	(309,571)	(334,097)
Cash Payments to Suppliers for Goods and Services	(42,151)	0	(369,286)	(411,437)
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u>7,598</u>	<u>25</u>	<u>(213,508)</u>	<u>(205,885)</u>
Cash Flows from Noncapital Financing Activities:				
Short-term Loans from Other Funds	0	0	200,000	200,000
Transfers-In	0	201,193	50,000	251,193
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>0</u>	<u>201,193</u>	<u>250,000</u>	<u>451,193</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	0	0	(13,262)	(13,262)
Loan Principal Payments	0	(88,456)	0	(88,456)
Loan Interest Payments	0	(112,737)	0	(112,737)
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>0</u>	<u>(201,193)</u>	<u>(13,262)</u>	<u>(214,455)</u>
<i>Net Increase in Cash and Cash Equivalents</i>	7,598	25	23,230	30,853
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>56,741</u>	<u>81,619</u>	<u>0</u>	<u>138,360</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u><u>\$64,339</u></u>	<u><u>\$81,644</u></u>	<u><u>\$23,230</u></u>	<u><u>\$169,213</u></u>
Reconciliation of Operating Loss to Net Cash Provided by (Used For) Operating Activities:				
Operating Loss	(\$79,221)	(\$90,186)	(\$201,436)	(\$370,843)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used For) Operating Activities:				
Depreciation	72,140	90,211	0	162,351
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	0	0	(2,750)	(2,750)
Increase in Prepaid Items	0	0	(20,136)	(20,136)
Increase in Deferred Outflows of Resources - Pension	0	0	(16,698)	(16,698)
Increase in Accrued Wages Payable	53	0	4,406	4,459
Increase in Due to Other Governments	14,626	0	14,851	29,477
Increase in Compensated Absences Payable	0	0	8,255	8,255
<i>Net Cash Provided by (Used For) Operating Activities</i>	<u><u>\$7,598</u></u>	<u><u>\$25</u></u>	<u><u>(\$213,508)</u></u>	<u><u>(\$205,885)</u></u>

Noncash Capital Financing Activities

The Golf Course Fund had extraordinary item of capital assets from a resident of \$3,001,850 during 2015.

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	Janice Paulus Fire Victim Fund	Agency Funds
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$11,323	\$92,572
Accounts Receivable	0	33,591
<i>Total Assets</i>	<u>\$11,323</u>	<u>\$126,163</u>
Liabilities:		
Due to Other Governments	\$0	\$92,113
Undistributed Monies	0	34,050
<i>Total Liabilities</i>	<u>0</u>	<u>\$126,163</u>
Net Position:		
Held in Trust for Private Purposes	<u>\$11,323</u>	

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
For the Year Ended December 31, 2015

	Janice Paulus Fire Victim Fund
Additions:	
Investment Earnings	\$80
Deductions:	0
<i>Change in Net Position</i>	80
<i>Net Position at Beginning of Year</i>	11,243
<i>Net Position at End of Year</i>	\$11,323

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, sewer services, and golf course. Council and the City Manager have direct responsibility for these activities.

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

The City participates in the Clay Township-City of Clayton Joint Economic Development District (the “District”) with Clay Township, which is defined as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement, and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. This organization is presented in Note 17 to the Basic Financial Statements.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 18 to the Basic Financial Statements.

The City participates in one risk sharing pool, the Public Entities Pool of Ohio. This organization is presented in Notes 16 and 19 to the Basic Financial Statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary Funds are reported by type.

Fund Accounting

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

Governmental Funds

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

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

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

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

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

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

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

Proprietary Funds

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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 and report 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 and report resources used for sewer expansion debt from user charges for sewer services provided to certain residents and businesses within the City. This fund had no cash activity this year. Therefore, no budgetary schedule is presented.

Golf Course Fund – This fund is used to account for and report revenues received from user charges for the operation of Meadowbrook at Clayton Golf Course.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The three types of trust funds are to be used to report resources held and administered by the City when it is acting in a fiduciary capacity for individuals, private organizations, or other governments. These funds are distinguished by the existence of a trust agreement that affects the degree of management involvement and the length of time that the resources are held. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City’s own programs. The City’s only trust fund is a private purpose trust fund which accounts for a bequest to aid needy families who experience a fire or other calamity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has four agency funds. One accounts for fees collected for Montgomery County, the City of Dayton, and the City of Clayton from individuals who develop land within the Clayton Improvement District for the purpose of expanding and upgrading water, sanitary sewer, road, and municipal park systems and related infrastructure improvements due to the land development. The second accounts for collecting and distributing the Clay Township-City of Clayton Joint Economic Development District income taxes for which the City is fiscal agent. The third accounts for insurance proceeds arising from destruction by fire of an insured building or structure within the municipality for the purpose of providing the municipality with security for the expenses in removing, repairing or securing the building or other structure. The fourth agency fund accounts for association fees received from various homeowners within the North Clayton development which are then distributed to the North Clayton Development Association.

Measurement Focus

Government-wide Financial Statements

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Fund Financial Statements

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

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

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, other local taxes, payment in lieu of taxes, municipal income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources include a deferred charge on refunding and pension reported in the government-wide Statement of Net Position. The deferred outflows of resources related to pension are explained in Note 10. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, and unavailable revenue. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, other local taxes, municipal income taxes, delinquent payments in lieu of taxes, intergovernmental grants, special assessments, charges for services and interest. These amounts are deferred and recognized as revenue in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position. (See Note 10)

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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

Cash and Cash Equivalents

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

During 2015, the City's investments included Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Bonds, Federal Home Loan Mortgage Corporation REMIC Series Bonds, Federal National Mortgage Association REMIC Trust Bonds, Federal National Mortgage Association Bonds, Government National Mortgage Association REMIC Trust Bonds, U.S. Treasury Notes and Negotiable Certificates of Deposit.

Interest income and gains or losses on investments are distributed to the funds according to Ohio constitutional and statutory requirements. Interest revenue and gains or losses on investments credited to the General Fund during 2015 amounted to (\$25,094), this negative amount is due to the recording of investments at market value. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2015, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

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

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

Interfund Balances

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

Accrued Liabilities and Long-Term Obligations

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

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

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, 2015

Bond Premiums and Compounded Interest on Capital Appreciation Bonds

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

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

Net Position

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

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

Fund Balance

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

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

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

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

City of Clayton, Ohio
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For the Year Ended December 31, 2015

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the amount that assigned for capital asset replacement. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City charter or ordinance. The future appropriations amount assigned in the General Fund represents 2016 appropriations that exceed estimated resources. State statute authorizes the finance director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Internal Activity

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

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Operating Revenues and Expenses

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

Extraordinary Item

During 2014, the City was offered a donation of a privately-owned, country club consisting of a golf course, restaurant, and swimming pool to the citizens of Clayton. On March 5, 2015, after doing its due diligence on the issues, the City Council adopted Ordinance 03-15-03 accepting the donation of 171.11 acres of land, buildings and equipment valued at \$3,001,805. The pool is being filled in, the tennis courts are being removed and the kitchen/restaurant operation was not renewed. The City has opted to utilize the golf course and related assets to operate a public golf course which is reported in the newly established golf course enterprise fund. These donated assets valued at \$3,001,805 are reflected as an extraordinary item in the accompanying financial statements.

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.

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

Net position December 31, 2014	\$16,759,671
Adjustments:	
Net Pension Liability	(4,067,512)
Deferred Outflow - Payments Subsequent to Measurement Date	<u>408,360</u>
Restated Net Position December 31, 2014	<u><u>\$13,100,519</u></u>

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

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).

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

4. Unrecorded cash represents amounts received but not included as revenue on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.
5. Cash is held by the 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.
6. Investments are reported at fair value (GAAP basis) rather than at cost (budget basis).

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

Net Change in Fund Balance				
	General	Police	Street	Fire
	Fund	Fund	Department	Fund
	Fund	Fund	Fund	Fund
GAAP Basis	\$223,848	\$31,931	\$63,343	(\$215,831)
Revenue Accruals	35,447	(1,094)	3,529	92
Expenditure Accruals	(83,173)	17,151	35,357	10,923
Encumbrances	(539,289)	(17,389)	(100,457)	(23,874)
Unrecorded Cash 2015	(8)	0	0	0
Agency Fund Allocation 2015	(7,378)	0	0	0
Agency Fund Allocation 2014	7,377	0	0	0
Change in Value of Investments 2015	89,402	0	852	(4)
Change in Value of Investments 2014	12,968	0	124	25
Advances	(200,000)	0	0	0
Budget Basis	<u>(\$460,806)</u>	<u>\$30,599</u>	<u>\$2,748</u>	<u>(\$228,669)</u>

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of

City of Clayton, Ohio
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depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

1. Bonds of the State of Ohio;

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

As of December 31, 2015, the City had the following investments:

	Fair Value	Investment Maturities (in Years)		Percentage of Total Investments	Standard and Poors Ratings
		Less than 2	More than 3		
Federal Home Loan Bank Notes	\$44,920	\$44,920	\$0	-	AA+
Federal Home Loan Mortgage Corporation Bonds	5,184	0	5,184	-	AA+
Federal Home Loan Mortgage Corporation REMIC Series Bonds	70,620	0	70,620	-	AA+
Federal National Mortgage Association REMIC Trust Bonds	128,398	0	128,398	-	AA+
Federal National Mortgage Association Bonds	335,814	0	335,814	6.47%	AA+
Government National Mortgage Association REMIC Trust Bonds	56,706	0	56,706	-	AA+
US Treasury Notes	65,954	65,954	0	-	
Negotiable Certificates of Deposits	4,480,604	124,993	4,355,611	86.36%	
Totals	\$5,188,200	\$235,867	\$4,952,333		

Interest Rate Risk

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

Custodial Credit Risk

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral

City of Clayton, Ohio
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pool established by the financial institution. In accordance with Chapter 135 of the Ohio Revised Code, any public depository receiving deposits pursuant to an award of City funds shall be required to pledge security for repayment of all public moneys. The City has no investment policy dealing with deposit custodial risk beyond the requirement in State statute that requires securities purchased pursuant to this division shall be delivered into the custody of the Finance Director or an agent designated by the Finance Director.

Concentration of Credit Risk

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

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015, on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2015 public utility property taxes which became a lien December 31, 2014, are levied after October 1, 2015, and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015, was \$13.78 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>	<u>Percent</u>
Real Property	\$231,100,120	97.32%
Public Utility Personal	6,364,640	2.68%
Totals	<u>\$237,464,760</u>	<u>100.00%</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies which were measurable as of December 31, 2015, and for which there was an enforceable legal claim. In the governmental funds, the entire receivable is offset to deferred inflows of resources – property taxes, since current taxes were not levied to finance 2015 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On the accrual basis, collectible delinquent

City of Clayton, Ohio
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For the Year Ended December 31, 2015

property taxes have been recorded as a receivable and revenue, while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable.

NOTE 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 for 2015.

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, 2015, consisted of property taxes, other local taxes, municipal income taxes, payment in lieu of taxes, interfund, accounts, special assessments, interest, and amounts due from other governments arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, payment in lieu of taxes, and special assessments. Property, income, and payment in lieu of taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. Special assessments expected to be collected within one year in the Street Lights Fund amount to \$30,627. The City has \$22,469 of delinquent special assessments at December 31, 2015.

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

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government	\$75,031
Homestead Exemption and Rollbacks	209,804
Gasoline Tax	228,227
Motor Vehicle Tax	57,090
Vandalia Court	1,680
Ohio Attorney General	1,520
Department of Public Safety	35
Total Due from Other Governments	<u>\$573,387</u>

Payment in Lieu of Taxes Receivable

The City granted real property tax exemptions to landowners for improvements made to their properties. The City requires the owners to make an annual payment to the City in lieu of taxes in the amount that would be payable on the increase in the value of the property if not for the exemption. The City then uses these monies to pay for public infrastructure improvements benefiting the owners. Additional payments

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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, 2015. 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, 2015, were as follows:

	<u>12/31/2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2015</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$4,069,825	\$0	\$0	\$4,069,825
Depreciable Capital Assets:				
Buildings	1,475,170	67,200	0	1,542,370
Improvements Other Than Buildings	137,380	18,789	0	156,169
Vehicles	2,874,376	274,714	(37,900)	3,111,190
Furniture, Fixtures and Equipment	1,347,760	253,364	(268,296)	1,332,828
Infrastructure	8,758,402	105,889	0	8,864,291
Total Depreciable Capital Assets	<u>14,593,088</u>	<u>719,956</u>	<u>(306,196)</u>	<u>15,006,848</u>
Less Accumulated Depreciation:				
Buildings	(1,301,434)	(19,342)	0	(1,320,776)
Improvements Other Than Buildings	(57,763)	(8,123)	0	(65,886)
Vehicles	(1,320,227)	(192,246)	28,800	(1,483,673)
Furniture, Fixtures and Equipment	(962,818)	(90,920)	243,727	(810,011)
Infrastructure	(2,762,876)	(594,236)	0	(3,357,112)
Total Accumulated Depreciation	<u>(6,405,118)</u>	<u>(904,867)</u>	<u>272,527</u>	<u>(7,037,458)</u>
Depreciable Capital Assets, Net	<u>8,187,970</u>	<u>(184,911)</u>	<u>(33,669)</u>	<u>7,969,390</u>
Governmental Activities Capital Assets, Net	<u>\$12,257,795</u>	<u>(\$184,911)</u>	<u>(\$33,669)</u>	<u>\$12,039,215</u>

Depreciation expense was charged to governmental programs as follows:

General Government	\$38,364
Security of Persons and Property	164,345
Transportation	702,158
Total Depreciation Expense	<u>\$904,867</u>

Capital assets activity of the business-type activities for the year ended December 31, 2015, was as follows:

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For the Year Ended December 31, 2015

	Balance at 12/31/14	Additions	Deletions	Balance at 12/31/15
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$0	\$1,527,200	\$0	\$1,527,200
Depreciable Capital Assets:				
Building	0	1,474,650	0	1,474,650
Vehicles	0	13,262	0	13,262
Infrastructure	8,261,897	0	0	8,261,897
Total Depreciable Capital Assets	8,261,897	1,487,912	0	9,749,809
Less Accumulated Depreciation:				
Infrastructure	(1,672,363)	(162,351)	0	(1,834,714)
Depreciable Capital Assets, Net	6,589,534	1,325,561	0	7,915,095
Business-Type Activities Capital Assets, Net	<u>\$6,589,534</u>	<u>\$2,852,761</u>	<u>\$0</u>	<u>\$9,442,295</u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

City of Clayton, Ohio
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The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Ohio Public Employees Retirement System

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS' traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

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

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

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	State and Local	Public Safety	Law Enforcement
2015 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0%	16.1%	16.1%
Post-employment Health Care Benefits	2.0	2.0	2.0
Total Employer	14.0%	18.1%	18.1%
Employee	10.0%	12.0%	13.0%

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

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$212,804 for 2015. Of this amount, \$27,379 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in

City of Clayton, Ohio
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excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%
2015 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$227,419 for 2015. Of this amount \$34,052 is reported as an intergovernmental payable.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

City of Clayton, Ohio
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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$1,525,764	\$2,740,244	\$4,266,008
Proportion of the Net Pension Liability	0.012650%	0.0528960%	
Pension Expense	\$166,851	\$267,298	\$434,149

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$81,410	\$118,102	\$199,512
City contributions subsequent to the measurement date	<u>212,804</u>	<u>227,419</u>	<u>440,223</u>
Total Deferred Outflows of Resources	<u><u>\$294,214</u></u>	<u><u>\$345,521</u></u>	<u><u>\$639,735</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u><u>\$26,805</u></u>	<u><u>\$0</u></u>	<u><u>\$26,805</u></u>

\$440,223 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
2016	\$7,106	\$29,525	\$36,631
2017	7,106	29,525	36,631
2018	16,272	29,525	45,797
2019	<u>24,121</u>	<u>29,527</u>	<u>53,648</u>
Total	<u><u>\$54,605</u></u>	<u><u>\$118,102</u></u>	<u><u>\$172,707</u></u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

City of Clayton, Ohio
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Wage Inflation	3.75 percent
Future Salary Increases, including inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA	3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

Mortality rates were based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

The most recent experience study was completed for the five year period ended December 31, 2010.

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

OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.31%
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00%</u>	<u>5.28%</u>

City of Clayton, Ohio
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Discount Rate The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's proportionate share of the net pension liability	\$2,806,966	\$1,525,764	\$446,681

Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

Rates of death are based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

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The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	-25.00%
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
Total	<u>120.00%</u>	

* levered 2x

OPF's Board of Trustees has incorporated the "risk parity" concept into OPF's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

City of Clayton, Ohio
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Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
City's proportionate share of the net pension liability	\$3,790,172	\$2,740,244	\$1,851,274

NOTE 11 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

OPERS maintains two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment health care.

City of Clayton, Ohio
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Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

Substantially all of the City's contribution allocated to fund postemployment health care benefits relates to the cost-sharing, multiple employer trusts. The corresponding contribution for the years ended December 31, 2015, 2014, and 2013 was \$45,738, \$26,757, and \$17,096, respectively. For 2015, 97.62 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

Ohio Police and Fire Pension Fund

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

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

The Ohio Revised Code allows, but does not mandate, OPF to provide OPEB benefits. Authority for the OPF 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.

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

City of Clayton, Ohio
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Funding Policy - The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OPF defined benefit pension plan. Participating employers are required 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 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

OPF 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 administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan, under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer 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. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. 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 OPF Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contribution to OPF for the years ended December 31, 2015, 2014, and 2013 were \$230,896, \$216,800, and \$185,582, respectively, of which \$5,429, \$5,114, and \$28,073, respectively, was allocated to the healthcare plan. For 2015, 95.97 percent has been contributed for both police and firefighters with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

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

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

Insurance

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

NOTE 13 – LEASES – LESSEE DISCLOSURE

Capital

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

Capital assets acquired by leases have been capitalized in the Statement of Net Position for governmental activities in the amount of \$695,389. A corresponding liability was recorded on the Statement of Net Position for governmental activities. Principal payments during 2015 totaled \$91,741.

The assets acquired through capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value December 31, 2015
Asset:			
Furniture, Fixtures and Equipment	\$260,000	(\$258,306)	\$1,694
Vehicles	435,389	(65,307)	370,082
Total	\$695,389	(\$323,613)	\$371,776

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, 2015.

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December 31,	Total Payments
2016	\$67,203
2017	67,203
2018	67,199
Total	201,605
Less: Amount Representing Interest	(10,268)
Present Value of Minimum Lease Payments	\$191,337

Operating

The City leases golf course equipment under noncancelable operating leases. Operating lease payments are reported as expenses in enterprise funds and on the Statement of Net Position. Total operating lease payments in 2015 were \$36,312, which were paid from the Golf Course Fund.

The following is a schedule of the future minimum operating lease payments:

Year Ending December 31,	Amount
2016	\$52,084
2017	52,084
2018	49,200
2019	16,400
Total	\$169,768

NOTE 14 – LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2015 were as follows:

	Restated Amount Outstanding 12/31/14	Additions	Deductions	Amount Outstanding 12/31/15	Amounts Due Within One Year
<u>Governmental Activities:</u>					
<u>General Obligation Bonds:</u>					
2005 Various Purpose					
Capital Appreciation Bonds - 4.977%	\$92,668	\$0	\$92,668	\$0	\$0
Accretion on Capital Appreciation Bonds	62,332	0	62,332	0	0
Premium on Debt Issue	\$2,270	\$0	\$2,270	\$0	\$0

continued

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	Restated			Amount Outstanding 12/31/15	Amounts Due Within One Year
	Amount Outstanding 12/31/14	Additions	Deductions		
<u>Governmental Activities:</u>					
General Obligation Bonds:					
2010 Roadway Improvement					
Serial Bonds - 2.0 to 3.25%	\$300,000	\$0	\$75,000	\$225,000	\$75,000
Term Bonds - 4.0 to 4.5%	880,000	0	0	880,000	0
Capital Appreciation Bonds - 4.1 to 4.35%	35,000	0	0	35,000	0
Accretion on Capital Appreciation Bonds	19,509	5,507	0	25,016	0
Premium on Debt Issue	48,949	0	3,075	45,874	0
2013 Various Purpose Refunding Bonds					
Serial Bonds - 1.25 to 3%	2,965,000	0	65,000	2,900,000	220,000
Term Bonds - 3.25%	535,000	0	0	535,000	0
Premium on Debt Issue	113,383	0	7,865	105,518	0
Total General Obligation Bonds	<u>5,054,111</u>	<u>5,507</u>	<u>308,210</u>	<u>4,751,408</u>	<u>295,000</u>
Other Governmental Obligations:					
2011 Backhoe Promissory Note	57,393	0	13,446	43,947	43,947
2012 Plow/Freightliner Promissory Note	113,770	0	37,068	76,702	37,917
Capital Leases Payable	283,078	0	91,741	191,337	62,113
Compensated Absences	295,175	244,974	251,368	288,781	175,874
Total Other Governmental Obligations	<u>749,416</u>	<u>244,974</u>	<u>393,623</u>	<u>600,767</u>	<u>319,851</u>
Net Pension Liability:					
OPERS	1,491,301	34,463	0	1,525,764	0
OP&F	2,576,211	164,033	0	2,740,244	0
Total Net Pension Liability	<u>4,067,512</u>	<u>198,496</u>	<u>0</u>	<u>4,266,008</u>	<u>0</u>
Total Governmental Activities					
Long-Term Obligations	<u>\$9,871,039</u>	<u>\$448,977</u>	<u>\$701,833</u>	<u>\$9,618,183</u>	<u>\$614,851</u>

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

	Outstanding 12/31/14	Additions	Deductions	Outstanding 12/31/15	Due Within One Year
Business-Type Activities:					
2004 Water Line Loan - 0%	\$4,208,656	\$0	\$0	\$4,208,656	\$0
2005 OWDA Loan - 4%	2,840,325	0	88,456	2,751,869	92,030
Compensated Absences	0	12,206	3,951	8,255	6,491
Total Business-Type Activities					
Long-Term Obligations	<u>\$7,048,981</u>	<u>\$12,206</u>	<u>\$92,407</u>	<u>\$6,968,780</u>	<u>\$98,521</u>

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

The capital appreciation bonds, issued at \$190,000, are not subject to prior redemption. The capital appreciation bonds matured in year 2015, with a maturity amount of \$155,000, including interest.

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

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

Year	Amount
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 2015, the capital appreciation bonds were accreted \$5,507.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

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

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

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

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

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

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

Compensated absences will be paid from the General, Police, Fire, EMS, Street Department, and Golf Course Funds. Capital lease obligations will be paid from the Capital Improvement Fund. The City pays obligations relating to employee compensation from the funds benefiting their service. For additional information related to the net pension liability see note 10.

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. \$8,871 in per acre fees were collected during 2015 and will be remitted to the City of Dayton in 2016. 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, 2015, which was issued during 2005 at a rate of four percent. The total original amount of the loan was \$3,481,913. The loan was for a 30 year period with the final payment due in January 2036. The loan was issued for the construction of the sewer system expansion phase I and sewer lines and will be paid from the Debt Service and Tax Increment Funds.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The City's overall legal debt margin was \$20,333,784 at December 31, 2015, and the unvoted debt margin was \$8,460,546.

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2015, 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
2016	\$295,000	\$75,963	\$0	\$47,112	\$0	\$0
2017	290,000	71,338	0	47,112	0	0
2018	300,000	64,788	0	47,112	0	0
2019	230,000	57,850	0	47,112	18,841	56,159
2020	230,000	53,252	0	47,112	16,159	58,841
2021-2025	1,235,000	187,700	390,000	202,160	0	0
2026-2030	545,000	43,025	1,025,000	103,649	0	0
Total	\$3,125,000	\$553,916	\$1,415,000	\$541,369	\$35,000	\$115,000

	Governmental Activities		Business-Type Activities	
	Promissory Note Principal	Promissory Note Interest	OWDA Loan Principal	OWDA Loan Interest
2016	\$81,864	\$2,680	\$92,030	\$109,164
2017	38,785	669	95,748	105,446
2018	0	0	99,616	101,577
2019	0	0	103,640	97,553
2020	0	0	107,828	93,366
2021-2025	0	0	608,109	397,857
2026-2030	0	0	741,282	264,685
2031-2035	0	0	903,616	102,349
Total	\$120,649	\$3,349	\$2,751,869	\$1,271,997

NOTE 15 – INTERFUND ACTIVITIES

Interfund balances at December 31, 2015, 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

Advances

Interfund balances at December 31, 2015, consist of the following individual interfund receivable and payable:

		Receivable
		General Fund
Payable	Golf Course Fund	\$200,000

A General Fund advance was made to the Golf Course Fund to support operating expenses.

Transfers

Transfers made during the year ended December 31, 2015, were as follows:

		Transfers From		
		General Fund	Nonmajor Funds	Total
Transfers To	Police Fund	\$525,000	\$0	\$525,000
	Street Department Fund	400,000	0	400,000
	Nonmajor Governmental Funds	337,069	0	337,069
	Sewer Operating Fund	0	201,193	201,193
	Golf Course Fund	50,000	0	50,000
	Total	\$1,312,069	\$201,193	\$1,513,262

Transfers are used to move General Fund revenues that are used to subsidize various programs into other governmental funds. Transfers from the nonmajor governmental funds to the Sewer operating Fund were for the repayment of debt. The Transfers from the General Fund to the Golf Course fund were used to subsidize additional operating expenses.

NOTE 16 – RISK MANAGEMENT

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

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

The City belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool (see Note 19) available to Ohio local governments. PEP provides property and casualty coverage for its members. York Risk Services Group, Inc. (York), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The Pool uses reinsurance and excess risk-sharing arrangements to reduce its exposure to loss. These agreements permit recovery of a portion of its claims from reinsurers and a risk-sharing pool; however, they do not discharge the Pool's primary liability for such payments. APEEP provides the Pool with an excess risk-sharing program. Under this arrangement, the Pool retains insured risks up to an amount specified in the contracts. (At December 31, 2015 the Pool retained \$350,000 for casualty claims and \$100,000 for property claims). The Board of Directors and York periodically review the financial strength of the Pool and other market conditions to determine the appropriate level of risk the Pool will retain.

There has been no significant reduction in coverage from last year.

Financial Position

PEP's financial statements (for which an independent audit is still ongoing) conform to generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2015 and 2014:

<u>Casualty and Property Coverage</u>	<u>2015</u>	<u>2014</u>
Assets	\$38,307,677	\$35,402,177
Liabilities	<u>12,759,127</u>	<u>12,363,257</u>
Net Assets - Unrestricted	<u><u>\$25,548,550</u></u>	<u><u>\$23,038,920</u></u>

The casualty coverage assets and net position above include approximately \$11.0 million and \$10.8 million of unpaid claims to be billed to approximately 499 member governments in the future, as of December 31, 2015 and 2014, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The City's share of these unpaid claims collectible in future years is approximately \$106,152. This payable includes the subsequent year's contribution due if the City terminates participation, as described in the last paragraph below.

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

<u>Contributions to PEP</u>	<u>Amount</u>
2015	\$86,638

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 17 – JOINT VENTURE

Clay Township – City of Clayton Joint Economic Development District

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

The percentage of equity interest for the City is based on the amount that will be distributed to the City if the contract is terminated. The City’s equity interest of \$8,798 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.

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

The City contributed \$6,076 for the operation of the Commission during 2015. 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. The Board exercises total control over the operations of the Commission including budgeting, appropriating, contracting and designating management. Each member’s degree of control is limited to representation on the Board. Payments to ED/GE are made from and received in the General Fund. Financial information may be obtained by writing to Pamela Frannin, Secretary, 451 West Third Street, Dayton, Ohio, 45422.

NOTE 19 – RISK-SHARING POOL

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

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 20 – FUND BALANCES

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

Fund Balances	General Fund	Police Fund	Street Department Fund	Fire Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total
<i><u>Nonspendable:</u></i>							
Prepays	\$34,762	\$9,386	\$13,123	\$15,565	\$0	\$0	\$72,836
<i><u>Restricted for:</u></i>							
Road Improvements	0	0	153,264	0	0	379,691	532,955
Capital Improvements	0	0	0	0	492,543	0	492,543
Fire Operations	0	0	0	133,477	0	0	133,477
Cemetery Operations	0	0	0	0	0	51,465	51,465
Police Operations	0	3,151	0	0	0	0	3,151
Drug and Alcohol Enforcement	0	0	0	0	0	36,467	36,467
Street Lighting	0	0	0	0	0	22,547	22,547
Economic Development	0	0	0	0	0	970,440	970,440
Emergency Medical Services	0	0	0	0	0	203,141	203,141
<i>Total Restricted</i>	<u>0</u>	<u>3,151</u>	<u>153,264</u>	<u>133,477</u>	<u>492,543</u>	<u>1,663,751</u>	<u>2,446,186</u>
<i><u>Assigned to:</u></i>							
Capital Asset Replacement	0	0	0	0	0	28,830	28,830
Future Appropriations	570,249	0	0	0	0	0	570,249
Purchases on Order	521,164	0	0	0	0	0	521,164
<i>Total Assigned</i>	<u>1,091,413</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28,830</u>	<u>1,120,243</u>
<i><u>Unassigned:</u></i>							
	<u>4,090,815</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,090,815</u>
<i>Total Fund Balances</i>	<u>\$5,216,990</u>	<u>\$12,537</u>	<u>\$166,387</u>	<u>\$149,042</u>	<u>\$492,543</u>	<u>\$1,692,581</u>	<u>\$7,730,080</u>

NOTE 21 – ACCOUNTABILITY

Accountability

The Water Department Fund had deficit net position of \$749,053 at December 31, 2015. The City anticipates increased revenues in charges for services and a corresponding decrease in the net position deficit in future years.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2015

NOTE 22 - SIGNIFICANT COMMITMENTS

Encumbrances

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

General Fund	\$539,289
Police Fund	17,389
Street Department Fund	100,457
Fire Fund	23,874
Capital Improvement Fund	292,587
Nonmajor Governmental Funds	426,043
Total	<u>\$1,399,639</u>

NOTE 23 – CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2015, to December 31, 2015, 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 a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 24 – SUBSEQUENT EVENT

On April 5, 2016, the City issued \$6,000,000 in general obligation roadway improvement bonds which will mature on December 1, 2030.

City of Clayton

Required Supplementary Information

City of Clayton, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.01265026%	0.01265026%
City's Proportionate Share of the Net Pension Liability	\$1,525,764	\$1,491,301
City's Covered-Employee Payroll	\$1,425,814	\$1,662,007
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	107.01%	89.73%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal year end.

City of Clayton, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Two Years (1)

	2014	2013
City's Proportion of the Net Pension Liability	0.0528962%	0.0528962%
City's Proportionate Share of the Net Pension Liability	\$2,740,244	\$2,576,211
City's Covered-Employee Payroll	\$1,061,660	\$1,025,136
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	258.11%	251.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

Amounts presented as of the City's measurement date which is the prior fiscal year end.

City of Clayton, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$212,804	\$186,993	\$232,872
Contributions in Relation to the Contractually Required Contribution	<u>(212,804)</u>	<u>(186,993)</u>	<u>(232,872)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$1,643,903	\$1,425,814	\$1,662,007
Contributions as a Percentage of Covered-Employee Payroll	12.95%	13.11%	14.01%

(1) Information prior to 2013 is not available.

City of Clayton, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$227,419	\$221,367	\$185,592	\$142,302
Contributions in Relation to the Contractually Required Contribution	<u>(227,419)</u>	<u>(221,367)</u>	<u>(185,592)</u>	<u>(142,302)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$1,075,317	\$1,061,660	\$1,025,136	\$945,751
Contributions as a Percentage of Covered-Employee Payroll:	21.15%	20.85%	18.10%	15.05%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$128,851	\$140,964	\$119,096	\$130,884	\$120,918	\$79,355
<u>(128,851)</u>	<u>(140,964)</u>	<u>(119,096)</u>	<u>(130,884)</u>	<u>(120,918)</u>	<u>(79,355)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$864,742	\$936,055	\$786,426	\$874,682	\$784,863	\$571,116
14.90%	15.06%	15.14%	14.96%	15.41%	13.89%

COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

City of Clayton, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

Enforcement and Education Fund

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

Drug Law Enforcement Fund

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

Law Enforcement Trust Fund

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

EMS Fund

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

State Highway Fund

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

Permissive Motor Vehicle License Tax Fund

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

Street Lights Fund

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

Cemetery Fund

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

Joint Economic Development District Fund

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

Tax Increment Fund

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

(continued)

City of Clayton, Ohio
Nonmajor Fund Descriptions
(continued)

Tax Increment Financing Towne Center Fund

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

CDBG Rehabilitation Fund

To account for and report federal government grant money received under the Community Development Block Grant program restricted for repairs and maintenance to blighted homes within the City.

Debt Service Fund

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

Nonmajor Debt Service Fund

Bond Retirement Fund

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

Capital Projects Fund

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

Nonmajor Capital Projects Fund

Asset Replacement Fund

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

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City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,700,507	\$28,830	\$1,729,337
Receivables:			
Property Taxes	175,936	0	175,936
Other Local Taxes	8,717	0	8,717
Payments in Lieu of Taxes	219,546	0	219,546
Accounts	366,562	0	366,562
Special Assessments - Current	30,627	0	30,627
Special Assessments - Delinquent	22,469	0	22,469
Accrued Interest	738	0	738
Due from Other Governments	39,176	0	39,176
<i>Total Assets</i>	<u>\$2,564,278</u>	<u>\$28,830</u>	<u>\$2,593,108</u>
Liabilities:			
Accounts Payable	\$14,455	\$0	\$14,455
Due to Other Governments	40,826	0	40,826
<i>Total Liabilities</i>	<u>55,281</u>	<u>0</u>	<u>55,281</u>
Deferred Inflows of Resources:			
Property Taxes	170,124	0	170,124
Payment in Lieu of Taxes	166,331	0	166,331
Unavailable Revenue	508,791	0	508,791
<i>Total Deferred Inflows of Resources</i>	<u>845,246</u>	<u>0</u>	<u>845,246</u>
Fund Balances:			
Restricted	1,663,751	0	1,663,751
Assigned	0	28,830	28,830
<i>Total Fund Balances</i>	<u>1,663,751</u>	<u>28,830</u>	<u>1,692,581</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$2,564,278</u>	<u>\$28,830</u>	<u>\$2,593,108</u>

City of Clayton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$178,105	\$0	\$0	\$178,105
Other Local Taxes	106,305	0	0	106,305
Payments in Lieu of Taxes	388,219	0	0	388,219
Intergovernmental	279,979	0	0	279,979
Charges for Services	373,557	0	0	373,557
Fines and Forfeitures	5,151	0	0	5,151
Contributions and Donations	20	0	0	20
Investment Income	(2,166)	0	0	(2,166)
Special Assessments	27,484	0	0	27,484
Other	30,254	0	0	30,254
<i>Total Revenues</i>	<u>1,386,908</u>	<u>0</u>	<u>0</u>	<u>1,386,908</u>
Expenditures:				
Current:				
General Government	263,162	0	0	263,162
Security of Persons and Property	544,021	0	0	544,021
Public Health	6,873	0	0	6,873
Economic Development	10,277	0	0	10,277
Transportation	192,839	0	0	192,839
Capital Outlay	152,371	0	71,170	223,541
Debt Service:				
Principal Retirement	55,184	102,484	0	157,668
Interest and Fiscal Charges	30,831	57,258	0	88,089
Capital Appreciation Bond Interest	21,816	40,516	0	62,332
<i>Total Expenditures</i>	<u>1,277,374</u>	<u>200,258</u>	<u>71,170</u>	<u>1,548,802</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>109,534</u>	<u>(200,258)</u>	<u>(71,170)</u>	<u>(161,894)</u>
Other Financing Sources (Uses):				
Transfers-In	0	337,069	0	337,069
Transfers-Out	(64,382)	(136,811)	0	(201,193)
<i>Total Other Financing Sources (Uses)</i>	<u>(64,382)</u>	<u>200,258</u>	<u>0</u>	<u>135,876</u>
<i>Net Change in Fund Balances</i>	45,152	0	(71,170)	(26,018)
<i>Fund Balances at Beginning of Year</i>	<u>1,618,599</u>	<u>0</u>	<u>100,000</u>	<u>1,718,599</u>
<i>Fund Balances at End of Year</i>	<u>\$1,663,751</u>	<u>\$0</u>	<u>\$28,830</u>	<u>\$1,692,581</u>

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Enforcement and Education Fund	Drug Law Enforcement Fund	Law Enforcement Trust Fund	EMS Fund	State Highway Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$1,953	\$11,326	\$23,163	\$210,164	\$286,360
Receivables:					
Property Taxes	0	0	0	175,936	0
Other Local Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Accounts	0	0	0	365,862	0
Special Assessments - Current	0	0	0	0	0
Special Assessments - Delinquent	0	0	0	0	0
Accrued Interest	0	0	0	0	518
Due from Other Governments	25	0	0	16,338	22,813
<i>Total Assets</i>	<u>\$1,978</u>	<u>\$11,326</u>	<u>\$23,163</u>	<u>\$768,300</u>	<u>\$309,691</u>
Liabilities:					
Accounts Payable	\$0	\$0	\$0	\$1,039	\$9,827
Due to Other Governments	0	0	0	11,585	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,624</u>	<u>9,827</u>
Deferred Inflows of Resources:					
Property Taxes	0	0	0	170,124	0
Payment in Lieu of Taxes	0	0	0	0	0
Unavailable Revenue	0	0	0	382,411	19,849
<i>Total Deferred Inflows of Resources</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>552,535</u>	<u>19,849</u>
Fund Balances:					
Restricted	1,978	11,326	23,163	203,141	280,015
<i>Total Fund Balances</i>	<u>1,978</u>	<u>11,326</u>	<u>23,163</u>	<u>203,141</u>	<u>280,015</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$1,978</u>	<u>\$11,326</u>	<u>\$23,163</u>	<u>\$768,300</u>	<u>\$309,691</u>

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cemetery Fund	Joint Economic Development District Fund	Tax Increment Fund	Tax Increment Financing Towne Center Fund	Total Nonmajor Special Revenue Funds
\$92,598	\$22,547	\$50,765	\$218,624	\$436,961	\$346,046	\$1,700,507
0	0	0	0	0	0	175,936
8,717	0	0	0	0	0	8,717
0	0	0	0	130,373	89,173	219,546
0	0	700	0	0	0	366,562
0	30,627	0	0	0	0	30,627
0	22,469	0	0	0	0	22,469
220	0	0	0	0	0	738
0	0	0	0	0	0	39,176
<u>\$101,535</u>	<u>\$75,643</u>	<u>\$51,465</u>	<u>\$218,624</u>	<u>\$567,334</u>	<u>\$435,219</u>	<u>\$2,564,278</u>
\$1,239	\$0	\$0	\$0	\$2,350	\$0	\$14,455
400	0	0	202	17,624	11,015	40,826
<u>1,639</u>	<u>0</u>	<u>0</u>	<u>202</u>	<u>19,974</u>	<u>11,015</u>	<u>55,281</u>
0	0	0	0	0	0	170,124
0	0	0	0	98,772	67,559	166,331
220	53,096	0	0	31,601	21,614	508,791
<u>220</u>	<u>53,096</u>	<u>0</u>	<u>0</u>	<u>130,373</u>	<u>89,173</u>	<u>845,246</u>
<u>99,676</u>	<u>22,547</u>	<u>51,465</u>	<u>218,422</u>	<u>416,987</u>	<u>335,031</u>	<u>1,663,751</u>
<u>99,676</u>	<u>22,547</u>	<u>51,465</u>	<u>218,422</u>	<u>416,987</u>	<u>335,031</u>	<u>1,663,751</u>
<u>\$101,535</u>	<u>\$75,643</u>	<u>\$51,465</u>	<u>\$218,624</u>	<u>\$567,334</u>	<u>\$435,219</u>	<u>\$2,564,278</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, 2015

	Enforcement and Education Fund	Drug Law Enforcement Fund	Law Enforcement Trust Fund	EMS Fund	State Highway Fund
Revenues:					
Property Taxes	\$0	\$0	\$0	\$178,105	\$0
Other Local Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Intergovernmental	0	0	0	35,344	179,857
Charges for Services	0	0	0	358,282	0
Fines and Forfeitures	180	90	4,881	0	0
Contributions Donations	0	0	0	20	0
Investment Income	0	0	0	0	(1,622)
Special Assessments	0	0	0	0	0
Other	0	0	0	1,193	616
<i>Total Revenues</i>	<u>180</u>	<u>90</u>	<u>4,881</u>	<u>572,944</u>	<u>178,851</u>
Expenditures:					
Current:					
General Government	0	0	0	0	0
Security of Persons and Property	0	0	0	513,845	0
Public Health	0	0	0	0	0
Economic Development	0	0	0	0	0
Transportation	0	0	0	0	75,184
Capital Outlay	0	0	0	3,580	97,764
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Capital Appreciation Bond Interest	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>517,425</u>	<u>172,948</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>180</u>	<u>90</u>	<u>4,881</u>	<u>55,519</u>	<u>5,903</u>
Other Financing Uses:					
Transfers-Out	0	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>180</u>	<u>90</u>	<u>4,881</u>	<u>55,519</u>	<u>5,903</u>
<i>Fund Balances at Beginning of Year</i>	<u>1,798</u>	<u>11,236</u>	<u>18,282</u>	<u>147,622</u>	<u>274,112</u>
<i>Fund Balances at End of Year</i>	<u>\$1,978</u>	<u>\$11,326</u>	<u>\$23,163</u>	<u>\$203,141</u>	<u>\$280,015</u>

Permissive Motor Vehicle License Tax Fund	Street Lights Fund	Cemetery Fund	Joint Economic Development District Fund	Tax Increment Fund	Tax Increment Financing Towne Center Fund	CDBG Rehabilitation Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$178,105
106,305	0	0	0	0	0	0	106,305
0	0	0	0	244,448	143,771	0	388,219
0	0	0	43,506	0	0	21,272	279,979
0	0	15,275	0	0	0	0	373,557
0	0	0	0	0	0	0	5,151
0	0	0	0	0	0	0	20
(544)	0	0	0	0	0	0	(2,166)
0	27,484	0	0	0	0	0	27,484
15,410	0	0	0	13,035	0	0	30,254
<u>121,171</u>	<u>27,484</u>	<u>15,275</u>	<u>43,506</u>	<u>257,483</u>	<u>143,771</u>	<u>21,272</u>	<u>1,386,908</u>
0	0	0	0	208,694	54,468	0	263,162
0	30,176	0	0	0	0	0	544,021
0	0	6,873	0	0	0	0	6,873
0	0	0	10,277	0	0	0	10,277
117,655	0	0	0	0	0	0	192,839
29,755	0	0	0	0	0	21,272	152,371
0	0	0	0	55,184	0	0	55,184
0	0	0	0	30,831	0	0	30,831
0	0	0	0	21,816	0	0	21,816
<u>147,410</u>	<u>30,176</u>	<u>6,873</u>	<u>10,277</u>	<u>316,525</u>	<u>54,468</u>	<u>21,272</u>	<u>1,277,374</u>
<u>(26,239)</u>	<u>(2,692)</u>	<u>8,402</u>	<u>33,229</u>	<u>(59,042)</u>	<u>89,303</u>	<u>0</u>	<u>109,534</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(64,382)</u>	<u>0</u>	<u>(64,382)</u>
<u>(26,239)</u>	<u>(2,692)</u>	<u>8,402</u>	<u>33,229</u>	<u>(59,042)</u>	<u>24,921</u>	<u>0</u>	<u>45,152</u>
<u>125,915</u>	<u>25,239</u>	<u>43,063</u>	<u>185,193</u>	<u>476,029</u>	<u>310,110</u>	<u>0</u>	<u>1,618,599</u>
<u>\$99,676</u>	<u>\$22,547</u>	<u>\$51,465</u>	<u>\$218,422</u>	<u>\$416,987</u>	<u>\$335,031</u>	<u>\$0</u>	<u>\$1,663,751</u>

City of Clayton, Ohio
Agency Fund Descriptions

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

Impact Fee Fund

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

Joint Economic Development District Fund

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

Fire Insurance Fund

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

North Clayton Development Fund

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

City of Clayton, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2015

	Balance at 12/31/2014	Additions	Reductions	Balance at 12/31/2015
<u>IMPACT FEE FUND</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$19,746	\$15,500	\$6,506	\$28,740
Liabilities:				
Due to Other Governments	\$19,746	\$15,500	\$6,506	\$28,740
<u>JOINT ECONOMIC DEVELOPMENT DISTRICT FUND</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$43,370	\$148,976	\$128,973	\$63,373
Liabilities:				
Due to Other Governments	\$43,370	\$148,976	\$128,973	\$63,373
<u>FIRE INSURANCE FUND</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$25,416	\$29,280	\$54,696	\$0
Liabilities:				
Undistributed Monies	\$25,416	\$29,280	\$54,696	\$0
<u>NORTH CLAYTON DEVELOPMENT FUND</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$19,919	\$19,460	\$459
Accounts Receivable	0	33,591	0	33,591
<i>Total Assets</i>	\$0	\$53,510	\$19,460	\$34,050
Liabilities:				
Undistributed Monies	\$0	\$53,510	\$19,460	\$34,050
<u>TOTAL AGENCY FUNDS</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$88,532	\$213,675	\$209,635	\$92,572
Accounts Receivable	0	33,591	0	33,591
<i>Total Assets</i>	\$88,532	\$247,266	\$209,635	\$126,163
Liabilities:				
Due to Other Governments	63,116	164,476	135,479	92,113
Undistributed Monies	25,416	82,790	74,156	34,050
<i>Total Liabilities</i>	\$88,532	\$247,266	\$209,635	\$126,163

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$315,000	\$319,404	\$4,404
Other Local Taxes	170,000	190,265	20,265
Municipal Income Taxes	1,850,000	2,008,264	158,264
Intergovernmental	479,383	243,155	(236,228)
Charges for Services	726,900	762,811	35,911
Licenses and Permits	4,000	7,965	3,965
Investment Income	40,000	77,276	37,276
Other	650	4,454	3,804
<i>Total Revenues</i>	<u>3,585,933</u>	<u>3,613,594</u>	<u>27,661</u>
Expenditures:			
Current:			
General Government			
Personal Services	802,459	686,844	115,615
Contractual Services	1,389,655	1,367,611	22,044
Materials and Supplies	19,938	18,425	1,513
Total General Government	<u>2,212,052</u>	<u>2,072,880</u>	<u>139,172</u>
Capital Outlay	<u>507,908</u>	<u>489,451</u>	<u>18,457</u>
<i>Total Expenditures</i>	<u>2,719,960</u>	<u>2,562,331</u>	<u>157,629</u>
<i>Excess of Revenues Over Expenditures</i>	865,973	1,051,263	185,290
Other Financing Uses:			
Transfers-Out	(1,979,893)	(1,312,069)	667,824
Advances-Out	(200,000)	(200,000)	0
<i>Total Other Financing Uses</i>	<u>(2,179,893)</u>	<u>(1,512,069)</u>	<u>667,824</u>
<i>Net Change in Fund Balance</i>	(1,313,920)	(460,806)	853,114
<i>Fund Balance at Beginning of Year</i>	4,554,781	4,554,781	0
<i>Prior Year Encumbrances Appropriated</i>	<u>329,421</u>	<u>329,421</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$3,570,282</u>	<u>\$4,423,396</u>	<u>\$853,114</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,050,000	\$1,114,935	\$64,935
Intergovernmental	211,500	211,688	188
Charges for Services	44,500	80,551	36,051
Fines and Forfeitures	16,000	20,562	4,562
Other	100	1,082	982
<i>Total Revenues</i>	<u>1,322,100</u>	<u>1,428,818</u>	<u>106,718</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	1,720,586	1,598,566	122,020
Contractual Services	289,584	268,629	20,955
Materials and Supplies	72,916	52,524	20,392
Total Security of Persons and Property	<u>2,083,086</u>	<u>1,919,719</u>	<u>163,367</u>
Capital Outlay	<u>3,500</u>	<u>3,500</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,086,586</u>	<u>1,923,219</u>	<u>163,367</u>
<i>Excess of Revenues Under Expenditures</i>	(764,486)	(494,401)	270,085
Other Financing Sources:			
Transfers-In	<u>745,000</u>	<u>525,000</u>	<u>(220,000)</u>
<i>Net Change in Fund Balance</i>	(19,486)	30,599	50,085
<i>Fund Balance at Beginning of Year</i>	26,367	26,367	0
<i>Prior Year Encumbrances Appropriated</i>	<u>13,635</u>	<u>13,635</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$20,516</u></u>	<u><u>\$70,601</u></u>	<u><u>\$50,085</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$535,000	\$548,706	\$13,706
Charges for Services	18,500	25,436	6,936
Investment Income	200	401	201
Other	0	10,167	10,167
<i>Total Revenues</i>	<u>553,700</u>	<u>584,710</u>	<u>31,010</u>
Expenditures:			
Current:			
Transportation			
Personal Services	827,651	709,661	117,990
Contractual Services	140,470	114,461	26,009
Materials and Supplies	185,871	153,819	32,052
Total Transportation	<u>1,153,992</u>	<u>977,941</u>	<u>176,051</u>
Capital Outlay	<u>6,500</u>	<u>5,725</u>	<u>775</u>
<i>Total Expenditures</i>	<u>1,160,492</u>	<u>983,666</u>	<u>176,826</u>
<i>Excess of Revenues Under Expenditures</i>	(606,792)	(398,956)	207,836
Other Financing Sources:			
Transfers-In	<u>570,000</u>	<u>400,000</u>	<u>(170,000)</u>
<i>Net Change in Fund Balance</i>	(36,792)	1,044	37,836
<i>Fund Balance at Beginning of Year</i>	47,987	47,987	0
<i>Prior Year Encumbrances Appropriated</i>	<u>27,438</u>	<u>27,438</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$38,633</u></u>	<u><u>\$76,469</u></u>	<u><u>\$37,836</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$700,000	\$697,197	(\$2,803)
Intergovernmental	130,000	128,022	(1,978)
Fines and Forfeitures	2,500	1,352	(1,148)
Contributions and Donations	750	460	(290)
Other	0	328	328
<i>Total Revenues</i>	<u>833,250</u>	<u>827,359</u>	<u>(5,891)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	808,559	786,593	21,966
Contractual Services	201,039	174,874	26,165
Materials and Supplies	40,269	31,061	9,208
Total Security of Persons and Property	<u>1,049,867</u>	<u>992,528</u>	<u>57,339</u>
Capital Outlay	69,587	69,507	80
<i>Total Expenditures</i>	<u>1,119,454</u>	<u>1,062,035</u>	<u>57,419</u>
<i>Excess of Revenues Under Expenditures</i>	(286,204)	(234,676)	51,528
Other Financing Sources:			
Proceeds from Sale of Capital Assets	5,564	6,015	451
<i>Net Change in Fund Balance</i>	(280,640)	(228,661)	51,979
<i>Fund Balance at Beginning of Year</i>	300,246	300,246	0
<i>Prior Year Encumbrances Appropriated</i>	97,881	97,881	0
<i>Fund Balance at End of Year</i>	<u>\$117,487</u>	<u>\$169,466</u>	<u>\$51,979</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$932,000	\$1,004,130	\$72,130
Intergovernmental	30,000	78,557	48,557
Other	48,870	59,203	10,333
<i>Total Revenues</i>	<u>1,010,870</u>	<u>1,141,890</u>	<u>131,020</u>
Expenditures:			
Current:			
General Government			
Contractual Services	637,232	627,374	9,858
Capital Outlay	792,919	771,608	21,311
Debt Service:			
Principal Retirement	217,255	217,255	0
Interest and Fiscal Charges	57,558	57,558	0
<i>Total Expenditures</i>	<u>1,704,964</u>	<u>1,673,795</u>	<u>31,169</u>
<i>Excess of Revenues Under Expenditures</i>	(694,094)	(531,905)	162,189
Other Financing Sources:			
Transfers-In	285,000	0	(285,000)
<i>Net Change in Fund Balance</i>	(409,094)	(531,905)	(122,811)
<i>Fund Balance at Beginning of Year</i>	230,400	230,400	0
<i>Prior Year Encumbrances Appropriated</i>	370,898	370,898	0
<i>Fund Balance at End of Year</i>	<u>\$192,204</u>	<u>\$69,393</u>	<u>(\$122,811)</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$62,100	\$74,248	\$12,148
Expenses:			
Personal Services	35,831	24,526	11,305
Contractual Services	205	205	0
Materials and Supplies	56,596	56,524	72
<i>Total Expenses</i>	92,632	81,255	11,377
<i>Net Change in Fund Equity</i>	(30,532)	(7,007)	23,525
<i>Fund Equity at Beginning of Year</i>	40,743	40,743	0
<i>Prior Year Encumbrances Appropriated</i>	247	247	0
<i>Fund Equity at End of Year</i>	\$10,458	\$33,983	\$23,525

City of Clayton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Golf Course Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$777,023	\$465,349	(\$311,674)
Expenses:			
Personal Services	371,704	309,571	62,133
Contractual Services	510,951	281,707	229,244
Materials and Supplies	82,591	68,662	13,929
Capital Outlay	13,262	13,262	0
Debt Service:			
Principal Retirement	48,240	40,300	7,940
<i>Total Expenses</i>	1,026,748	713,502	313,246
Other Financing Sources:			
Advances-In	200,000	200,000	0
Transfers-In	50,000	50,000	0
<i>Total Other Financing Sources</i>	250,000	250,000	0
<i>Net Change in Fund Equity</i>	275	1,847	1,572
<i>Fund Equity at Beginning of Year</i>	0	0	0
<i>Fund Equity at End of Year</i>	\$275	\$1,847	\$1,572

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Enforcement and Education Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$200	\$155	(\$45)
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	200	155	(45)
<i>Fund Balance at Beginning of Year</i>	1,798	1,798	0
<i>Fund Balance at End of Year</i>	\$1,998	\$1,953	(\$45)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$0	\$90	\$90
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	90	90
<i>Fund Balance at Beginning of Year</i>	11,236	11,236	0
<i>Fund Balance at End of Year</i>	<u>\$11,236</u>	<u>\$11,326</u>	<u>\$90</u>

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$2,000	\$4,881	\$2,881
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	2,000	4,881	2,881
<i>Fund Balance at Beginning of Year</i>	18,282	18,282	0
<i>Fund Balance at End of Year</i>	<u>\$20,282</u>	<u>\$23,163</u>	<u>\$2,881</u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
EMS Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$170,000	\$178,105	\$8,105
Intergovernmental	32,500	35,344	2,844
Charges for Services	325,000	357,457	32,457
Contributions and Donations	0	20	20
Other	0	1,293	1,293
<i>Total Revenues</i>	<u>527,500</u>	<u>572,219</u>	<u>44,719</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	568,521	467,214	101,307
Contractual Services	37,140	33,240	3,900
Materials and Supplies	11,468	11,435	33
Total Security of Persons and Property	<u>617,129</u>	<u>511,889</u>	<u>105,240</u>
Capital Outlay	<u>3,601</u>	<u>3,580</u>	<u>21</u>
<i>Total Expenditures</i>	<u>620,730</u>	<u>515,469</u>	<u>105,261</u>
<i>Net Change in Fund Balance</i>	(93,230)	56,750	149,980
<i>Fund Balance at Beginning of Year</i>	144,582	144,582	0
<i>Prior Year Encumbrances Appropriated</i>	<u>4,070</u>	<u>4,070</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$55,422</u></u>	<u><u>\$205,402</u></u>	<u><u>\$149,980</u></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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$176,800	\$179,972	\$3,172
Investment Income	100	1,956	1,856
Other	0	616	616
<i>Total Revenues</i>	<u>176,900</u>	<u>182,544</u>	<u>5,644</u>
Expenditures:			
Current:			
Transportation			
Contractual Services	31,224	27,937	3,287
Materials and Supplies	78,755	56,697	22,058
Total Transportation	<u>109,979</u>	<u>84,634</u>	<u>25,345</u>
Capital Outlay	<u>108,000</u>	<u>97,764</u>	<u>10,236</u>
<i>Total Expenditures</i>	<u>217,979</u>	<u>182,398</u>	<u>35,581</u>
<i>Net Change in Fund Balance</i>	(41,079)	146	41,225
<i>Fund Balance at Beginning of Year</i>	234,660	234,660	0
<i>Prior Year Encumbrances Appropriated</i>	<u>35,989</u>	<u>35,989</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$229,570</u></u>	<u><u>\$270,795</u></u>	<u><u>\$41,225</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$101,000	\$104,460	\$3,460
Investment Income	450	974	524
Other	16,500	15,410	(1,090)
<i>Total Revenues</i>	<u>117,950</u>	<u>120,844</u>	<u>2,894</u>
Expenditures:			
Current:			
Transportation			
Personal Services	64,904	52,766	12,138
Contractual Services	32,505	24,100	8,405
Materials and Supplies	46,500	41,224	5,276
Total Transportation	<u>143,909</u>	<u>118,090</u>	<u>25,819</u>
Capital Outlay	<u>29,845</u>	<u>29,845</u>	<u>0</u>
<i>Total Expenditures</i>	<u>173,754</u>	<u>147,935</u>	<u>25,819</u>
<i>Net Change in Fund Balance</i>	(55,804)	(27,091)	28,713
<i>Fund Balance at Beginning of Year</i>	115,692	115,692	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,159</u>	<u>3,159</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$63,047</u></u>	<u><u>\$91,760</u></u>	<u><u>\$28,713</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$30,000	\$27,484	(\$2,516)
Expenditures:			
Current:			
Security of Persons and Property			
Contractual Services	35,500	30,176	5,324
<i>Net Change in Fund Balance</i>	(5,500)	(2,692)	2,808
<i>Fund Balance at Beginning of Year</i>	25,239	25,239	0
<i>Fund Balance at End of Year</i>	\$19,739	\$22,547	\$2,808

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$4,000	\$15,075	\$11,075
Expenditures:			
Current:			
Public Health			
Contractual Services	10,500	10,123	377
<i>Net Change in Fund Balance</i>	(6,500)	4,952	11,452
<i>Fund Balance at Beginning of Year</i>	42,563	42,563	0
<i>Fund Balance at End of Year</i>	\$36,063	\$47,515	\$11,452

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$50,000	\$43,506	(\$6,494)
Expenditures:			
Current:			
Economic Development			
Contractual Services	21,662	11,363	10,299
<i>Net Change in Fund Balance</i>	28,338	32,143	3,805
<i>Fund Balance at Beginning of Year</i>	178,539	178,539	0
<i>Prior Year Encumbrances Appropriated</i>	6,906	6,906	0
<i>Fund Balance at End of Year</i>	<u>\$213,783</u>	<u>\$217,588</u>	<u>\$3,805</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$225,000	\$244,448	\$19,448
Other	12,980	13,035	55
<i>Total Revenues</i>	<u>237,980</u>	<u>257,483</u>	<u>19,503</u>
Expenditures:			
Current:			
General Government			
Contractual Services	465,772	455,449	10,323
Materials and Supplies	12,111	11,479	632
Total General Government	<u>477,883</u>	<u>466,928</u>	<u>10,955</u>
Debt Service:			
Principal Retirement	77,000	77,000	0
Interest and Fiscal Charges	30,831	30,831	0
<i>Total Expenditures</i>	<u>585,714</u>	<u>574,759</u>	<u>10,955</u>
<i>Net Change in Fund Balance</i>	(347,734)	(317,276)	30,458
<i>Fund Balance at Beginning of Year</i>	339,899	339,899	0
<i>Prior Year Encumbrances Appropriated</i>	<u>277,538</u>	<u>277,538</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$269,703</u></u>	<u><u>\$300,161</u></u>	<u><u>\$30,458</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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Payment in Lieu of Taxes	\$150,000	\$143,771	(\$6,229)
Expenditures:			
Current:			
General Government			
Contractual Services	376,579	363,287	13,292
Debt Service:			
Principal Retirement	28,306	28,306	0
Interest and Fiscal Charges	36,076	36,076	0
<i>Total Expenditures</i>	440,961	427,669	13,292
<i>Net Change in Fund Balance</i>	(290,961)	(283,898)	7,063
<i>Fund Balance at Beginning of Year</i>	83,524	83,524	0
<i>Prior Year Encumbrances Appropriated</i>	312,079	312,079	0
<i>Fund Balance at End of Year</i>	\$104,642	\$111,705	\$7,063

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
CDBG Rehabilitation Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$40,000	\$21,272	(\$18,728)
Expenditures:			
Capital Outlay	40,000	21,272	18,728
<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)
Bond Retirement Fund
For the Year Ended December 31, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Debt Service:			
Principal Retirement	203,150	203,150	0
Interest and Fiscal Charges	133,919	133,919	0
<i>Total Expenditures</i>	337,069	337,069	0
<i>Excess of Revenues Under Expenditures</i>	(337,069)	(337,069)	0
Other Financing Sources:			
Transfers-In	337,225	337,069	(156)
<i>Net Change in Fund Balance</i>	156	0	(156)
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$156	\$0	(\$156)

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, 2015

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	100,000	96,170	3,830
<i>Net Change in Fund Balance</i>	(100,000)	(96,170)	3,830
<i>Fund Balance at Beginning of Year</i>	100,000	100,000	0
<i>Fund Balance at End of Year</i>	\$0	\$3,830	\$3,830

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	114-125
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	126-135
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	136-142
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	143-145
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	146-151
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial reports relates to the services the City provides and the activities it performs.	

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

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

	2006	2007	2008	2009
Governmental Activities:				
Net Investment in Capital Assets	\$2,385,015	\$3,399,360	\$4,534,717	\$4,985,791
Restricted	2,418,788	2,976,984	1,863,244	3,028,063
Unrestricted	2,604,083	2,478,642	2,167,933	2,152,885
<i>Total Governmental Activities Net Position</i>	<u>7,407,886</u>	<u>8,854,986</u>	<u>8,565,894</u>	<u>10,166,739</u>
Business-Type Activities:				
Net Investment in Capital Assets	(78,683)	(80,021)	(57,466)	(64,741)
Unrestricted (Deficit)	18,068	184,759	292,602	238,435
<i>Total Business-Type Activities</i>	<u>(60,615)</u>	<u>104,738</u>	<u>235,136</u>	<u>173,694</u>
Primary Government:				
Net Investment in Capital Assets	2,306,332	3,319,339	4,477,251	4,921,050
Restricted	2,418,788	2,976,984	1,863,244	3,028,063
Unrestricted	2,622,151	2,663,401	2,460,535	2,391,320
<i>Total Primary Government Net Position</i>	<u>\$7,347,271</u>	<u>\$8,959,724</u>	<u>\$8,801,030</u>	<u>\$10,340,433</u>

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

2010	2011	2012	2013	2014 (1)	2015
\$6,188,910	\$6,887,562	\$7,027,755	\$7,073,297	\$7,273,119	\$7,410,232
2,655,232	2,942,250	2,823,290	3,329,404	3,742,366	3,420,732
3,262,866	4,441,506	4,950,535	5,679,868	2,085,034	2,202,430
12,107,008	14,271,318	14,801,580	16,082,569	13,100,519	13,033,394
(154,527)	(53,739)	(325,188)	(427,817)	(459,447)	2,481,770
229,958	27,310	173,204	106,735	138,360	(33,394)
75,431	(26,429)	(151,984)	(321,082)	(321,087)	2,448,376
6,034,383	6,833,823	6,702,567	6,645,480	6,813,672	9,892,002
2,655,232	2,942,250	2,823,290	3,329,404	3,742,366	3,420,732
3,492,824	4,468,816	5,123,739	5,786,603	2,223,394	2,169,036
\$12,182,439	\$14,244,889	\$14,649,596	\$15,761,487	\$12,779,432	\$15,481,770

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

	2006	2007	2008	2009
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	\$169,787	\$132,499	\$102,638	\$318,580
Security of Persons and Property	296,703	352,411	445,672	438,413
Public Health	4,125	2,350	1,340	8,650
Transportation	0	1,325	1,925	1,225
Operating Grants, Contributions and Interest	908,004	1,003,649	1,093,240	1,207,084
Capital Grants, Contributions and Interest	572,922	389,589	317,078	884,827
<i>Total Governmental Activities Program Revenues</i>	<u>1,951,541</u>	<u>1,881,823</u>	<u>1,961,893</u>	<u>2,858,779</u>
Business-Type Activities:				
Charges for Services:				
Water Department (1)	66,812	193,040	112,285	48,037
Sewer Operating (2)	21,505	6,384	8,986	828
Golf Course	0	0	0	0
Capital Grants, Contributions and Interest	269,452	0	0	98,773
<i>Total Business-Type Activities Program Revenues</i>	<u>357,769</u>	<u>199,424</u>	<u>121,271</u>	<u>147,638</u>
<i>Total Primary Government Program Revenues</i>	<u>2,309,310</u>	<u>2,081,247</u>	<u>2,083,164</u>	<u>3,006,417</u>
Expenses:				
Governmental Activities:				
Current:				
General Government	2,549,858	1,699,954	1,665,425	2,102,857
Security of Persons and Property	2,252,398	3,081,544	3,181,958	3,103,331
Public Health	4,136	5,101	4,591	3,557
Economic Development	0	0	0	16,883
Transportation	947,510	1,174,423	1,292,387	1,201,965
Interest and Fiscal Charges	226,533	229,427	230,230	226,296
<i>Total Governmental Activities Expenses</i>	<u>5,980,435</u>	<u>6,190,449</u>	<u>6,374,591</u>	<u>6,654,889</u>
Business-Type Activities:				
Water Department	288,508	120,237	113,795	161,076
Sewer Operating	140,098	137,465	139,324	233,626
Golf Course	0	0	0	0
<i>Total Business-Type Activities Expenses</i>	<u>428,606</u>	<u>257,702</u>	<u>253,119</u>	<u>394,702</u>
<i>Total Primary Government Expenses</i>	<u>\$6,409,041</u>	<u>\$6,448,151</u>	<u>\$6,627,710</u>	<u>\$7,049,591</u>

2010	2011	2012	2013	2014 (3)	2015
\$760,819	\$717,170	\$787,659	\$778,361	\$735,784	\$752,368
380,730	483,120	424,854	693,824	363,014	499,638
5,650	1,400	6,225	8,650	7,700	15,275
2,038	3,150	2,170	8,318	5,330	25,116
1,567,345	1,063,694	1,012,553	1,016,512	1,049,206	1,168,499
1,231,631	0	136,168	0	100,000	78,557
3,948,213	2,268,534	2,369,629	2,505,665	2,261,034	2,539,453
66,178	63,449	69,363	68,432	52,659	74,248
2,577	575	923	20	4	0
0	0	0	0	0	462,038
0	0	0	0	0	0
68,755	64,024	70,286	68,452	52,663	536,286
4,016,968	2,332,558	2,439,915	2,574,117	2,313,697	3,075,739
3,078,190	1,995,391	2,671,295	2,026,231	2,335,282	2,928,788
3,314,654	3,309,160	3,490,585	3,513,534	3,531,717	3,630,121
4,576	591	1,792	1,662	390	6,873
7,935	400	10,138	20,952	15,303	10,277
1,413,580	1,033,701	1,466,901	1,521,183	1,490,066	1,812,643
234,683	248,233	388,039	249,304	182,614	164,670
8,053,618	6,587,476	8,028,750	7,332,866	7,555,372	8,553,372
149,372	151,169	174,608	140,683	152,186	153,496
218,839	215,908	22,426	209,360	206,708	202,948
0	0	0	0	0	669,535
368,211	367,077	197,034	350,043	358,894	1,025,979
\$8,421,829	\$6,954,553	\$8,225,784	\$7,682,909	\$7,914,266	\$9,579,351

(continued)

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

	2006	2007	2008	2009
Net (Expense) / Revenue:				
Governmental Activities	(\$4,028,894)	(\$4,308,626)	(\$4,412,698)	(\$3,796,110)
Business-Type Activities	(70,837)	(58,278)	(131,848)	(247,064)
<i>Total Primary Government Net Position</i>	<u>(4,099,731)</u>	<u>(4,366,904)</u>	<u>(4,544,546)</u>	<u>(4,043,174)</u>
General Revenues and Transfers:				
Governmental Activities:				
Property Taxes Levied for General Purposes	383,670	374,624	374,000	391,904
Property Taxes Levied for Police	1,105,558	1,085,879	1,076,541	1,228,963
Property Taxes Levied for Fire	443,579	423,706	421,228	814,478
Property Taxes Levied for EMS	193,639	184,206	183,452	180,448
Other Local Taxes	507,230	335,198	206,438	216,829
Increment Taxes	0	0	0	199,876
Municipal Income Taxes Levied for General Purposes	1,578,201	1,311,919	1,280,281	1,364,296
Municipal Income Taxes Levied for Capital Outlay	811,251	607,727	727,648	686,419
Grants and Entitlements not Restricted to Specific Programs	514,987	534,113	550,153	297,537
Investment Income	173,067	178,584	85,905	23,668
Investment in Joint Venture	0	0	12,955	(8,656)
Other	107,846	168,012	217,289	186,815
Transfers	(202,352)	(202,234)	(262,233)	(185,622)
<i>Total Governmental Activities General Revenues and Transfers</i>	<u>5,616,676</u>	<u>5,001,734</u>	<u>4,873,657</u>	<u>5,396,955</u>
Business-Type Activities:				
Other	0	0	13	0
Extraordinary Item	0	0	0	0
Transfers	202,352	202,234	262,233	185,622
<i>Total Business-Type Activities General Revenues, Extraordinary Item and Transfers</i>	<u>202,352</u>	<u>202,234</u>	<u>262,246</u>	<u>185,622</u>
Prior Year Restatement of Governmental Type Net Position	(95,126)	753,992	(750,051)	0
Prior Year Restatement of Business-Type Net Position	0	21,397	0	0
Change in Net Position:				
Governmental Activities	1,492,656	1,447,100	(289,092)	1,600,845
Business-Type Activities	131,515	165,353	130,398	(61,442)
<i>Total Primary Government</i>	<u>\$1,624,171</u>	<u>\$1,612,453</u>	<u>(\$158,694)</u>	<u>\$1,539,403</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.
(3) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in 2015.

2010	2011	2012	2013	2014 (3)	2015
(\$4,105,405)	(\$4,318,942)	(\$5,659,121)	(\$4,827,201)	(\$5,294,338)	(\$6,013,919)
(299,456)	(303,053)	(126,748)	(281,591)	(306,231)	(489,693)
(4,404,861)	(4,621,995)	(5,785,869)	(5,108,792)	(5,600,569)	(6,503,612)
368,775	369,143	331,825	333,899	330,846	319,977
1,217,195	1,224,218	1,137,084	1,146,874	1,139,035	1,117,627
798,572	799,508	721,683	726,977	720,557	698,407
179,062	179,947	177,758	179,153	178,301	178,464
224,968	266,767	284,333	281,529	291,372	296,470
187,734	327,951	359,430	413,584	336,282	402,260
1,422,784	1,651,397	1,914,037	1,578,366	1,889,466	1,897,729
704,294	826,382	957,739	788,569	944,136	947,187
1,043,924	923,046	307,054	401,933	223,988	248,671
10,657	37,286	34,456	109,373	117,739	(21,121)
4,121	84	(568)	(5,678)	5,191	1,349
84,781	78,716	165,745	254,207	96,317	110,967
(201,193)	(201,193)	(201,193)	(100,596)	(301,790)	(251,193)
6,045,674	6,483,252	6,189,383	6,108,190	5,971,440	5,946,794
0	0	0	11,897	4,436	6,113
0	0	0	0	0	3,001,850
201,193	201,193	201,193	100,596	301,790	251,193
201,193	201,193	201,193	112,493	306,226	3,259,156
0	0	0	0	(3,659,152)	0
0	0	0	0	0	0
1,940,269	2,164,310	530,262	1,280,989	677,102	(67,125)
(98,263)	(101,860)	74,445	(169,098)	(5)	2,769,463
\$1,842,006	\$2,062,450	\$604,707	\$1,111,891	\$677,097	\$2,702,338

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

Function / Program:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:				
General Government	\$783,323	\$606,334	\$595,918	\$1,295,181
Security of Persons and Property	624,108	613,690	769,283	966,548
Public Health	4,125	2,350	1,340	8,650
Community and Economic Development				
Transportation	<u>539,985</u>	<u>659,449</u>	<u>595,352</u>	<u>588,400</u>
<i>Total Governmental Activities Program Revenues</i>	<u>1,951,541</u>	<u>1,881,823</u>	<u>1,961,893</u>	<u>2,858,779</u>
Business-Type Activities:				
Water Department	112,469	193,040	112,285	146,810
Sewer Operating	245,300	6,384	8,986	828
Golf Course	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>357,769</u>	<u>199,424</u>	<u>121,271</u>	<u>147,638</u>
<i>Total Primary Government Program Revenues</i>	<u>\$2,309,310</u>	<u>\$2,081,247</u>	<u>\$2,083,164</u>	<u>\$3,006,417</u>

2010	2011	2012	2013	2014	2015
\$2,488,113	\$764,385	\$961,102	\$800,569	\$909,524	\$795,874
840,695	937,380	794,401	1,084,329	761,257	886,173
5,650	1,400	6,225	8,650	7,700	15,275
		0	0	0	21,272
613,755	565,369	607,901	612,117	582,553	820,859
3,948,213	2,268,534	2,369,629	2,505,665	2,261,034	2,539,453
66,178	63,449	69,363	68,432	52,659	74,248
2,577	575	923	20	4	0
0	0	0	0	0	462,038
68,755	64,024	70,286	68,452	52,663	536,286
\$4,016,968	\$2,332,558	\$2,439,915	\$2,574,117	\$2,313,697	\$3,075,739

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009(1)</u>
General Fund				
Nonspendable	\$0	\$0	\$19,893	\$20,339
Assigned	0	0	0	48,086
Unassigned	0	0	1,519,538	1,451,057
Reserved	142,351	59,053	0	0
Unreserved	<u>1,789,609</u>	<u>1,734,915</u>	<u>0</u>	<u>0</u>
<i>Total General Fund</i>	<u>1,931,960</u>	<u>1,793,968</u>	<u>1,539,431</u>	<u>1,519,482</u>
All Other Governmental Funds				
Nonspendable	0	0	45,297	45,122
Restricted	0	0	1,320,123	1,559,714
Assigned	0	0	110,257	115,464
Unassigned	0	0	(352,411)	(233,760)
Reserved	210,896	110,316	0	0
Unreserved, Undesignated Reported in:				
Special Revenue Funds	1,090,855	945,875	0	0
Debt Service Fund	5,617	10,257	0	0
Capital Projects Funds	<u>506,205</u>	<u>681,450</u>	<u>0</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>1,813,573</u>	<u>1,747,898</u>	<u>1,123,266</u>	<u>1,486,540</u>
<i>Total Governmental Funds</i>	<u><u>\$3,745,533</u></u>	<u><u>\$3,541,866</u></u>	<u><u>\$2,662,697</u></u>	<u><u>\$3,006,022</u></u>

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

2010	2011	2012	2013	2014	2015
\$3,770	\$25,236	\$27,652	\$13,342	\$26,785	\$34,762
69,572	57,008	132,142	786,246	1,007,559	1,091,413
2,452,922	3,744,558	4,019,975	4,215,425	3,958,798	4,090,815
0	0	0	0	0	0
0	0	0	0	0	0
2,526,264	3,826,802	4,179,769	5,015,013	4,993,142	5,216,990
2,131	63,743	53,154	10,476	38,595	38,074
1,912,706	2,054,698	2,327,503	2,132,183	2,796,535	2,446,186
105,984	100,000	100,000	168,105	100,000	28,830
(183,771)	(221,227)	(185,247)	(240,845)	(29,579)	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,837,050	1,997,214	2,295,410	2,069,919	2,905,551	2,513,090
\$4,363,314	\$5,824,016	\$6,475,179	\$7,084,932	\$7,898,693	\$7,730,080

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

	2006	2007	2008	2009
Revenues:				
Property Taxes	\$2,132,002	\$2,071,635	\$2,063,329	\$2,558,467
Other Local Taxes (2)	406,845	371,060	199,928	213,638
Municipal Income Taxes	2,072,428	2,000,105	2,003,061	1,998,627
Payment in Lieu of Taxes (1)	0	0	115,173	138,449
Intergovernmental	1,917,568	1,736,282	1,923,306	1,801,731
Charges for Services	360,292	379,355	393,877	648,425
Licenses and Permits	10,626	10,144	11,806	4,658
Fines and Forfeitures	13,526	20,519	17,851	17,231
Contributions and Donations	0	0	0	0
Investment Income	235,838	246,821	97,086	27,644
Special Assessments	22,228	22,718	28,991	28,576
Impact Fees	63,032	40,350	18,264	2,427
Other	108,214	104,369	217,289	186,515
<i>Total Revenues</i>	<u>7,342,599</u>	<u>7,003,358</u>	<u>7,089,961</u>	<u>7,626,388</u>
Expenditures:				
Current:				
General Government	3,627,015	2,673,903	3,018,325	2,594,614
Security of Persons and Property	2,806,686	2,906,093	2,996,332	3,025,428
Public Health	4,136	5,101	4,591	3,557
Economic Development	0	0	0	16,883
Transportation	879,686	1,015,617	1,035,123	925,970
Intergovernmental	0	0	44,342	0
Capital Outlay	0	0	0	0
Debt Service:				
Principal Retirement	357,611	347,434	389,680	317,089
Interest and Fiscal Charges	211,590	222,743	218,504	213,900
Issuance Costs	0	0	0	0
Capital Appreciation Bond Interest	0	0	0	0
<i>Total Expenditures</i>	<u>7,886,724</u>	<u>7,170,891</u>	<u>7,706,897</u>	<u>7,097,441</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(544,125)</u>	<u>(167,533)</u>	<u>(616,936)</u>	<u>528,947</u>
Other Financing Sources (Uses):				
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	0	0
General Obligation Bonds Issued	0	0	0	0
Premium on Debt Issued	0	0	0	0
Notes Issued	0	0	0	0
Inception of Capital Lease	509,275	166,100	0	0
Transfers-In	1,648,523	1,470,804	1,163,496	785,583
Payment to Refunded Escrow Agent	0	0	0	0
Transfers-Out	(1,850,875)	(1,673,038)	(1,425,729)	(971,205)
<i>Total Other Financing Sources (Uses)</i>	<u>306,923</u>	<u>(36,134)</u>	<u>(262,233)</u>	<u>(185,622)</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$237,202)</u></u>	<u><u>(\$203,667)</u></u>	<u><u>(\$879,169)</u></u>	<u><u>\$343,325</u></u>
<i>Debt Service as a Percentage of Noncapital Expenditures (3)</i>	9.5%	9.3%	9.7%	9.2%

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

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

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

2010	2011	2012	2013	2014	2015
\$2,547,791	\$2,622,064	\$2,374,876	\$2,376,210	\$2,367,292	\$2,309,641
220,051	335,235	284,328	282,234	287,697	296,570
2,105,083	2,292,298	2,682,476	2,617,576	2,924,160	2,958,434
187,734	327,951	332,380	343,127	456,042	388,219
4,023,219	2,066,458	1,487,288	1,402,068	1,380,501	1,490,170
1,001,862	1,035,016	1,078,970	1,134,310	1,196,793	1,242,095
6,816	30,925	5,572	3,754	7,625	7,605
20,512	16,857	25,488	27,163	30,987	27,495
0	425	675	4,410	1,346	480
11,676	34,207	31,129	112,403	115,848	(27,856)
38,026	68,284	34,419	40,385	28,352	27,484
6,721	2,382	2,564	56	12	70
85,081	78,716	165,745	254,207	96,317	110,967
<u>10,254,572</u>	<u>8,910,818</u>	<u>8,505,910</u>	<u>8,597,903</u>	<u>8,892,972</u>	<u>8,831,374</u>
1,983,546	2,494,914	2,753,703	2,689,597	2,612,744	2,874,076
3,139,635	3,126,644	3,287,908	3,358,850	3,364,352	3,449,030
4,576	591	1,792	1,662	390	6,873
7,935	400	10,138	20,952	15,303	10,277
1,020,519	851,863	853,572	895,671	873,304	1,105,680
0	0	0	0	0	0
3,549,111	285,962	715,456	293,233	327,248	719,956
273,999	354,660	420,821	459,187	428,157	374,923
216,766	229,286	230,986	290,218	155,923	145,647
76,506	0	0	0	0	0
0	0	0	0	0	62,332
<u>10,272,593</u>	<u>7,344,320</u>	<u>8,274,376</u>	<u>8,009,370</u>	<u>7,777,421</u>	<u>8,748,794</u>
(18,021)	1,566,498	231,534	588,533	1,115,551	82,580
0	0	0	3,665,000	0	0
0	0	0	34,496	0	0
1,515,000	0	0	0	0	0
61,506	0	0	125,836	0	0
0	95,397	185,433	0	0	0
0	0	435,389	0	0	0
496,215	534,455	871,050	703,047	1,470,778	1,262,069
0	0	0	(3,703,516)	0	0
(697,408)	(735,648)	(1,072,243)	(803,643)	(1,772,568)	(1,513,262)
<u>1,375,313</u>	<u>(105,796)</u>	<u>419,629</u>	<u>21,220</u>	<u>(301,790)</u>	<u>(251,193)</u>
<u>\$1,357,292</u>	<u>\$1,460,702</u>	<u>\$651,163</u>	<u>\$609,753</u>	<u>\$813,761</u>	<u>(\$168,613)</u>
6.3%	9.4%	8.8%	10.7%	8.2%	7.3%

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

Year	Property and Other Local Taxes	Percentage Change	Municipal Income Taxes	Percentage Change	Total
2006	\$2,538,847	4.30%	\$2,072,428	10.11%	\$4,611,275
2007	2,442,695	(3.79%)	2,000,105	(3.49%)	4,442,800
2008	2,378,430	(2.63%)	2,003,061	0.15%	4,381,491
2009	2,772,105	16.55%	1,998,627	(0.22%)	4,770,732
2010	2,767,842	(0.15%)	2,105,083	5.33%	4,872,925
2011	2,957,299	6.84%	2,292,298	8.89%	5,249,597
2012	2,991,584	1.16%	2,682,476	17.02%	5,674,060
2013	2,658,444	(11.14%)	2,617,576	(2.42%)	5,276,020
2014	2,654,989	(0.13%)	2,924,160	11.71%	5,579,149
2015	2,606,211	(1.84%)	2,958,434	1.17%	5,564,645

Source: City of Clayton

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2006	\$245,417,110	\$14,684,510	\$743,147,486	\$5,940,090	\$6,750,102
2007	246,309,620	14,803,000	746,036,057	5,689,890	6,465,784
2008	248,450,750	14,818,730	752,198,514	4,879,900	5,545,341
2009	250,616,410	16,233,890	762,429,429	4,970,690	5,648,511
2010	250,090,550	16,288,460	761,082,886	4,912,150	5,581,989
2011	249,250,080	16,838,570	760,253,286	5,121,640	5,820,045
2012	225,433,280	25,206,480	716,113,600	5,238,780	5,953,159
2013	224,482,070	15,447,940	685,514,314	6,156,620	6,996,159
2014	224,482,070	15,447,940	685,514,314	6,156,620	6,996,159
2015	216,243,130	14,856,990	660,286,057	6,364,640	7,232,545

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.

<u>Tangible Personal Property</u>					Weighted Average Tax Rate (per \$1,000 of assessed value)
<u>General Business</u>		<u>Total</u>			
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Ratio</u>	
\$1,812,688	\$9,667,669	\$267,854,398	\$759,565,257	35.26	\$8.79
1,629,718	13,037,744	268,432,228	765,539,585	35.06	8.79
1,300,056	10,400,448	269,449,436	768,144,303	35.08	8.76
760,410	6,083,280	272,581,400	774,161,220	35.21	11.10
111,170	889,360	271,402,330	767,554,234	35.36	10.34
0	0	271,210,290	766,073,331	35.40	11.75
0	0	255,878,540	722,066,759	35.44	11.43
0	0	246,086,630	692,510,473	35.54	11.45
0	0	246,086,630	692,510,473	35.54	11.57
0	0	237,464,760	667,518,603	35.57	11.57

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

	2006	2007	2008	2009
Unvoted Millage				
Operating	\$1.6000	\$1.6000	\$1.6000	\$1.6000
Voted Millage - by levy				
1976 Police				
Residential/Agricultural Real	0.5715	0.5716	0.5700	0.5651
Commercial/Industrial and Public Utility Real	0.9983	1.0043	1.0038	0.9484
General Business and Public Utility Personal	2.6800	2.6800	2.6800	2.6800
1998 Police				
Residential/Agricultural Real	1.1717	1.1719	1.1687	1.1585
Commercial/Industrial and Public Utility Real	1.1798	1.1869	1.1862	1.1208
General Business and Public Utility Personal	1.5000	1.5000	1.5000	1.5000
1998 Police - Replaced in 2008				
Residential/Agricultural Real	2.7340	2.7344	2.7269	3.4695
Commercial/Industrial and Public Utility Real	2.7528	2.7693	2.7678	3.3069
General Business and Public Utility Personal	3.5000	3.5000	3.5000	3.5000
1998 Fire District - Fire and EMS - Replaced in 2008				
Residential/Agricultural Real	1.7969	1.7971	1.7922	3.4697
Commercial/Industrial and Public Utility Real	1.8086	1.8194	1.8184	3.3064
General Business and Public Utility Personal	2.3000	2.3000	2.3000	3.5000
1998 Fire District				
Residential/Agricultural Real	0.7813	0.7814	0.7792	0.7768
Commercial/Industrial and Public Utility Real	0.7863	0.7911	0.7906	0.7369
General Business and Public Utility Personal	1.0000	1.0000	1.0000	1.0000
<i>Total Voted Millage by Type of Property</i>				
Residential/Agricultural Real	7.0554	7.0564	7.0370	9.4396
Commercial/Industrial and Public Utility Real	7.5258	7.5710	7.5668	9.4194
General Business and Public Utility Personal	10.9800	10.9800	10.9800	12.1800
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	8.6554	8.6564	8.6370	11.0396
Commercial/Industrial and Public Utility Real	9.1258	9.1710	9.1668	11.0194
General Business and Public Utility Personal	12.5800	12.5800	12.5800	13.7800
Weighted Average	8.79	8.79	8.76	11.10

2010	2011	2012	2013	2014	2015
\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000	\$1.6000
0.5682	0.6301	0.6320	0.6335	0.6563	0.6581
0.9357	0.9533	0.9753	0.9758	1.0277	1.0299
2.6800	2.6800	2.6800	2.6800	2.6800	2.6800
1.1650	1.2918	1.2958	1.2989	1.3456	1.3493
1.1570	1.1265	1.1525	1.1531	1.2146	1.2117
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
3.4888	3.5000	3.5000	3.5000	3.5000	3.5000
3.2625	3.3239	3.4007	3.4024	3.5000	3.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
3.4697	3.5000	3.5000	3.5000	3.5000	3.5000
3.3064	3.3233	3.4002	3.4002	3.5000	3.5000
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
0.7791	0.8615	0.8641	0.8661	0.8970	0.8895
0.7293	0.7507	0.7681	0.7685	0.8095	0.8112
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
9.4708	9.7834	9.7919	9.7985	9.8989	9.8970
9.3909	9.4777	9.6968	9.7000	10.0518	10.0528
12.1800	12.1800	12.1800	12.1800	12.1800	12.1800
10.2917	11.3834	11.3919	11.3985	11.4989	11.4970
10.2616	11.0777	11.2968	11.3000	11.6518	11.6528
12.7800	13.7800	13.7800	13.7800	13.7800	13.7800
10.34	11.75	11.43	11.45	11.57	11.57

(continued)

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

Overlapping Rates by Taxing District	2006	2007	2008	2009
Northmont School District				
Residential/Agricultural Real	\$31.8522	\$31.7846	\$37.6076	\$37.8629
Commercial/Industrial and Public Utility Real	36.5464	36.5338	42.4345	40.2311
General Business and Public Utility Personal	64.1500	64.1500	70.0500	70.0500
Trotwood-Madison School District				
Residential/Agricultural Real	43.9139	43.9060	43.9211	44.7575
Commercial/Industrial and Public Utility Real	49.8603	50.1742	50.7206	47.6358
General Business and Public Utility Personal	60.0600	60.0600	60.0600	60.0600
Brookville School District				
Residential/Agricultural Real	33.5760	33.6254	33.4836	37.4278
Commercial/Industrial and Public Utility Real	40.2386	40.4653	40.5158	43.3680
General Business and Public Utility Personal	65.0400	65.0400	65.0400	69.0300
Sinclair Community College				
Residential/Agricultural Real	1.8234	1.8224	1.8199	3.2000
Commercial/Industrial and Public Utility Real	2.0774	2.0840	2.0737	3.1026
General Business and Public Utility Personal	2.5000	2.5000	2.5000	3.2000
Montgomery County				
Residential/Agricultural Real	12.0043	11.9987	16.0261	16.1213
Commercial/Industrial and Public Utility Real	13.6040	13.6420	16.6010	16.1475
General Business and Public Utility Personal	15.7400	15.7400	17.7400	17.7400
Special Taxing Districts (1)				
Residential/Agricultural Real	3.2372	3.2262	3.1931	3.1847
Commercial/Industrial and Public Utility Real	3.4506	3.4641	3.4395	3.3231
General Business and Public Utility Personal	3.8300	3.8300	3.8300	3.8300

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

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

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

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

(1) Library, Joint Vocational School

2010	2011	2012	2013	2014	2015
\$37.9403	\$49.6344	\$49.6918	\$49.7128	\$50.4860	\$50.5216
40.7000	42.4559	52.5985	52.7101	52.4390	52.9312
70.0500	75.9500	75.9500	75.9500	75.9500	75.9500
45.4855	48.7887	48.8357	49.9155	52.0057	52.5911
49.7925	54.3168	54.8667	56.4753	58.3794	59.0576
60.0600	60.0600	60.0600	61.0600	61.5600	62.0600
37.4905	37.8787	37.9266	37.9222	42.6383	42.7465
43.6010	42.6548	41.9525	42.1393	48.3030	47.8145
69.0300	69.0300	69.0300	69.0000	74.2500	74.2500
3.2000	3.2000	3.2000	3.2000	3.2000	4.2000
3.1409	3.2000	3.2000	3.2000	3.2000	4.2000
3.2000	3.2000	3.2000	3.2000	3.2000	4.2000
16.4987	17.0340	17.0348	17.0355	18.0498	18.0510
16.5949	17.2213	17.2360	17.2391	18.2547	18.2569
17.7400	17.7400	17.7400	17.7400	18.7400	18.7400
3.8033	4.1938	4.1947	5.7660	5.9500	5.6926
3.9407	4.2613	4.2675	5.8209	6.1800	5.8383
4.3300	4.3300	4.3300	5.8900	6.2900	5.8900

City of Clayton, Ohio
Principal Property Tax Payers
2015 and 2007 (1)

Taxpayer	2015	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$5,751,630	2.42%
Tilak Nagar/Stoneridge	2,353,210	0.99%
Pleasant Real Estate LLC	1,925,560	0.81%
Garden Woods Apartment LLC	1,343,380	0.57%
Randolph Investments LLC	920,140	0.39%
Caterpillar Inc	908,830	0.38%
Vectren Energy Delivery of Ohio	795,060	0.33%
CF Ohio Owner LLC	608,040	0.26%
Heck Ohio Investments LTD	411,240	0.17%
Sattethwaite Mary R Trustee	410,840	0.17%
Total Real and Personal Property	15,427,930	6.49%
All Others	222,036,830	93.51%
Total Assessed Valuation	\$237,464,760	100.00%
Taxpayer	2007	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$3,991,750	1.49%
Tilak Nagar/Stoneridge	1,993,010	0.74%
Garden Woods Apartments	1,661,660	0.62%
Verizon North	1,484,590	0.55%
LGH Properties	1,065,480	0.40%
Pleasant Real Estate LLC	944,780	0.35%
Randolph Investments LLC	907,510	0.34%
Louis Fanty A. Jr.	781,110	0.29%
Greenglen Apartments of Dayton	622,350	0.23%
MB Hussain LLC	496,020	0.18%
Total Real and Personal Property	13,948,260	5.19%
All Others	254,483,968	94.81%
Total Assessed Valuation	\$268,432,228	100.00%

Source: Montgomery County Auditor

(1) Information prior to 2007 is unavailable.

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

Collection Year	Total Tax Levied (1)	Current Tax Collection (1)	Percent of Current Levy Collected	Delinquent Tax Collection (2)	Total Tax Collections	Percent of Total Collections To Total Levy
2006	\$2,353,436	\$2,287,521	97.20%	\$90,414	\$2,377,935	101.04%
2007	2,294,131	2,193,496	95.61%	72,473	2,265,969	98.77%
2008	2,362,233	2,340,682	99.09%	73,306	2,413,988	102.19%
2009	2,588,041	2,605,623	100.68%	67,864	2,673,487	103.30%
2010	2,575,774	2,650,164	102.89%	70,537	2,720,701	105.63%
2011	3,020,260	2,937,182	97.25%	103,660	3,040,842	100.68%
2012	2,809,823	2,730,420	97.17%	65,689	2,796,109	99.51%
2013	2,808,964	2,739,126	97.51%	64,294	2,803,420	99.80%
2014	2,815,417	2,741,054	97.36%	58,001	2,799,055	99.42%
2015	2,742,527	2,664,660	97.16%	65,213	2,729,873	99.54%

Source: Montgomery County Auditor

- (1) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (2) The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Outstanding Debt
	Promissory and Improvement Notes	General Obligation Bonds	Communication Equipment Loan	Capital Leases	Water Line Loan	OWDA Loan	
2006	\$0	\$4,498,269	\$132,260	\$875,489	\$4,397,685	\$3,283,377	\$13,187,080
2007	0	4,381,389	66,130	880,285	4,261,676	3,354,891	12,944,371
2008	0	4,264,567	0	681,735	4,232,359	3,287,506	12,466,167
2009	0	4,148,415	0	489,646	4,232,359	3,233,672	12,104,092
2010	1,505,000	5,604,576	0	355,847	4,232,359	3,161,107	14,858,889
2011	95,397	5,401,106	0	216,187	4,232,359	3,085,611	13,030,660
2012	268,527	5,198,620	0	458,058	4,232,359	3,007,065	13,164,629
2013	220,445	5,344,159	0	371,953	4,213,092	2,966,610	13,116,259
2014	171,163	5,054,111	0	283,078	4,208,656	2,840,325	12,557,333
2015	120,649	4,751,408	0	191,337	4,208,656	2,751,869	12,023,919

(1) Computation of per capita personal income multiplied by population - See Demographic and Economic Statistical Table, Page 143

(2) Source: 2000 and 2010 Census

Total Personal Income (1)	Population (2)	Ratio of Debt to Total Personal Income	Debt Per Capita
\$390,546,567	13,347	3.38%	988.02
390,546,567	13,347	3.31%	969.83
390,546,567	13,347	3.19%	934.01
354,616,443	13,347	3.41%	906.88
392,056,329	13,209	3.79%	1,124.91
392,677,152	13,209	3.32%	986.50
387,248,253	13,209	3.40%	996.64
409,624,299	13,209	3.20%	992.98
402,491,439	13,209	3.12%	950.66
408,963,849	13,209	2.94%	910.28

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

Fiscal Year	General Bonded Debt	Estimated Actual Value (1)	Population (2)	Ratio of Debt to Estimated Actual Value	General Obligation Bonded Debt Per Capita
2006	\$4,498,269	\$759,565,257	13,347	0.59%	\$337.02
2007	4,381,389	765,539,585	13,347	0.57%	328.27
2008	4,264,567	768,144,303	13,347	0.56%	319.52
2009	4,148,415	774,161,220	13,347	0.54%	310.81
2010	5,604,576	767,554,234	13,209	0.73%	424.30
2011	5,401,106	766,073,331	13,209	0.71%	408.90
2012	5,198,620	722,066,759	13,209	0.72%	393.57
2013	5,344,159	692,510,473	13,209	0.77%	404.58
2014	5,054,111	692,510,473	13,209	0.73%	382.63
2015	4,751,408	667,518,603	13,209	0.71%	359.71

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

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

	2006	2007	2008	2009
Total Assessed Valuation	\$267,854,398	\$268,432,228	\$269,449,436	\$272,581,400
Overall debt limitation - 10.5% of assessed valuation	28,124,712	28,185,384	28,292,191	28,621,047
Gross indebtedness authorized by the City	12,198,322	11,947,694	11,659,865	11,481,031
Less Exempt Debt				
Road Improvement Notes	0	0	0	0
Backhoe Promissory Note	0	0	0	0
Plow/Friegtliner Promissory Note	0	0	0	0
Water Line Loan	4,397,685	4,261,676	4,232,359	4,232,359
Various Purpose Bond - State Route 48 Improvement Portion	0	0	0	0
OWDA Loan	3,283,377	3,354,891	3,287,506	3,233,672
Total Exempt Debt	7,681,062	7,616,567	7,519,865	7,466,031
Net Debt Subject to Limitation	4,517,260	4,331,127	4,140,000	4,015,000
Less amount available in the Debt Service Fund	5,617	10,257	10,257	15,464
Total Net Debt Subject to Limitation	4,511,643	4,320,870	4,129,743	3,999,536
Legal debt margin within 10.5% limitation	<u>\$23,613,069</u>	<u>\$23,864,514</u>	<u>\$24,162,448</u>	<u>\$24,621,511</u>
Legal Debt Margin as a Percentage of the Debt Limit	84.0%	84.7%	85.4%	86.0%
Unvoted debt limitation 5.5% of assessed valuation	\$14,731,992	\$14,763,773	\$14,819,719	\$14,991,977
Gross indebtedness authorized by the City	12,198,322	11,947,694	11,659,865	11,481,031
Less Exempt Debt				
State Route 48 Improvement Note	0	0	0	0
Road Improvement Notes	0	0	0	0
Backhoe Promissory Note	0	0	0	0
Plow/Friegtliner Promissory Note	0	0	0	0
Water Line Loan	4,397,685	4,261,676	4,232,359	4,232,359
Various Purpose Bond - State Route 48 Improvement Portion	0	0	0	0
OWDA Loan	3,283,377	3,354,891	3,287,506	3,233,672
Total Exempt Debt	7,681,062	7,616,567	7,519,865	7,466,031
Net Debt Subject to Limitation	4,517,260	4,331,127	4,140,000	4,015,000
Less amount available in the Debt Service Fund	5,617	10,257	10,257	15,464
Total Net Debt Subject to Limitation	4,511,643	4,320,870	4,129,743	3,999,536
Legal debt margin within 5.5% limitation	<u>\$10,220,349</u>	<u>\$10,442,903</u>	<u>\$10,689,976</u>	<u>\$10,992,441</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	69.4%	70.7%	72.1%	73.3%

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

2010	2011	2012	2013	2014	2015
\$271,402,330	\$271,210,290	\$255,878,540	\$246,086,630	\$246,086,630	\$237,464,760
28,497,245	28,477,080	26,867,247	25,839,096	25,839,096	24,933,800
14,298,466	12,598,367	12,477,951	12,440,147	12,274,255	11,681,190
1,505,000	95,397	0	0	0	0
0	0	83,094	70,438	57,393	43,947
0	0	185,433	150,007	113,770	76,702
4,232,359	4,232,359	4,232,359	4,213,092	4,208,656	4,208,656
0	0	0	0	0	0
3,161,107	3,085,611	3,007,065	2,966,610	2,840,325	2,751,869
8,898,466	7,413,367	7,507,951	7,400,147	7,220,144	7,081,174
5,400,000	5,185,000	4,970,000	5,040,000	5,054,111	4,600,016
5,984	0	0	0	0	0
5,394,016	5,185,000	4,970,000	5,040,000	5,054,111	4,600,016
<u>\$23,103,229</u>	<u>\$23,292,080</u>	<u>\$21,897,247</u>	<u>\$20,799,096</u>	<u>\$20,784,985</u>	<u>\$20,333,784</u>
81.1%	81.8%	81.5%	80.5%	80.4%	81.6%
\$14,927,128	\$14,916,566	\$14,073,320	\$13,534,765	\$13,534,765	\$13,060,562
14,298,466	12,598,367	12,477,951	12,440,147	12,274,255	11,681,190
0	0	0	0	0	0
1,505,000	95,397	0	0	0	0
0	0	83,094	70,438	57,393	43,947
0	0	185,433	150,007	113,770	76,702
4,232,359	4,232,359	4,232,359	4,213,092	4,208,656	4,208,656
0	0	0	0	0	0
3,161,107	3,085,611	3,007,065	2,966,610	2,840,325	2,751,869
8,898,466	7,413,367	7,507,951	7,400,147	7,220,144	7,081,174
5,400,000	5,185,000	4,970,000	5,040,000	5,054,111	4,600,016
5,984	0	0	0	0	0
5,394,016	5,185,000	4,970,000	5,040,000	5,054,111	4,600,016
<u>\$9,533,112</u>	<u>\$9,731,566</u>	<u>\$9,103,320</u>	<u>\$8,494,765</u>	<u>\$8,480,654</u>	<u>\$8,460,546</u>
63.9%	65.2%	64.7%	62.8%	62.7%	64.8%

City of Clayton, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2015

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	\$4,751,408	100.00%	\$4,751,408
Promissory Notes	120,649	100.00%	120,649
Capital Lease Obligations	191,337	100.00%	191,337
Total Direct Debt	5,063,394		5,063,394
Overlapping Debt:			
Montgomery County			
General Obligation Bonds	37,079,000	2.62%	971,470
Special Assessment Bonds	1,922,338	2.62%	50,365
Northmont School District (2)			
General Obligation Bonds	54,427,326	6.86%	3,733,715
Capital Lease Obligations	86,619	6.86%	5,942
Trotwood-Madison School District (2)			
School Improvement Bonds, Refunding	32,841,359	2.48%	814,466
Energy Conservation Note Payable	8,447,542	2.48%	209,499
Brookville School District (2)			
School Construction Bonds, Refunding	19,546,382	2.02%	394,837
Total Overlapping Debt	154,350,566		6,180,293
Grand Total	\$159,413,960		\$11,243,687

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, 2015.

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)
2006	13,347	\$390,546,567	\$29,261	\$60,625	39.2	91.5%	2.9%	\$267,854,398
2007	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.8%	268,432,228
2008	13,347	390,546,567	29,261	60,625	39.2	91.5%	5.8%	269,449,436
2009	13,347	354,616,443	26,569	60,625	39.2	91.5%	7.4%	272,581,400
2010	13,209	392,056,329	29,681	66,148	42.6	95.3%	9.5%	271,402,330
2011	13,209	392,677,152	29,728	67,033	42.6	95.3%	9.3%	271,210,290
2012	13,209	387,248,253	29,317	63,151	42.6	93.7%	7.8%	255,878,540
2013	13,209	409,624,299	31,011	64,436	42.6	93.1%	8.0%	246,086,630
2014	13,209	402,491,439	30,471	65,187	42.6	93.8%	4.6%	246,086,630
2015	13,209	408,963,849	30,961	66,427	43.9	93.7%	4.7%	237,464,760

Source: (1) prior to 2010 the 2000 US Census data was used. The City now uses the US Census Bureau American Fact Finder web site.
(2) Computation of per capita personal income multiplied by population
(3) Ohio Department of Job and Family Services
(4) Montgomery County Auditor

City of Clayton, Ohio
Principal Employers
 2013 and 2006 (1) (2)

Employer	2013	
	Total Employees	Percentage of Total Employees
Caterpillar	684	15.22%
Montgomery County	555	12.35%
On Time Staffing	516	11.48%
Northmont Board of Education	454	10.10%
Miami Valley CTC	143	3.18%
City of Clayton	71	1.58%
Cottages of Clayton	58	1.30%
Othopedic Associates	34	0.76%
Mountain Protective Services	33	0.73%
Rajesh Patel MD	23	0.51%
Total Employees	2,571	57.21%
All Other Employers (2)	1,924	42.79%
Total Employees	4,495	100.00%

Source: City's records

(1) Information prior to 2006 is unavailable

(2) Starting January 1, 2016, the City changed tax collection agency. Due to this change, the information for 2014 or 2015 was not available.

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:	2006		2007		2008		2009	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government:								
Administration	10	11	8	17	8	17	9	17
Police	13	24	16	25	17	22	14	21
Fire/EMS	7	44	7	40	7	41	7	39
Street	8	11	7	10	8	11	8	11
<i>Total Number of Employees</i>	<u>38</u>	<u>90</u>	<u>38</u>	<u>92</u>	<u>40</u>	<u>91</u>	<u>38</u>	<u>88</u>

Source: City's records

2010		2011		2012		2013		2014		2015	
Full-Time	All										
7	16	7	16	7	16	7	15	7	15	7	15
18	24	13	20	15	20	15	20	14	20	15	21
7	29	7	25	7	33	7	33	7	26	7	35
8	12	8	12	8	12	8	12	8	10	9	14
40	81	35	73	37	81	37	80	36	71	38	85

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

	2006	2007	2008	2009
Police				
Police Calls	10,233	10,178	7,146	7,136
Fire/EMS				
Fire and EMS Calls	1,739	1,710	1,959	1,287
Street				
Dollars for Road Improvement	\$520,368	\$861,720	\$1,034,836	\$499,180
Miles of Roads	197	197	197	212
Tons of Salt Spread	350	350	930	490
Tons of Grit Spread	118	118	220	0

Source: City's records

2010	2009	2011	2012	2013	2014	2015
6,829	7,136	9,546	6,677	7,446	8,363	8,394
1,825	1,287	1,808	1,881	1,879	1,885	2,090
\$2,614,371	\$499,180	\$616,111	\$545,732	\$545,732	\$412,960	\$105,889
212	212	212	212	212	212	212
1,918	490	724	400	1,143	1,206	914
20	0	10	0	0	0	0

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

	2006	2007	2008	2009	2010
General Government					
Government Center	1	1	1	1	1
Community Center	1	1	1	1	1
Gazebo	1	1	1	1	1
Parks	3	3	3	3	3
Cemeteries	2	2	2	2	2
Golf Course	0	0	0	0	0
Vehicles	2	2	1	1	1
Police					
Stations	1	1	1	1	1
Patrol Vehicles					
Active	9	8	8	8	8
Auxilliary	6	5	4	4	4
Support Vehicles/Trailers	1	1	1	1	1
Fire					
Stations	3	3	3	3	3
Response Vehicles	6	6	6	6	6
Support Vehicles	3	3	3	3	3
EMS					
Medics Vehicles	4	4	3	3	3
Street					
Buildings	2	2	2	2	2
Trucks	10	11	8	8	9
Pickups	3	3	5	5	5
Mowers	5	5	5	5	5

Source: City's records

2011	2012	2013	2014	2015
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	4	4
2	2	2	2	2
0	0	0	0	1
1	1	1	1	2
1	1	1	1	1
8	8	8	8	7
4	4	4	4	1
1	1	1	1	1
3	3	3	3	3
6	5	5	5	5
3	2	2	2	2
3	3	2	2	2
2	2	2	2	2
10	10	11	11	12
5	4	4	4	4
5	5	5	5	5

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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
AUGUST 23, 2016