



Mary Taylor, CPA
Auditor of State

**CITY OF CLAYTON
MONTGOMERY COUNTY**

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Mary Taylor, CPA

Auditor of State

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

City of Clayton
Montgomery County
PO Box 280
Clayton, Ohio 45315-0280

To the City Council:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Montgomery County, (the City) as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 11, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We did note certain matters not requiring inclusion in this report that we reported to the City's management in a separate letter dated June 11, 2010.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 11, 2010

**CITY OF CLAYTON
MONTGOMERY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Ohio Rev. Code §5705.36(A)(2),	No	The variances noted this year were not material therefore the comment has been included in separate letter to management.
2008-002	Ohio Rev. Code Section 5705.39	Yes	N/A

CITY OF CLAYTON, OHIO

MONTGOMERY COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2009

Prepared by:
Department of Finance

Kevin A. Schweitzer, CPA
Finance Director

Teri Birchfield
Assistant to the Finance Director

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City of Clayton, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2009
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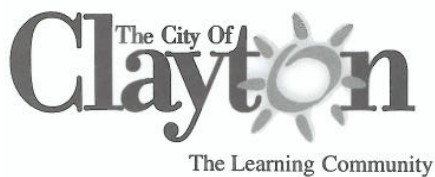
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June 11, 2010

Citizens of Clayton
Members of Council
City of Clayton, Ohio

We are pleased to present the sixth Comprehensive Annual Financial Report (CAFR) for the City of Clayton. This report, for the year ended December 31, 2009, 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, 2009.

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

The Auditor of State of Ohio has issued an unqualified ("clean") opinion on the City of Clayton's financial statements for the year ended December 31, 2009. The Independent Accountants' Report is located at the front of the financial section of this report.

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

CITY OVERVIEW

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

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

CITY ORGANIZATION AND REPORTING ENTITY

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

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

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

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

The City participates in a joint venture, the Clay Township-City of Clayton Joint Economic Development District (the "District") with Clay Township. The District was established for the purpose of facilitating economic development to create or preserve jobs and employment opportunities and to improve the economic welfare of the people in the District. The District will permit the City and the Township to share income tax revenues from the development of business operations within the District. The Miami Valley Regional Planning Commission is a jointly governed organization. The Commission prepares plans, including studies, maps, recommendations, and reports concerning the physical, environmental, social, economic, and governmental characteristics, functions, and services of the region. The City is also a member of the Economic Development/Government Equity Program (ED/GE), a jointly governed organization which promotes developing plans and programs designed to assure that City resources are efficiently used, that economic growth is properly balanced, and that City economic development is coordinated with that of the State of Ohio and other local governments. The City belongs to the Ohio Plan, an unincorporated non-profit self-insurance risk management program. These organizations are presented in Notes 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 and department and is approved at the fund total. Department heads may transfer resources within a department as they see fit.

ITEMS OF LOCAL INTEREST

Parks and Recreation

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

Culture and Education

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

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

Transportation

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

In November of 2003, the Clayton voters approved a 1.5 percent income tax which, in its sixth full year of collection, generated \$1,998,627 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 2009, the City reached an agreement with Caterpillar Inc. to build a parts distribution center on the site of the current commerce park. The distribution center is expected to create an additional 500-600 jobs and additional income to the area.

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

To further enhance potential economic development opportunities, City Council continues to belong to the Montgomery County ED/GE program. The ED/GE program is a combined economic development/tax-sharing program whose participants include Montgomery County and its townships, villages and cities. The City was approved for an ED/GE program grant during 2009 and used to purchase additional land to expand the commerce park for the Caterpillar Inc. parts distribution center.

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

- The economic environment in the area has shown no trends of improving;
- The housing market has seen an increase in foreclosures and a decrease in new construction; and
- The financial and credit markets' instability have added to the unpredictability of the economy.

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

FINANCIAL PLANNING AND POLICIES

The Finance Department has developed a five year plan for the City of Clayton. It consists of an analysis of revenues and expenditures using the last five years as an indicator of future trends. Those numbers are combined to make estimates of funds available and carryover balances moving into the subsequent years.

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

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

The Finance Department acquired the billing and collection services from Allied National Collection Agency for waste collection during the second half of 2009. This will aid in reducing the delinquent accounts.

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

MAJOR INITIATIVES

The Commerce Park, which was approved in 2005, is an area of the City that is trying to attract new businesses. The commerce park is a 143 acre parcel of land on Hoke Road that is adjacent to I-70. At the end of 2009, Caterpillar Logistics Inc. obtained the entire Commerce park and construction on a 1.5 million square foot parts distribution center is scheduled for early 2010. The City hopes other businesses will be more inclined to move into the area.

OTHER INFORMATION

Independent Audit

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

Awards


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Clayton for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2008. This was the fifth year that the City of Clayton achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Respectively Submitted,



David W. Rowlands
City Manager



Kevin A. Schweitzer, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Clayton
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

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



President

Executive Director

City of Clayton, Ohio

Principal Officials

December 31, 2009

Elected Officials

Name	Title	Term Expires
Joyce Deitering	Mayor	12/31/2009
Tim Gorman	Vice-Mayor	12/31/2011
Robert Peters	Council	12/31/2009
Ray Dixon	Council	12/31/2011
Ron Pretekin	Council	12/31/2011
G. Malcom Treon	Council	12/31/2011
Dawn Tindall	Council	12/31/2009

Appointed Officials

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

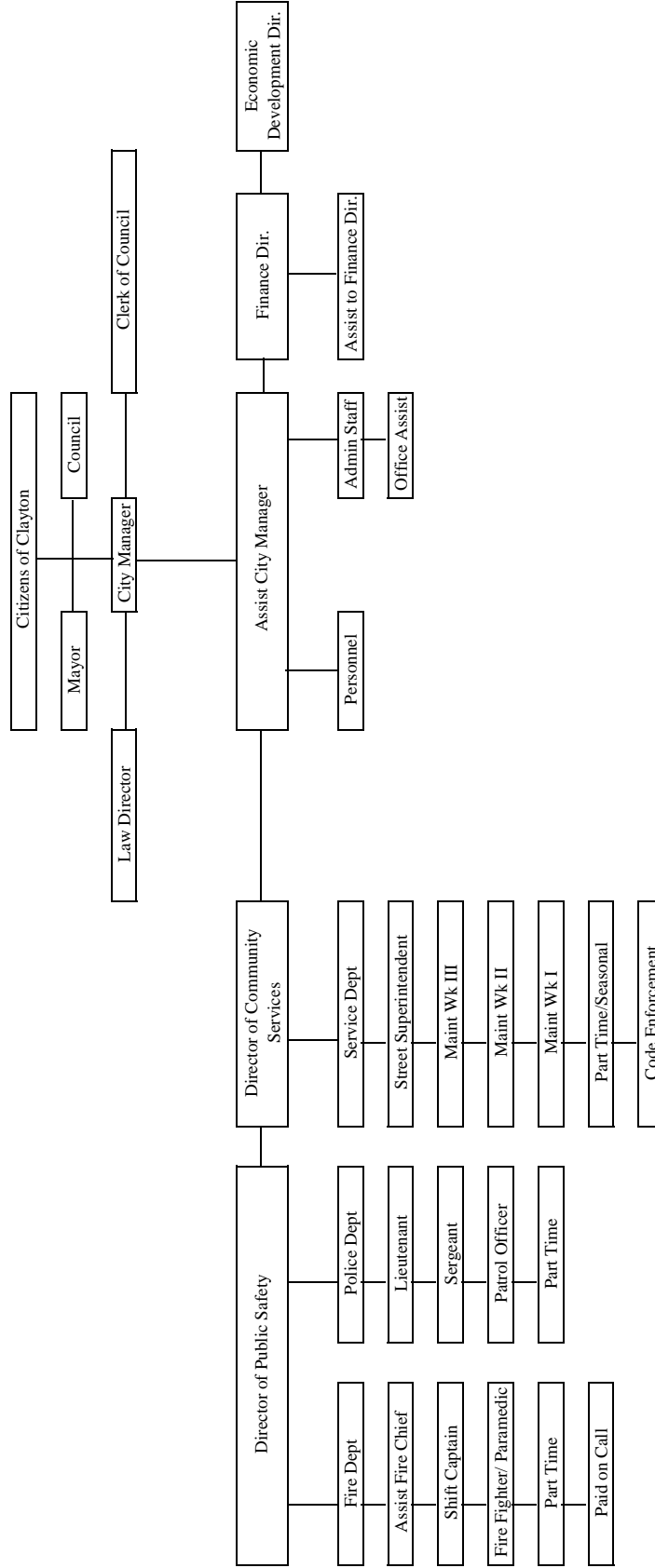
CITY OF CLAYTON ORGANIZATIONAL CHART

ADMINISTRATIVE OFFICES' MISSION

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

SERVICE DEPARTMENT MISSION

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



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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

City of Clayton
Montgomery County
PO Box 280
Clayton, Ohio 45315-0280

To the City Council:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Clayton, Montgomery County, Ohio, as of December 31, 2009, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparisons for the General, Police, Street Department, and Fire Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during 2009, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2010, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund statements and schedules, and the statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section or the statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 11, 2010

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(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, 2009. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- During 2009, the City and Caterpillar Inc. reached an agreement where Caterpillar Inc. will build a parts distribution center in the Clayton Commerce Park, which will bring new jobs and additional income tax revenue to the City.
- During 2009, the City was approved for an ED/GE grant through Montgomery County. The grant money was used to purchase land to expand the Clayton Commerce Park.
- Through closely monitoring budgeted expenses throughout the year, the City was able to hold unrestricted net assets, which represents the amount of money available for daily operations, constant from the prior year during these tough economic times.

USING THIS ANNUAL FINANCIAL REPORT

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

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

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

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

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

Governmental Activities – Most of the City's services are reported here including police, fire, EMS, public health, transportation, and general government.

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the City's major funds begins on page 7. Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law. Other funds may be established by the Finance Director, with the approval of the City Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Clayton's major funds are the General, Police, Street Department, Fire, Capital Improvement, Water Department, and Sewer Operating Funds.

Governmental Funds

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

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, 2009
(Unaudited)

THE CITY AS A WHOLE

As stated previously, the Statement of Net Assets looks at the City as a whole. Table 1 provides a summary of the City's net assets for 2009 compared to 2008.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Current and Other Assets	\$8,642,932	\$7,401,045	\$249,133	\$293,432	\$8,892,065	\$7,694,477
Capital Assets, Net	9,887,770	9,272,480	7,401,290	7,462,399	17,289,060	16,734,879
<i>Total Assets</i>	<u>18,530,702</u>	<u>16,673,525</u>	<u>7,650,423</u>	<u>7,755,831</u>	<u>26,181,125</u>	<u>24,429,356</u>
Liabilities:						
Current and Other Liabilities	3,065,254	2,978,112	10,698	830	3,075,952	2,978,942
Long-Term Liabilities	5,298,709	5,129,519	7,466,031	7,519,865	12,764,740	12,649,384
<i>Total Liabilities</i>	<u>8,363,963</u>	<u>8,107,631</u>	<u>7,476,729</u>	<u>7,520,695</u>	<u>15,840,692</u>	<u>15,628,326</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	4,985,791	4,534,717	(64,741)	(57,466)	4,921,050	4,477,251
Restricted for:						
Capital Outlay	1,342,084	624,066	0	0	1,342,084	624,066
Other Purposes	1,685,979	1,183,092	0	0	1,685,979	1,183,092
Unrestricted	2,152,885	2,224,019	238,435	292,602	2,391,320	2,516,621
<i>Total Net Assets</i>	<u>\$10,166,739</u>	<u>\$8,565,894</u>	<u>\$173,694</u>	<u>\$235,136</u>	<u>\$10,340,433</u>	<u>\$8,801,030</u>

Current assets of governmental funds increased because of a large ED/GE grant receivable and increases in cash as revenues outpaced expenditures during 2009 due to the City controlling budgets. For governmental activities, capital assets increased \$615,290 mainly due to increases in infrastructure from road resurfacing, improvements to Hoke Road and from the City taking possession of several assets in the Clayton Towne Center.

Overall, liabilities of governmental funds increased because of an addition of a city developer payable. The City has agreed to reimburse the developer for capital assets related to the Clayton Towne Center.

Net assets of governmental funds increased 19 percent from the prior year, a combination of invested in capital assets net of related debt (from an increase in capital assets as stated above) and restricted amounts. Restricted net assets increased due to a reduction of budgets in several capital projects and special revenue funds.

Net assets of business-type activities decreased \$61,442, resulting mainly from current year depreciation exceeding current year additions to capital assets.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Table 2 shows the changes in net assets for the year ended December 31, 2009 compared to 2008.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$766,868	\$551,575	\$48,865	\$121,271	\$815,733	\$672,846
Operating Grants, Contributions and Interest	1,207,084	1,093,240	0	0	1,207,084	1,093,240
Capital Grants, Contributions and Interest	884,827	317,078	98,773	0	983,600	317,078
<i>Total Program Revenues</i>	<u>2,858,779</u>	<u>1,961,893</u>	<u>147,638</u>	<u>121,271</u>	<u>3,006,417</u>	<u>2,083,164</u>
General Revenues:						
Property Taxes	2,615,793	2,055,221	0	0	2,615,793	2,055,221
Other Local Taxes	216,829	206,438	0	0	216,829	206,438
Increment Taxes	199,876	115,173	0	0	199,876	115,173
Municipal Income Taxes	2,050,715	2,007,929	0	0	2,050,715	2,007,929
Grants and Entitlements not Restricted to Specific Programs	297,537	550,153	0	0	297,537	550,153
Investment Income	23,668	85,905	0	0	23,668	85,905
Investment in Joint Venture	(8,656)	12,955	0	0	(8,656)	12,955
Other	186,815	217,289	0	13	186,815	217,302
<i>Total General Revenues</i>	<u>5,582,577</u>	<u>5,251,063</u>	<u>0</u>	<u>13</u>	<u>5,582,577</u>	<u>5,251,076</u>
<i>Total Revenues</i>	<u>8,441,356</u>	<u>7,212,956</u>	<u>147,638</u>	<u>121,284</u>	<u>8,588,994</u>	<u>7,334,240</u>
Program Expenses:						
General Government	2,102,857	1,665,425	0	0	2,102,857	1,665,425
Security of Persons and Property	3,103,331	3,181,958	0	0	3,103,331	3,181,958
Public Health	3,557	4,591	0	0	3,557	4,591
Economic Development	16,883	0	0	0	16,883	0
Transportation	1,201,965	1,292,387	0	0	1,201,965	1,292,387
Interest and Fiscal Charges	226,296	230,230	0	0	226,296	230,230
Water Department	0	0	161,076	113,795	161,076	113,795
Sewer Operating	0	0	233,626	139,324	233,626	139,324
<i>Total Expenses</i>	<u>6,654,889</u>	<u>6,374,591</u>	<u>394,702</u>	<u>253,119</u>	<u>7,049,591</u>	<u>6,627,710</u>
<i>Increase (Decrease) in Net Assets before Transfers</i>	1,786,467	838,365	(247,064)	(131,835)	1,539,403	706,530
Transfers	(185,622)	(262,233)	185,622	262,233	0	0
<i>Change in Net Assets</i>	1,600,845	576,132	(61,442)	130,398	1,539,403	706,530
<i>Net Assets at Beginning of Year</i>	<u>8,565,894</u>	<u>7,989,762</u>	<u>235,136</u>	<u>104,738</u>	<u>8,801,030</u>	<u>8,094,500</u>
<i>Net Assets at End of Year</i>	<u>\$10,166,739</u>	<u>\$8,565,894</u>	<u>\$173,694</u>	<u>\$235,136</u>	<u>\$10,340,433</u>	<u>\$8,801,030</u>

City of Clayton, Ohio
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Governmental Activities

Total revenues increased \$1,228,400, or 17 percent. Program revenues, which are revenues that directly offset the cost of certain program expenses, increased 46 percent. The majority of this increase was from the ED/GE grant that the City received for the purpose of purchasing land.

The largest revenue sources for the City are property taxes and municipal income taxes, accounting for 55 percent of total revenues. Property Taxes increased \$560,572 due to the City passing replacement levies for the Police, Fire and EMS funds where collections began in 2009. Municipal income taxes revenue remained consistent with the prior year.

The Finance Department acquired the billing and collection for waste collection from Allied National Collection Agency during the second half of 2009. This will aid in reducing the delinquent accounts due to the City being aware sooner of delinquent accounts.

Grants and entitlements not restricted to specific programs decreased \$252,616 due to a decrease in State shared taxes.

Expenses increased \$280,298 from 2008, or four percent. The increase was mainly the result of salary and benefits increasing along with inflation. Due to the current state of the economy and an uncertain future, the City reduced budgets and kept spending in check during the year.

Business – Type Activities

The City's water and sewer operating system operations constitute the only business-type activities. Business-type activities are projects or funds in which revenues offset or nearly offset the costs of providing the services. Net assets of the business-type activities decreased \$61,442, mainly due to depreciation expenses of \$159,882. Also, revenues decreased due to 2008 being the final year of the collection of a five year assessment that was being charged to customers. The capital contributions were the result of the developer for the Clayton Towne Center donating water lines to the City.

Expenses increased \$141,583 due mainly to new assets being depreciated in the Sewer Operating Fund and an increase in maintenance costs associated with water testing and equipment repair in the Water Department.

THE CITY'S FUNDS

Major governmental funds for the City for 2009 are the General, Police, Street Department, Fire, and Capital Improvement Funds. These funds are reported using the modified accrual basis of accounting. The major funds account for 85 percent of total revenues, and 82 percent of total expenditures.

The General Fund balance decreased \$45,217, which is a decrease of less than three percent. Although fund balance decreased, this was much less of a decrease than in prior years. With the additional property tax revenues in the Police Fund, less General Fund money in the form of transfers was necessary to supplement the Police Fund.

The Police Fund balance decreased \$43,482. Revenues, primarily property taxes, increased \$179,383, while expenditures increased \$45,257. The increase in property taxes of \$123,322 was the result of a levy passed during 2008, which had collections beginning in 2009. Expenditures exceeded revenues by \$108,482 and the City transferred \$65,000 from the General Fund to help offset expenditures.

City of Clayton, Ohio
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The Street Department Fund had total revenues of \$619,288, mainly intergovernmental revenues in the form of State imposed gasoline taxes and motor vehicle license registration fees. Expenditures decreased eight percent from 2008 due to the budget for materials and supplies being cut during 2009. Transfers-in from the General Fund are also necessary to subsidize the activity in this fund. During 2009, the transfer amount was \$250,000, a decrease of \$165,000 from 2008.

The Fire Fund had an increase in fund balance of \$24,209 during 2009. Revenues, primarily property taxes, increased \$448,315 and expenditures increased \$260,492. A new property tax levy that was passed and began collections in 2009 resulted in an increase in property tax revenue and helped to add additional firefighters and equipment.

The Capital Improvement Fund increased \$57,870. Revenues in this fund mainly consist of a portion of income tax collections and grant monies. Expenditures consist of capital outlay for various capital assets purchases and construction/improvement projects and decreased for 2009 as less assets were purchased than in prior years.

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

During 2009, final estimated revenues were \$18,952 higher than original estimated revenues in the General Fund. Final appropriations were \$154,397 higher than original appropriations. The increase was due to higher than anticipated expenditures during the year.

Actual revenues of \$2,633,980 were lower than the final estimated budget basis revenues of \$2,944,622, resulting in a difference of \$310,642. Due to a slow economy, municipal income tax revenue was less than anticipated. Actual expenditures of \$1,618,912 were \$136,174 lower than final appropriations due to the City constantly analyzing expenditures during the year and exercising fiscal restraint.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2009, the City's book value of capital assets for governmental activities (net of accumulated depreciation) amounted to \$9,887,770. Additions included construction in progress, infrastructure, vehicles and furniture, fixtures and equipment. Deletions consisted of vehicles and furniture, fixtures and equipment. Overall assets of governmental activities (net of accumulated depreciation) increased \$615,290.

At December 31, 2009, the City's book value of capital assets for business-type activities (net of accumulated depreciation) amounted to \$7,401,290. Additions included infrastructure. Overall assets of business-type activities (net of accumulated depreciation) decreased \$61,109.

See Note 9 for more information about the City's capital assets at December 31, 2009.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2009
(Unaudited)

Debt Administration

At December 31, 2009, the City's governmental activities had \$4,148,415 in general obligation bonds outstanding, \$130,000 of which is due within one year. The City's governmental activities had \$489,646 in capital leases outstanding, \$133,799 of which is due within one year.

At December 31, 2009, the City's business-type activities had \$7,466,031 in outstanding loans, \$72,565 of which is due within one year.

There were no new debt issues during 2009 and the debt activity included payments made on outstanding debt, along with accretion and amortization of the premium. See Notes 13 and 14 of the Basic Financial Statements for more detailed information.

CURRENT FINANCIAL ISSUES

The City of Clayton has maintained the fiscal position from 2008. The 2009 income tax collections and real estate taxes have showed signs of the economic times by having a decrease in collections. The 2008 renewal of the Police Levy and increase in the Fire Levy millage assisted in revenues meeting expected expenditures. The department heads have continued the fiscal restraint which ultimately lead to the under spending of appropriations.

On September 14, 2008, winds from Hurricane Ike caused significant damage to the City. Reimbursements from the Federal Emergency Management Agency for expenses incurred to remove the debris and restore infrastructure systems of the City were received in 2009.

Also, the cash management and budgetary policies of the Department of Finance encourage the growth in fund carryovers. These actions have aided the City in enduring the financial environment that existed during 2009.

The City experienced growth of new business construction in 2009. Main Street saw two new business buildings constructed and the Miami Valley Career Technical Center constructed a new Administration and Adult Education facility. Collectively, these properties will provide the City with an increase to property tax, income tax and tax increment financing receipts.

The City will be concentrating heavily on maintaining revenue sources while limiting expenses as 2010 begins in an effort to preserve services to the residents while operating in uncertain economic times.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

BASIC FINANCIAL STATEMENTS

City of Clayton, Ohio
Statement of Net Assets
December 31, 2009

	Governmental Activities	Business- Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$3,174,917	\$235,359	\$3,410,276
Accounts Receivable	264,645	13,774	278,419
Due from Other Governments	1,357,731	0	1,357,731
Prepaid Items	65,461	0	65,461
Increment Taxes Receivable	204,240	0	204,240
Municipal Income Taxes Receivable	762,380	0	762,380
Property Taxes Receivable	2,553,659	0	2,553,659
Other Local Taxes Receivable	116,644	0	116,644
Special Assessments Receivable - Current	56,311	0	56,311
Special Assessments Receivable - Delinquent	2,594	0	2,594
Investment in Joint Venture	4,299	0	4,299
Deferred Charges	80,051	0	80,051
Nondepreciable Capital Assets	4,073,719	0	4,073,719
Depreciable Capital Assets, net	5,814,051	7,401,290	13,215,341
<i>Total Assets</i>	<u>18,530,702</u>	<u>7,650,423</u>	<u>26,181,125</u>
Liabilities:			
Accounts Payable	108,506	50	108,556
Contracts Payable	35,610	0	35,610
Accrued Wages Payable	44,864	0	44,864
Due to Other Governments	265,208	10,648	275,856
Deferred Revenue	2,596,334	0	2,596,334
Accrued Interest Payable	14,732	0	14,732
Long-Term Liabilities:			
Due Within One Year	384,163	72,565	456,728
Due in More Than One Year	4,914,546	7,393,466	12,308,012
<i>Total Liabilities</i>	<u>8,363,963</u>	<u>7,476,729</u>	<u>15,840,692</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	4,985,791	(64,741)	4,921,050
Restricted for Capital Outlay	1,342,084	0	1,342,084
Restricted for Security of Persons and Property	360,771	0	360,771
Restricted for Transportation	892,564	0	892,564
Restricted for Public Health	22,449	0	22,449
Restricted for Legislative and Executive	363,736	0	363,736
Restricted for Economic Development	46,459	0	46,459
Unrestricted	2,152,885	238,435	2,391,320
<i>Total Net Assets</i>	<u>\$10,166,739</u>	<u>\$173,694</u>	<u>\$10,340,433</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Activities
For the Year Ended December 31, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$2,102,857	\$318,580	\$91,774	\$884,827
Security of Persons and Property	3,103,331	438,413	528,135	0
Public Health	3,557	8,650	0	0
Economic Development	16,883	0	0	0
Transportation	1,201,965	1,225	587,175	0
Interest and Fiscal Charges	226,296	0	0	0
<i>Total Governmental Activities</i>	<u>6,654,889</u>	<u>766,868</u>	<u>1,207,084</u>	<u>884,827</u>
Business-Type Activities:				
Water Department	161,076	48,037	0	98,773
Sewer Operating	233,626	828	0	0
<i>Total Business-Type Activities</i>	<u>394,702</u>	<u>48,865</u>	<u>0</u>	<u>98,773</u>
Totals	<u><u>\$7,049,591</u></u>	<u><u>\$815,733</u></u>	<u><u>\$1,207,084</u></u>	<u><u>\$983,600</u></u>

General Revenues:

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

Total General Revenues and Transfers

Change in Net Assets

Net Assets at Beginning of Year - Restated (See Note 3)

Net Assets at End of Year

See accompanying notes to the basic financial statements

<u>Net (Expense) Revenue and Changes in Net Assets</u>		
<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
(\$807,676)	\$0	(\$807,676)
(2,136,783)	0	(2,136,783)
5,093	0	5,093
(16,883)	0	(16,883)
(613,565)	0	(613,565)
(226,296)	0	(226,296)
<u>(3,796,110)</u>	<u>0</u>	<u>(3,796,110)</u>
0	(14,266)	(14,266)
0	(232,798)	(232,798)
<u>0</u>	<u>(247,064)</u>	<u>(247,064)</u>
<u>(3,796,110)</u>	<u>(247,064)</u>	<u>(4,043,174)</u>
391,904	0	391,904
1,228,963	0	1,228,963
814,478	0	814,478
180,448	0	180,448
216,829	0	216,829
199,876	0	199,876
1,364,296	0	1,364,296
686,419	0	686,419
297,537	0	297,537
23,668	0	23,668
(8,656)	0	(8,656)
186,815	0	186,815
(185,622)	185,622	0
<u>5,396,955</u>	<u>185,622</u>	<u>5,582,577</u>
1,600,845	(61,442)	1,539,403
<u>8,565,894</u>	<u>235,136</u>	<u>8,801,030</u>
<u>\$10,166,739</u>	<u>\$173,694</u>	<u>\$10,340,433</u>

City of Clayton, Ohio
Balance Sheet
Governmental Funds
December 31, 2009

	General	Police	Street Department
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$752,134	\$117,235	\$163,552
Receivables:			
Property Taxes	369,565	1,211,688	0
Other Local Taxes	108,386	0	0
Municipal Income Taxes	503,840	0	0
Increment Taxes	0	0	0
Interfund	794,411	0	0
Accounts	119,940	300	0
Special Assessments - Current	0	0	0
Special Assessments - Delinquent	0	0	0
Due from Other Governments	169,995	104,210	273,093
Prepaid Items	20,339	14,804	12,933
<i>Total Assets</i>	<u>\$2,838,610</u>	<u>\$1,448,237</u>	<u>\$449,578</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$103,988	\$280	\$1,092
Contracts Payable	1,410	0	0
Interfund Payable	0	223,000	0
Accrued Wages Payable	8,032	15,530	7,340
Due to Other Governments	29,735	79,191	31,278
Deferred Revenue	1,175,963	1,314,494	226,728
<i>Total Liabilities</i>	<u>1,319,128</u>	<u>1,632,495</u>	<u>266,438</u>
Fund Balances:			
Nonspendable	20,339	14,804	12,933
Restricted	0	0	170,207
Assigned	48,086	0	0
Unassigned (Deficit)	1,451,057	(199,062)	0
<i>Total Fund Balances (Deficit)</i>	<u>1,519,482</u>	<u>(184,258)</u>	<u>183,140</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,838,610</u>	<u>\$1,448,237</u>	<u>\$449,578</u>

See accompanying notes to the basic financial statements

Fire	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$114,045	\$863,868	\$1,164,083	\$3,174,917
794,360	0	178,046	2,553,659
0	0	8,258	116,644
0	258,540	0	762,380
0	0	204,240	204,240
0	0	0	794,411
0	0	144,405	264,645
0	0	56,311	56,311
0	0	2,594	2,594
68,311	700,000	42,122	1,357,731
9,197	0	8,188	65,461
<u>\$985,913</u>	<u>\$1,822,408</u>	<u>\$1,808,247</u>	<u>\$9,352,993</u>
\$2,391	\$475	\$280	\$108,506
0	34,200	0	35,610
100,000	445,649	25,762	794,411
4,804	0	9,158	44,864
40,786	0	84,218	265,208
862,671	926,731	591,785	5,098,372
<u>1,010,652</u>	<u>1,407,055</u>	<u>711,203</u>	<u>6,346,971</u>
9,197	0	8,188	65,461
0	415,353	974,154	1,559,714
0	0	115,464	163,550
(33,936)	0	(762)	1,217,297
<u>(24,739)</u>	<u>415,353</u>	<u>1,097,044</u>	<u>3,006,022</u>
<u>\$985,913</u>	<u>\$1,822,408</u>	<u>\$1,808,247</u>	<u>\$9,352,993</u>

City of Clayton, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2009*

Total Governmental Fund Balances \$3,006,022

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

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

Capital Assets:

Land	3,973,450
Construction in Progress	100,269
Buildings	1,475,170
Improvements Other Than Buildings	100,332
Vehicles	2,842,815
Furniture, Fixtures and Equipment	1,057,492
Infrastructure	3,857,039
Accumulated Depreciation	<u>(3,518,797)</u>

Total 9,887,770

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

Deferred Charges 80,051

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

4,299

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

Property Taxes	100,138
Increment Taxes	61,427
Other Local Taxes	108,386
Municipal Income Taxes	666,857
Intergovernmental	1,273,867
Special Assessments	58,905
Charges for Services	232,123
Fines and Forfeitures	35
Other	<u>300</u>

Total 2,502,038

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

Accrued Interest Payable (14,732)

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

City Developer Payable	(477,384)
Premium on Debt Issued	(80,051)
General Obligation Bonds	(4,068,364)
Capital Leases Payable	(489,646)
Compensated Absences Payable	<u>(183,264)</u>

Total (5,298,709)

Net Assets of Governmental Activities \$10,166,739

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, 2009

	General	Police	Street Department
Revenues:			
Property Taxes	\$384,686	\$1,204,373	\$0
Increment Taxes	0	0	0
Other Local Taxes	111,123	0	0
Municipal Income Taxes	1,329,918	0	0
Intergovernmental	319,282	263,529	540,195
Charges for Services	291,902	3,676	0
Licenses and Permits	3,433	0	1,225
Fines and Forfeitures	0	17,091	0
Investment Income	23,668	0	1,058
Special Assessments	0	0	0
Impact Fees	291	0	0
Other	18,543	5,431	76,810
<i>Total Revenues</i>	<u>2,482,846</u>	<u>1,494,100</u>	<u>619,288</u>
Expenditures:			
Current:			
General Government	1,556,858	0	0
Security of Persons and Property	0	1,602,582	0
Public Health	0	0	0
Economic Development	0	0	0
Transportation	0	0	842,791
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<i>Total Expenditures</i>	<u>1,556,858</u>	<u>1,602,582</u>	<u>842,791</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>925,988</u>	<u>(108,482)</u>	<u>(223,503)</u>
Other Financing Sources (Uses):			
Transfers-In	0	65,000	250,000
Transfers-Out	(971,205)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(971,205)</u>	<u>65,000</u>	<u>250,000</u>
<i>Net Change in Fund Balances</i>	(45,217)	(43,482)	26,497
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,564,699</u>	<u>(140,776)</u>	<u>156,643</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,519,482</u>	<u>(\$184,258)</u>	<u>\$183,140</u>

See accompanying notes to the basic financial statements

Fire	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$792,185	\$0	\$177,223	\$2,558,467
0	0	138,449	138,449
0	0	102,515	213,638
0	668,709	0	1,998,627
156,642	242,389	279,694	1,801,731
0	0	352,847	648,425
0	0	0	4,658
0	0	140	17,231
0	0	2,918	27,644
0	0	28,576	28,576
0	2,136	0	2,427
2,722	53,349	29,660	186,515
951,549	966,583	1,112,022	7,626,388
0	908,713	129,043	2,594,614
927,340	0	495,506	3,025,428
0	0	3,557	3,557
0	0	16,883	16,883
0	0	83,179	925,970
0	0	317,089	317,089
0	0	213,900	213,900
927,340	908,713	1,259,157	7,097,441
24,209	57,870	(147,135)	528,947
0	0	470,583	785,583
0	0	0	(971,205)
0	0	470,583	(185,622)
24,209	57,870	323,448	343,325
(48,948)	357,483	773,596	2,662,697
(\$24,739)	\$415,353	\$1,097,044	\$3,006,022

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, 2009*

Net Change in Fund Balances - Total Governmental Funds \$343,325

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	1,309,531	
Depreciation	<u>(618,497)</u>	
Excess of Capital Outlay over Depreciation Expense		691,034

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		(75,744)
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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.

(8,656)

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

General Obligation Bonds Payable	125,000	
Capital Leases Payable	<u>192,089</u>	
		317,089

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

Property Taxes	57,326	
Increment Taxes	61,427	
Other Local Taxes	3,191	
Municipal Income Taxes	52,088	
Intergovernmental	583,741	
Special Assessments	29,085	
Charges for Services	36,804	
Fines and Forfeitures	(338)	
Other	<u>300</u>	
		823,624

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

Net Decrease in Accrued Interest	373	
Accretion of Capital Appreciation Bonds	(12,769)	
Amortization of Premium on General Obligation Bonds	3,921	
Net Amortization of Bond Issuance Costs (Deferred Charges)	<u>(3,921)</u>	
		(12,396)

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Increase in City Developer Payable	(477,384)	
Increase in Compensated Absences	<u>(47)</u>	
		(477,431)

Change in Net Assets of Governmental Activities \$1,600,845

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, 2009

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$421,430	\$421,430	\$384,686	(\$36,744)
Other Local Taxes	100,000	108,000	111,123	3,123
Municipal Income Taxes	1,600,000	1,603,600	1,321,431	(282,169)
Intergovernmental	604,679	415,131	432,564	17,433
Charges for Services	68,000	331,500	319,941	(11,559)
Licenses and Permits	10,061	3,061	3,433	372
Investment Income	100,000	20,000	23,668	3,668
Other	21,500	41,900	37,134	(4,766)
<i>Total Revenues</i>	2,925,670	2,944,622	2,633,980	(310,642)
Expenditures:				
Current:				
General Government	1,600,689	1,755,086	1,618,912	136,174
<i>Excess of Revenues Over Expenditures</i>	1,324,981	1,189,536	1,015,068	(174,468)
Other Financing Uses:				
Transfers-Out	(1,306,700)	(1,015,367)	(971,205)	44,162
Advances-Out	(150,000)	(25,000)	(25,000)	0
<i>Total Other Financing Uses</i>	(1,456,700)	(1,040,367)	(996,205)	44,162
<i>Net Change in Fund Balance</i>	(131,719)	149,169	18,863	(130,306)
<i>Fund Balance at Beginning of Year</i>	449,410	449,410	449,410	0
<i>Prior Year Encumbrances Appropriated</i>	142,564	142,564	142,564	0
<i>Fund Balance at End of Year</i>	\$460,255	\$741,143	\$610,837	(\$130,306)

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$1,399,551	\$1,239,551	\$1,204,373	(\$35,178)
Intergovernmental	190,590	237,700	263,505	25,805
Charges for Services	0	4,000	3,676	(324)
Fines and Forfeitures	10,000	10,000	16,726	6,726
Other	5,500	5,500	7,327	1,827
<i>Total Revenues</i>	<u>1,605,641</u>	<u>1,496,751</u>	<u>1,495,607</u>	<u>(1,144)</u>
Expenditures:				
Current:				
Security of Persons and Property	<u>1,823,336</u>	<u>1,713,546</u>	<u>1,632,116</u>	<u>81,430</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(217,695)</u>	<u>(216,795)</u>	<u>(136,509)</u>	<u>80,286</u>
Other Financing Sources:				
Transfers-In	90,000	90,000	65,000	(25,000)
Advances-In	0	0	25,000	25,000
<i>Total Other Financing Sources</i>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(127,695)	(126,795)	(46,509)	80,286
<i>Fund Balance at Beginning of Year</i>	106,199	106,199	106,199	0
<i>Prior Year Encumbrances Appropriated</i>	<u>21,496</u>	<u>21,496</u>	<u>21,496</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$900</u>	<u>\$81,186</u>	<u>\$80,286</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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$550,000	\$458,000	\$539,716	\$81,716
Licenses and Permits	0	0	1,225	1,225
Investment Income	2,500	500	1,058	558
Other	5,500	89,500	92,561	3,061
<i>Total Revenues</i>	558,000	548,000	634,560	86,560
Expenditures:				
Current:				
Transportation	1,105,745	985,343	845,401	139,942
<i>Excess of Revenues Under Expenditures</i>	(547,745)	(437,343)	(210,841)	226,502
Other Financing Sources:				
Transfers-In	530,000	330,000	250,000	(80,000)
<i>Net Change in Fund Balance</i>	(17,745)	(107,343)	39,159	146,502
<i>Fund Balance at Beginning of Year</i>	98,409	98,409	98,409	0
<i>Prior Year Encumbrances Appropriated</i>	12,099	12,099	12,099	0
<i>Fund Balance at End of Year</i>	\$92,763	\$3,165	\$149,667	\$146,502

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, 2009

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property Taxes	\$921,062	\$803,062	\$792,185	(\$10,877)
Intergovernmental	52,500	104,000	156,642	52,642
Other	200	200	6,343	6,143
<i>Total Revenues</i>	973,762	907,262	955,170	47,908
Expenditures:				
Current:				
Security of Persons and Property	1,023,691	969,761	931,078	38,683
<i>Net Change in Fund Balance</i>	(49,929)	(62,499)	24,092	86,591
<i>Fund Balance at Beginning of Year</i>	60,504	60,504	60,504	0
<i>Prior Year Encumbrances Appropriated</i>	3,869	3,869	3,869	0
<i>Fund Balance at End of Year</i>	<u>\$14,444</u>	<u>\$1,874</u>	<u>\$88,465</u>	<u>\$86,591</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2009

	Water Department	Sewer Operating	Total
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$148,119	\$87,240	\$235,359
Receivables:			
Accounts	13,774	0	13,774
<i>Total Current Assets</i>	161,893	87,240	249,133
Non-current Assets:			
Depreciable Capital Assets, Net	3,842,784	3,558,506	7,401,290
<i>Total Assets</i>	4,004,677	3,645,746	7,650,423
Liabilities:			
Current:			
Accounts Payable	50	0	50
Due to Other Governments	10,648	0	10,648
OWDA Loan Payable	0	72,565	72,565
<i>Total Current Liabilities</i>	10,698	72,565	83,263
Long-Term Liabilities:			
Loan Payable	4,232,359	0	4,232,359
OWDA Loan Payable	0	3,161,107	3,161,107
<i>Total Long-Term Liabilities</i>	4,232,359	3,161,107	7,393,466
<i>Total Liabilities</i>	4,243,057	3,233,672	7,476,729
Net Assets:			
Invested in Capital Assets, Net of Related Debt	(389,575)	324,834	(64,741)
Unrestricted	151,195	87,240	238,435
<i>Total Net Assets (Deficit)</i>	(\$238,380)	\$412,074	\$173,694

See accompanying notes to the basic financial statements

City of Clayton, Ohio
*Statement of Revenues, Expenses and
Changes in Fund Net Assets
Enterprise Funds
For the Year Ended December 31, 2009*

	Water Department	Sewer Operating	Total
Operating Revenues:			
Charges for Services	\$39,538	\$0	\$39,538
Tap-In Fees	7,572	0	7,572
Impact Fees	927	828	1,755
<i>Total Operating Revenues</i>	<u>48,037</u>	<u>828</u>	<u>48,865</u>
Operating Expenses:			
Personal Services	22,653	0	22,653
Contractual Services	21,981	11,627	33,608
Materials and Supplies	46,771	0	46,771
Depreciation	69,671	90,211	159,882
<i>Total Operating Expenses</i>	<u>161,076</u>	<u>101,838</u>	<u>262,914</u>
<i>Operating Loss</i>	(113,039)	(101,010)	(214,049)
Non-Operating Expenses:			
Interest and Fiscal Charges	0	(131,788)	(131,788)
Net Loss Before Capital Contributions and Transfers	(113,039)	(232,798)	(345,837)
Capital Contributions	98,773	0	98,773
Transfers-In	0	185,622	185,622
<i>Change in Net Assets</i>	(14,266)	(47,176)	(61,442)
<i>Net Assets (Deficit) at Beginning of Year</i>	<u>(224,114)</u>	<u>459,250</u>	<u>235,136</u>
<i>Net Assets (Deficit) at End of Year</i>	<u><u>(\$238,380)</u></u>	<u><u>\$412,074</u></u>	<u><u>\$173,694</u></u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2009

	<u>Water Department</u>	<u>Sewer Operating</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received From Customers	\$48,591	\$828	\$49,419
Cash Payments for Employee Services and Benefits	(23,252)	0	(23,252)
Cash Payments to Suppliers	(58,285)	(11,627)	(69,912)
<i>Net Cash Used for Operating Activities</i>	<u>(32,946)</u>	<u>(10,799)</u>	<u>(43,745)</u>
Cash Flows from Noncapital Financing Activities:			
Transfers-In	<u>0</u>	<u>185,622</u>	<u>185,622</u>
Cash Flows from Capital and Related Financing Activities:			
Loan Principal Payments	0	(53,834)	(53,834)
Loan Interest Payments	<u>0</u>	<u>(131,788)</u>	<u>(131,788)</u>
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>0</u>	<u>(185,622)</u>	<u>(185,622)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(32,946)	(10,799)	(43,745)
<i>Cash and Cash Equivalents at Beginning of Year</i>	<u>181,065</u>	<u>98,039</u>	<u>279,104</u>
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$148,119</u>	<u>\$87,240</u>	<u>\$235,359</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	(\$113,039)	(\$101,010)	(\$214,049)
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	69,671	90,211	159,882
Decrease in Accounts Receivable	554	0	554
Increase in Accounts Payable	50	0	50
Increase in Due to Other Governments	<u>9,818</u>	<u>0</u>	<u>9,818</u>
<i>Net Cash Used for Operating Activities</i>	<u>(\$32,946)</u>	<u>(\$10,799)</u>	<u>(\$43,745)</u>

Noncash Capital Financing Activities

The Water Department Fund had capital contributions for capital assets from developers of \$98,773 during 2009.

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2009

	<u>Janice Paulus Fire Victim</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$10,588	<u>\$68,049</u>
Liabilities:		
Due to Other Governments	<u>0</u>	<u>\$68,049</u>
Net Assets:		
Held in Trust for Private Purposes	<u>\$10,588</u>	

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Year Ended December 31, 2009

	Janice Paulus Fire Victim
Revenues:	
Investment Earnings	\$242
Expenses:	0
<i>Change in Net Assets</i>	242
<i>Net Assets at Beginning of Year</i>	10,346
<i>Net Assets at End of Year</i>	\$10,588

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 1 – DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Clayton (The “City”) was formed January 1, 1998, as a result of a merger approved by the voters of Randolph Township and the Village of Clayton in an election held November 1997. Randolph Township was founded in 1802 from the original Elizabeth Township. The Village of Clayton was incorporated in 1942. The newly merged City continued as a statutory village until the 1998 General Election when Clayton became a city. The voters of the City approved a charter in May 1999 under which the City continues to operate.

The City charter calls for a Council-Manager form of government. The Council consists of seven members: a Mayor, three at-large Council members and three ward representatives. The City elects the three ward representatives in one election cycle, with the Mayor and the at-large members elected two years later. They serve as the legislative body and are governed by the provisions of the charter. All council members, including the Mayor, are elected to four year terms.

The Council, by majority vote, appoints the City Manager who serves as chief executive officer. The City Manager is responsible for appointing and removing all other full and part-time City employees.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, and activities that are not legally separate from the City. They comprise the City’s legal entity which provides various services including police, fire, emergency medical, planning and zoning, street construction, maintenance and repair, administrative services, water services and the introduction of sewer services. Council and the City Manager have direct responsibility for these activities.

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

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

The City participates in two jointly governed organizations, the Miami Valley Regional Planning Commission and the Economic Development/Government Equity Program. A jointly governed organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility on the part of the participating governments. These organizations are presented in Note 18 to the Basic Financial Statements.

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

Basis of Presentation

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

Government-Wide Financial Statements

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary Funds

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

Enterprise Funds – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

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

Sewer Operating Fund – This fund is used to account for revenues received from grants and loans to provide for the start-up of sewer services to residents of the City.

Fiduciary Funds

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

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

Basis of Accounting

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

Revenues – Exchange and Non-Exchange Transactions

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2009, but were levied to finance 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met have also been recorded as deferred revenue.

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

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

During 2009, investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio) and Fifth Third Institutional Money Market Mutual Fund. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on December 31, 2009. For investments in money market mutual funds, fair value is determined by the fund's share price.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2009 amounted to \$23,668, which includes \$18,362 assigned from other funds.

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

Interfund Receivables/Payables

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Compensated Absences

Vacation and compensatory time benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those that the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the City's termination policy. The City records a liability for accumulated unused sick leave for all employees after 10 years of service with the City.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bond Issuance Costs

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

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

Bond Premium

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

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Fund Balance

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by Council or a City official delegated that authority by City charter or ordinance.

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

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Internal Activity

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

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

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

Operating Revenues and Expenses

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Process

All funds, other than the agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, 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 level.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

The appropriations resolution 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 resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS

Changes in Accounting Principles

During 2009, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 52, “Land and Other Real Estate Held as Investments by Endowments”, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions,” Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” Statement No. 56, “Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards”, Statement No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, and Statement No. 58, “Accounting and Financial Reporting for Chapter 9 Bankruptcies”.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments are also required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value. The implementation of this statement did not result in any change in the City’s financial statements.

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the City’s financial statements.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS (continued)

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. It requires identification of amounts that are nonspendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The statement also changed the governmental fund type definitions. The implementation of this statement resulted in additional note disclosure requirements and had no effect on fund balances as previously reported.

GASB Statement No. 55 incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 56 incorporates accounting and financial reporting guidance previously only contained in the American Institute of Certified Public Accountants' and auditing literature into the GASB's accounting and financial reporting literature for state and local governments. The statement's guidance addresses related party transactions, going concern considerations, and subsequent events from the AICPA literature. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this Statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the City's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the City's financial statements.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR NET ASSETS (continued)

Restatement of Prior Year Net Assets

During 2009, the City changed its accounting treatment for the recognition of Increment Taxes Revenue. In prior years, these transactions were recognized as exchange transactions and long-term receivables and payables were recorded. The City’s interpretation of the proper accounting treatment in this area changed during 2009. These transactions are now viewed as imposed non-exchange transactions, which are not subject to long-term recognition. The long-term expense was also reduced due to the change in recognition. The restatement had the following effect on net assets at December 31, 2008 as previously reported:

	<u>Governmental Activities</u>
Net Assets at December 31, 2008	\$9,315,945
Change in Revenue Recognition and Related Expense for Increment Taxes	<u>(750,051)</u>
Restated Net Assets at December 31, 2008	<u><u>\$8,565,894</u></u>

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Cash is held by the agency fund on behalf of the City on a budget basis and allocated and reported on the balance sheet (GAAP basis) in the appropriate City funds.
5. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

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

	Net Change in Fund Balance			
	General	Police	Street Department	Fire
GAAP Basis	(\$45,217)	(\$43,482)	\$26,497	\$24,209
Revenue Accruals	179,113	1,507	15,272	3,621
Expenditure Accruals	67,764	6,515	11,275	21,842
Encumbrances	(129,818)	(36,049)	(13,885)	(25,580)
Agency Fund Allocation 2008	(39,458)	0	0	0
Agency Fund Allocation 2009	11,479	0	0	0
Advances	(25,000)	25,000	0	0
Budget Basis	<u>\$18,863</u>	<u>(\$46,509)</u>	<u>\$39,159</u>	<u>\$24,092</u>

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit, or by savings or deposit accounts, including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Commercial paper and bankers acceptances if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2); and
7. The State Treasurer’s investment pool (STAROhio).

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

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest, or coupons; and
3. Obligations of the City.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Investments

As of December 31, 2009, the City had the following investments:

	<u>Fair Value</u>	<u>Maturity less than one year</u>
STAROhio	\$480,008	\$480,008
Fifth Third Institutional Money		
Market Mutual Fund	982,942	982,942
Totals	<u>\$1,462,950</u>	<u>\$1,462,950</u>

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk

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

Credit Risk

The Fifth Third Institutional Money Market Mutual Fund carries a rating of Aaa by Moody's. STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The City's investment policy limits investments to those authorized by State statute. State statute only addresses credit risk by limiting the investments that may be purchased to those offered by specifically identified issuers.

NOTE 6 – PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the City. Property tax revenues received during 2009 for real and public utility property taxes represents collections of the 2008 taxes. Property tax payments received during 2009 for tangible personal property (other than public utility property) are for 2009 taxes.

2009 real property taxes are levied after October 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2009 real property taxes are collected in and intended to finance 2010.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after October 1, 2009, and are collected in 2010 with real property taxes.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 6 – PROPERTY TAXES (continued)

Tangible personal property tax revenues received in calendar year 2009 (other than public utility property) represent the collection of calendar year 2009 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2009 were levied after October 1, 2008, on the value as of December 31, 2008. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts within the County, including the City of Clayton. The County Auditor periodically remits to the City its portion of the taxes. Property taxes receivable represents real and tangible personal property taxes, public utility taxes, and outstanding delinquencies which are measurable as of December 31, 2009, and for which there is an enforceable legal claim. In the funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2009 operations, and the collections of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

The full tax rate for all City operations for the year ended December 31, 2009, was \$12.78 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2009 property tax receipts were based are as follows:

Category	Assessed Value	Percent
Real Estate	\$266,850,300	97.90%
Public Utility Personal	4,970,690	1.82%
General Business Personal	760,410	0.28%
Totals	\$272,581,400	100.00%

NOTE 7 – MUNICIPAL INCOME TAX

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions, other compensation and net profits earned within the City as well as on incomes of residents earned outside the City. However, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 8 – RECEIVABLES

Receivables at December 31, 2009, consisted of property taxes, other local taxes, municipal income taxes, increment taxes, interfund, accounts, special assessments receivables, and amounts due from other governments arising from grants, entitlements and shared revenues. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, increment taxes, and special assessments. Property, income, and increment taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. In the business-type activities, the water line tap-in fees are assessed. Special assessments expected to be collected within one year in the Street Lights Fund amount to \$56,311. The City has \$2,594 of delinquent special assessments at December 31, 2009.

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

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government	\$125,153
Estate Tax	13,446
Homestead and Rollback Exemption	217,386
Gasoline Tax	162,796
Motor Vehicle Tax	131,475
Montgomery County ED/GE	700,000
Vandalia Court	1,535
City of Dayton	169
Court Fines	35
Federal Emergency Management Agency	3,595
Miscellaneous	2,141
Total Intergovernmental Receivable	<u><u>\$1,357,731</u></u>

Increment Taxes Receivable

The City granted real property tax exemptions to landowners for improvements made to their properties. The City requires the owners to make an annual payment to the City in lieu of taxes in the amount that would be payable on the increase in the value of the property if not for the exemption. The City then uses these monies to pay for public infrastructure improvements benefiting the owners. Additional payments are made to the School District since it is impacted by the tax exemption for a period of up to 30 years. The City accrues a receivable for the amounts measurable at December 31, 2009. The City is not able to measure the receivable for all future payments because the payments are based upon projected tax collections.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 9 – CAPITAL ASSETS

Changes in general capital assets during the year ended December 31, 2009, were as follows:

	Balance At 12/31/2008	Additions	Deletions	Balance At 12/31/2009
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$3,973,450	\$0	\$0	\$3,973,450
Construction in Progress	532,137	154,241	(586,109)	100,269
Total Capital Assets, Not Being Depreciated	<u>4,505,587</u>	<u>154,241</u>	<u>(586,109)</u>	<u>4,073,719</u>
Depreciable Capital Assets:				
Buildings	1,475,170	0	0	1,475,170
Improvements Other Than Buildings	100,332	0	0	100,332
Vehicles	2,504,878	422,285	(84,348)	2,842,815
Furniture, Fixtures and Equipment	1,022,281	56,129	(20,918)	1,057,492
Infrastructure	2,594,054	1,262,985	0	3,857,039
Total Depreciable Capital Assets	<u>7,696,715</u>	<u>1,741,399</u>	<u>(105,266)</u>	<u>9,332,848</u>
Less Accumulated Depreciation:				
Buildings	(1,158,918)	(25,788)	0	(1,184,706)
Improvements Other Than Buildings	(29,298)	(4,745)	0	(34,043)
Vehicles	(886,005)	(282,114)	29,522	(1,138,597)
Furniture, Fixtures and Equipment	(562,277)	(87,218)	0	(649,495)
Infrastructure	(293,324)	(218,632)	0	(511,956)
Total Accumulated Depreciation	<u>(2,929,822)</u>	<u>(618,497)</u>	<u>29,522</u>	<u>(3,518,797)</u>
Depreciable Capital Assets, Net	<u>4,766,893</u>	<u>1,122,902</u>	<u>(75,744)</u>	<u>5,814,051</u>
Governmental Activities Capital Assets, Net	<u>\$9,272,480</u>	<u>\$1,277,143</u>	<u>(\$661,853)</u>	<u>\$9,887,770</u>

Capital assets activity of the business-type activities for the year ended December 31, 2009, was as follows:

	Balance at 12/31/08	Additions	Deletions	Balance at 12/31/09
Business-Type Activities:				
Depreciable Capital Assets:				
Infrastructure	\$8,163,124	\$98,773	\$0	\$8,261,897
Less Accumulated Depreciation:				
Infrastructure	(700,725)	(159,882)	0	(860,607)
Depreciable Capital Assets, Net	<u>7,462,399</u>	<u>(61,109)</u>	<u>0</u>	<u>7,401,290</u>
Business-Type Activities Capital Assets, Net	<u>\$7,462,399</u>	<u>(\$61,109)</u>	<u>\$0</u>	<u>\$7,401,290</u>

For the year ended December 31, 2009, the City's Water Department Fund received water lines donated from developers. The value of the water lines was \$98,773.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 9 – CAPITAL ASSETS (continued)

Depreciation expense was charged to governmental programs as follows:

General Government	\$45,211
Security of Persons and Property	284,441
Transportation	<u>288,845</u>
Total Depreciation Expense	<u><u>\$618,497</u></u>

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Ohio Public Employees Retirement System

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

OPERS provides retirement, disability and survivor benefits and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2009, members in state and local classifications contributed 10.0 percent of covered payroll while public safety and law enforcement members contributed 10.1 percent.

The City's 2009 contribution rate was 14.0 percent, except for those plan members in law enforcement or public safety for whom the City's contribution was 17.63 percent of covered payroll. For the period January 1 through March 31, a portion of the City's contribution equal to 7.0 percent of covered payroll was allocated to fund the post-employment health care plan; for the period April 1 through December 31, 2009 this amount was decreased to 5.5 percent. Employer contribution rates are actuarially determined. State statute sets a maximum contribution rate for the City of 14.0 percent, except for public safety and law enforcement, where the maximum employer contribution rate is 18.1 percent.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2009, 2008, and 2007 were \$158,828, \$103,868, and \$142,694, respectively; 90.43 percent has been contributed for 2009 and 100 percent for 2008 and 2007. Contributions to the member-directed plan for 2009 were \$1,525 made by the City and \$1,089 made by the plan members.

Ohio Police and Fire Pension Fund

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

Funding Policy – Plan members are required to contribute 10.0 percent of their annual covered salary, while employers are required to contribute 19.5 percent for police officers and 24.0 percent for firefighters. The City's contributions to OP&F for police and firefighters were \$46,927 and \$72,169 for the year ended December 31, 2009, \$56,663 and \$74,221 for the year ended December 31, 2008, and \$41,001 and \$70,917 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 75.46 percent has been contributed for police and 75.05 percent has been contributed for firefighters for 2009.

NOTE 11 – POST-EMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

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

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

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2009, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety and law enforcement employers contributed at 17.63 percent. Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The amount of employer contributions which were allocated to fund post-employment health care was 7.0 percent from January 1 through March 31, 2009, and 5.5 percent from April 1 through December 31, 2009.

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

The City’s contributions allocated to fund post-employment health care benefits for the years ended December 31, 2009, 2008, and 2007 were \$93,387, \$92,655, and \$96,560 respectively; 90.43 percent has been contributed for 2009 and 100 percent for 2008 and 2007.

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

Ohio Police and Fire Pension Fund

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

OP&F provides access to post-retirement health care coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check or is a spouse or eligible dependent child of such person. The health care coverage provided by OP&F meets the definition of an Other Post-Employment Benefit (OPEB) as described in GASB Statement No. 45.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 11 – POST-EMPLOYMENT BENEFITS (continued)

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

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

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

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

The Board of Trustees is authorized to allocate a portion of the total employer contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. For the year ended December 31, 2009, the employer contribution allocated to the health care plan was 6.75 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

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

The City's contributions to OP&F which were allocated to fund post-employment health care benefits for police and firefighters were \$24,844 and \$28,240 for the year ended December 31, 2009, \$29,998 and \$29,043 for the year ended December 31, 2008, and \$21,707 and \$27,750 for the year ended December 31, 2007. The full amount has been contributed for 2008 and 2007. 75.46 percent has been contributed for police and 75.05 percent has been contributed for firefighters for 2009.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 12 – OTHER EMPLOYEE BENEFITS

Deferred Compensation

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

Compensated Absences

City employees earn vacation leave at varying rates based upon length of service up to a maximum of 320 hours. Upon departure from City employment, an employee (or their estate) will be paid for unused vacation leave.

City employees earn sick leave at the rate of one and one-fourth days per month. In the case of retirement, employees with 10 years of service with the City will be paid one hour of pay for each four hours of their accumulated sick leave up to a payment of 240 hours, based on the union agreements and the City's personnel policy.

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

Insurance

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 13 – CAPITAL LEASES – LESSEE DISCLOSURE

In prior years, the City entered into lease agreements for the purchase of equipment and vehicles. Each lease meets the criteria of a capital lease as defined by *Statement of Financial Accounting Standards No. 13, "Accounting for Leases"*, which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the Basic Financial Statements for the governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

Capital assets acquired by leases have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$1,139,578. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in 2009 totaled \$192,089.

The assets acquired through capital leases are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value December 31, 2009
Asset:			
Furniture, Fixtures and Equipment	\$260,000	(\$103,322)	\$156,678
Vehicles	879,578	(157,367)	722,211
Total	\$1,139,578	(\$260,689)	\$878,889

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, 2009.

	December 31,	Total Payments
2010		\$154,449
2011		154,451
2012		134,990
2013		32,245
2014		32,245
2015		32,245
Total		540,625
Less: Amount Representing Interest		(50,979)
Present Value of Minimum Lease Payments		\$489,646

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2009 were as follows:

	Restated Amount Outstanding 12/31/08	Additions	Deductions	Amount Outstanding 12/31/09	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds:					
2005 Various Purpose					
Serial Bonds - 3.25 to 3.75%	\$680,000	\$0	\$125,000	\$555,000	\$130,000
Term Bonds - 4.25 to 5.00%	3,270,000	0	0	3,270,000	0
Capital Appreciation Bonds - 4.977%	190,000	0	0	190,000	0
Accretion on Capital Appreciation Bonds	40,595	12,769	0	53,364	0
Premium on Debt Issue	83,972	0	3,921	80,051	0
Total General Obligation Bonds	<u>4,264,567</u>	<u>12,769</u>	<u>128,921</u>	<u>4,148,415</u>	<u>130,000</u>
City Developer Payable	0	477,384	0	477,384	0
Capital Leases Payable	681,735	0	192,089	489,646	133,799
Compensated Absences	183,217	132,796	132,749	183,264	120,364
Total Governmental Activities Long-Term Obligations	<u>\$5,129,519</u>	<u>\$622,949</u>	<u>\$453,759</u>	<u>\$5,298,709</u>	<u>\$384,163</u>
Business-Type Activities:					
2004 Water Line Loan - 0%	\$4,232,359	\$0	\$0	\$4,232,359	\$0
2005 OWDA Loan - 4%	3,287,506	0	53,834	3,233,672	72,565
Total Business-Type Activities Long-Term Obligations	<u>\$7,519,865</u>	<u>\$0</u>	<u>\$53,834</u>	<u>\$7,466,031</u>	<u>\$72,565</u>

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

The term bonds issued at \$3,270,000 and maturing on December 1, 2030, are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed plus accrued interest to the date of redemption, on December 1, in the years and in the respective principal amounts as follows:

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

The capital appreciation bonds, issued at \$190,000, are not subject to prior redemption. The capital appreciation bonds will mature in years 2014 and 2015, with a maturity amount of \$155,000 each year, including interest. For 2009, the capital appreciation bonds were accreted \$12,769.

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

The City entered into an agreement with the developer of the Clayton Towne Center and will reimburse the developer for capital assets constructed by the developer that are owned by the City. The city developer payable will be repaid from the TIF Towne Center Fund. There is no amortization schedule available for the amount payable to the city developer.

The 2004 Water Line Loan was a project through the City of Dayton that was completed in May, 2004. The loan was issued with a zero percent interest rate and payable from user charges from the Water Department Fund. A per acre fee is charged to new users who tap into the water lines. This fee is collected by the City of Clayton and paid to the City of Dayton as principal payments. Therefore, a final payment schedule is not available and the amount due within one year is unable to be determined. No per acre fee was collected during 2009. 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, 2009, which was issued during 2005 at a rate of four percent. The total amount of the loan is \$3,481,913. The loan was closed out during 2009. The loan was issued for the construction of the sewer system expansion phase I and sewer lines.

The City's overall legal debt margin was \$24,621,511 at December 31, 2009, and the unvoted debt margin was \$10,992,441.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

Principal and interest requirements to retire the long-term debt obligations outstanding at December 31, 2009, are as follows:

December 31,	Governmental Activities						Business-Type	
	Serial Bonds Principal	Serial Bonds Interest	Term Bonds Principal	Term Bonds Interest	Capital Appreciation Bonds Principal	Capital Appreciation Bonds Interest	OWDA Loan Principal	OWDA Loan Interest
2010	\$130,000	\$19,613	\$0	\$153,375	\$0	\$0	\$72,565	\$128,628
2011	140,000	15,063	0	153,375	0	0	75,496	125,697
2012	140,000	10,513	0	153,375	0	0	78,546	122,647
2013	145,000	5,438	0	153,375	0	0	81,720	119,473
2014	0	0	0	153,375	97,333	57,667	85,021	116,172
2015-2019	0	0	660,000	719,625	92,667	62,333	479,490	526,476
2020-2024	0	0	1,025,000	504,375	0	0	584,495	421,471
2025-2029	0	0	1,290,000	233,601	0	0	712,496	293,470
2030-2034	0	0	295,000	12,538	0	0	868,529	137,437
2035	0	0	0	0	0	0	195,314	5,879
Total	\$555,000	\$50,627	\$3,270,000	\$2,237,014	\$190,000	\$120,000	\$3,233,672	\$1,997,350

NOTE 15 – INTERFUND ASSETS/LIABILITIES

Interfund balances at December 31, 2009, 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.

	Interfund Receivable	
	General Fund	
Interfund Payable	Police Fund	\$223,000
	Fire Fund	100,000
	Capital Improvement Fund	445,649
	Nonmajor Governmental Funds	25,762
	Total	\$794,411

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 15 – INTERFUND ASSETS/LIABILITIES (continued)

Transfers made during the year ended December 31, 2009, were as follows:

		<u>Transfers From</u> <u>General Fund</u>
Transfers To	Police Fund	\$65,000
	Street Department Fund	250,000
	Nonmajor Governmental Funds	470,583
	Sewer Fund	185,622
	Total	\$971,205

Transfers are used to move General Fund revenues that are used to subsidize various programs into other funds and for repayment of debt.

NOTE 16 – RISK MANAGEMENT

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

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

NOTE 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 17 – JOINT VENTURE (continued)

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 \$4,299 represents 40 percent of the total equity of the District. The District is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit to or burden on the City. The City of Clayton paid a 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. Payments to the Commission are made from the General Fund. The City contributed \$6,140 for the operation of the Commission during 2009. 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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 18 – JOINTLY GOVERNED ORGANIZATIONS (continued)

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, 2010. Any member in default of paying its contributions will be liable for the amount of the contribution, any interest accrued, and penalties. During this time, the member will not be entitled to any allocations from ED/GE. Payments to ED/GE are made from and received in the General Fund. The City contributed \$13,974 for the operation of ED/GE during 2009. Financial information may be obtained by writing to Pamela Frannin, Secretary, 451 West Third Street, Dayton, Ohio, 45422.

NOTE 19 – RISK SHARING POOL

Ohio Plan

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

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

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 20 – CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2009, to December 31, 2009, the City received federal and State grants for specific purposes that are subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Litigation

The City is not currently party to any legal proceedings.

NOTE 21 – ACCOUNTABILITY AND COMPLIANCE

Accountability

The Police, Fire, and Street Lights Special Revenue Funds had deficit fund balances at December 31, 2009 of \$184,258, \$24,739, and \$762, respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Water Department Fund had deficit net assets of \$238,380 at December 31, 2009. The City anticipates increased revenues in charges for services and a corresponding decrease in the net assets deficit in future years.

Compliance

Ohio Revised Code Section 5705.10(H) provides that money paid into a fund must be used only for the purpose for which such fund has been established. As a result, a negative balance indicates that money from one fund was used to cover the expenses of another fund. The Streets Lights Fund had a negative balance of \$762.

NOTE 22 – FUND BALANCE

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2009

NOTE 22 – FUND BALANCE (continued)

Fund Balances	General	Police	Street Department	Fire	Capital Improvement	Nonmajor Governmental Funds	Total
<u>Nonspendable:</u>							
Prepaid Items	\$20,339	\$14,804	\$12,933	\$9,197	\$0	\$8,188	\$65,461
<u>Restricted for:</u>							
Road Improvements	0	0	170,207	0	0	447,594	617,801
Police and Fire Operations	0	0	0	0	0	48,813	48,813
Cemetery Operations	0	0	0	0	0	19,862	19,862
Drug and Alcohol Enforcement	0	0	0	0	0	10,110	10,110
Economic Development	0	0	0	0	0	324,834	324,834
Emergency Repairs	0	0	0	0	0	261	261
Construction and Improvement of City Facilities	0	0	0	0	415,353	0	415,353
Emergency Medical Services	0	0	0	0	0	122,680	122,680
<u>Assigned to:</u>							
Capital Asset Replacement	0	0	0	0	0	100,000	100,000
Debt Payments	0	0	0	0	0	15,464	15,464
Other Purposes	48,086	0	0	0	0	0	48,086
<u>Unassigned (Deficits):</u>	<u>1,451,057</u>	<u>(199,062)</u>	<u>0</u>	<u>(33,936)</u>	<u>0</u>	<u>(762)</u>	<u>1,217,297</u>
Total Fund Balances (Deficits)	<u>\$1,519,482</u>	<u>(\$184,258)</u>	<u>\$183,140</u>	<u>(\$24,739)</u>	<u>\$415,353</u>	<u>\$1,097,044</u>	<u>\$3,006,022</u>

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COMBINING FINANCIAL STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES

City of Clayton, Ohio
Nonmajor Fund Descriptions

Special Revenue Funds

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

Nonmajor Special Revenue Funds

Cops Fund

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

Drug Law Enforcement Fund

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

Law Enforcement Trust Fund

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

EMS Fund

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

State Highway Fund

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

Permissive Motor Vehicle License Tax Fund

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

Street Lights Fund

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

Cemetery Fund

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

Joint Economic Development District Fund

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

Federal Emergency Management Agency Fund

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

(continued)

City of Clayton, Ohio
Nonmajor Fund Descriptions
(continued)

Tax Increment Fund

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

Tax Increment Financing Towne Center Fund

To account for service fees received from property owners to be used to reimburse the developers at the Towne Center for City Capital Assets constructed by the developer.

Debt Service Fund

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

Nonmajor Debt Service Fund

Bond Retirement Fund

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

Capital Projects 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

Federal Stimulus Fund

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

Asset Replacement Fund

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

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,048,619	\$15,464	\$100,000	\$1,164,083
Receivables:				
Property Taxes	178,046	0	0	178,046
Other Local Taxes	8,258	0	0	8,258
Increment Taxes	204,240	0	0	204,240
Accounts	144,405	0	0	144,405
Special Assessments - Current	56,311	0	0	56,311
Special Assessments - Delinquent	2,594	0	0	2,594
Due from Other Governments	42,122	0	0	42,122
Prepaid Items	8,188	0	0	8,188
<i>Total Assets</i>	<u>\$1,692,783</u>	<u>\$15,464</u>	<u>\$100,000</u>	<u>\$1,808,247</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$280	\$0	\$0	\$280
Interfund Payable	25,762	0	0	25,762
Accrued Wages Payable	9,158	0	0	9,158
Due to Other Governments	84,218	0	0	84,218
Deferred Revenue	591,785	0	0	591,785
<i>Total Liabilities</i>	<u>711,203</u>	<u>0</u>	<u>0</u>	<u>711,203</u>
Fund Balances:				
Nonspendable	8,188	0	0	8,188
Restricted	974,154	0	0	974,154
Assigned	0	15,464	100,000	115,464
Unassigned (Deficit)	(762)	0	0	(762)
<i>Total Fund Balances</i>	<u>981,580</u>	<u>15,464</u>	<u>100,000</u>	<u>1,097,044</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,692,783</u>	<u>\$15,464</u>	<u>\$100,000</u>	<u>\$1,808,247</u>

City of Clayton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$177,223	\$0	\$0	\$177,223
Increment Taxes	138,449	0	0	138,449
Other Local Taxes	102,515	0	0	102,515
Intergovernmental	279,694	0	0	279,694
Charges for Services	352,847	0	0	352,847
Fines and Forfeitures	140	0	0	140
Investment Income	2,918	0	0	2,918
Special Assesments	28,576	0	0	28,576
Other	29,660	0	0	29,660
<i>Total Revenues</i>	<u>1,112,022</u>	<u>0</u>	<u>0</u>	<u>1,112,022</u>
Expenditures:				
Current:				
General Government	109,543	0	19,500	129,043
Security of Persons and Property	495,506	0	0	495,506
Public Health	3,557	0	0	3,557
Economic Development	16,883	0	0	16,883
Transportation	83,179	0	0	83,179
Debt Service:				
Principal Retirement	45,000	272,089	0	317,089
Interest and Fiscal Charges	63,113	150,787	0	213,900
<i>Total Expenditures</i>	<u>816,781</u>	<u>422,876</u>	<u>19,500</u>	<u>1,259,157</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	295,241	(422,876)	(19,500)	(147,135)
Other Financing Sources:				
Transfers-In	23,000	428,083	19,500	470,583
<i>Net Change in Fund Balances</i>	318,241	5,207	0	323,448
<i>Fund Balances at Beginning of Year</i>	<u>663,339</u>	<u>10,257</u>	<u>100,000</u>	<u>773,596</u>
<i>Fund Balances at End of Year</i>	<u><u>\$981,580</u></u>	<u><u>\$15,464</u></u>	<u><u>\$100,000</u></u>	<u><u>\$1,097,044</u></u>

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2009

	Cops	Drug Law Enforcement	Law Enforcement Trust	EMS	State Highway	Permissive Motor Vehicle License Tax
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$31,390	\$10,110	\$17,423	\$155,425	\$209,149	\$226,894
Receivables:						
Property Taxes	0	0	0	178,046	0	0
Other Local Taxes	0	0	0	0	0	8,258
Increment Taxes	0	0	0	0	0	0
Accounts	0	0	0	144,405	0	0
Special Assessments - Current	0	0	0	0	0	0
Special Assessments - Delinquent	0	0	0	0	0	0
Due from Other Governments	0	0	0	15,208	23,319	0
Prepaid Items	0	0	0	5,601	0	0
<i>Total Assets</i>	<u>\$31,390</u>	<u>\$10,110</u>	<u>\$17,423</u>	<u>\$498,685</u>	<u>\$232,468</u>	<u>\$235,152</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	\$0	\$0	\$0	\$280	\$0	\$0
Interfund Payable	0	0	0	25,000	0	0
Accrued Wages Payable	0	0	0	8,905	0	253
Due to Other Governments	0	0	0	30,647	0	39
Deferred Revenue	0	0	0	305,572	19,734	0
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>370,404</u>	<u>19,734</u>	<u>292</u>
Fund Balances:						
Nonspendable	0	0	0	5,601	0	0
Restricted	31,390	10,110	17,423	122,680	212,734	234,860
Unassigned (Deficit)	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>31,390</u>	<u>10,110</u>	<u>17,423</u>	<u>128,281</u>	<u>212,734</u>	<u>234,860</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$31,390</u>	<u>\$10,110</u>	<u>\$17,423</u>	<u>\$498,685</u>	<u>\$232,468</u>	<u>\$235,152</u>

Street Lights	Cemetery	Joint Economic Development District	Federal Emergency Management Agency	Tax Increment	Tax Increment Financing Towne Center	Total Nonmajor Special Revenue Funds
\$0	\$19,862	\$46,459	\$0	\$292,414	\$39,493	\$1,048,619
0	0	0	0	0	0	178,046
0	0	0	0	0	0	8,258
0	0	0	0	124,555	79,685	204,240
0	0	0	0	0	0	144,405
56,311	0	0	0	0	0	56,311
2,594	0	0	0	0	0	2,594
0	0	0	3,595	0	0	42,122
0	2,587	0	0	0	0	8,188
<u>\$58,905</u>	<u>\$22,449</u>	<u>\$46,459</u>	<u>\$3,595</u>	<u>\$416,969</u>	<u>\$119,178</u>	<u>\$1,692,783</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$280
762	0	0	0	0	0	25,762
0	0	0	0	0	0	9,158
0	0	0	0	35,404	18,128	84,218
<u>58,905</u>	<u>0</u>	<u>0</u>	<u>3,334</u>	<u>124,555</u>	<u>79,685</u>	<u>591,785</u>
<u>59,667</u>	<u>0</u>	<u>0</u>	<u>3,334</u>	<u>159,959</u>	<u>97,813</u>	<u>711,203</u>
0	2,587	0	0	0	0	8,188
0	19,862	46,459	261	257,010	21,365	974,154
<u>(762)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(762)</u>
<u>(762)</u>	<u>22,449</u>	<u>46,459</u>	<u>261</u>	<u>257,010</u>	<u>21,365</u>	<u>981,580</u>
<u>\$58,905</u>	<u>\$22,449</u>	<u>\$46,459</u>	<u>\$3,595</u>	<u>\$416,969</u>	<u>\$119,178</u>	<u>\$1,692,783</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, 2009

	Cops	Drug Law Enforcement	Law Enforcement Trust	EMS	State Highway	Permissive Motor Vehicle License Tax
Revenues:						
Property Taxes	\$0	\$0	\$0	\$177,223	\$0	\$0
Increment Taxes	0	0	0	0	0	0
Other Local Taxes	0	0	0	0	0	102,515
Intergovernmental	0	0	0	39,796	43,799	0
Charges for Services	0	0	0	344,197	0	0
Fines and Forfeitures	0	140	0	0	0	0
Investment Income	0	0	0	0	1,359	1,559
Special Assessments	0	0	0	0	0	0
Other	0	0	625	22,705	0	0
<i>Total Revenues</i>	<u>0</u>	<u>140</u>	<u>625</u>	<u>583,921</u>	<u>45,158</u>	<u>104,074</u>
Expenditures:						
Current:						
General Government	0	0	0	0	0	0
Security of Persons and Property	0	0	0	430,372	0	0
Public Health	0	0	0	0	0	0
Economic Development	0	0	0	0	0	0
Transportation	0	0	0	0	16,902	66,277
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>430,372</u>	<u>16,902</u>	<u>66,277</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	0	140	625	153,549	28,256	37,797
Other Financing Sources:						
Transfers-In	0	0	0	0	0	0
<i>Net Change in Fund Balances</i>	0	140	625	153,549	28,256	37,797
<i>Fund Balances (Deficit) at Beginning of Year</i>	31,390	9,970	16,798	(25,268)	184,478	197,063
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$31,390</u>	<u>\$10,110</u>	<u>\$17,423</u>	<u>\$128,281</u>	<u>\$212,734</u>	<u>\$234,860</u>

Street Lights	Cemetery	Joint Economic Development District	Federal Emergency Management Agency	Tax Increment	Tax Increment Financing Towne Center	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$177,223
0	0	0	0	98,671	39,778	138,449
0	0	0	0	0	0	102,515
0	0	43,537	152,562	0	0	279,694
0	8,650	0	0	0	0	352,847
0	0	0	0	0	0	140
0	0	0	0	0	0	2,918
28,576	0	0	0	0	0	28,576
6,330	0	0	0	0	0	29,660
<u>34,906</u>	<u>8,650</u>	<u>43,537</u>	<u>152,562</u>	<u>98,671</u>	<u>39,778</u>	<u>1,112,022</u>
0	0	0	44,642	46,488	18,413	109,543
65,134	0	0	0	0	0	495,506
0	3,557	0	0	0	0	3,557
0	0	16,883	0	0	0	16,883
0	0	0	0	0	0	83,179
0	0	0	0	45,000	0	45,000
0	0	0	0	63,113	0	63,113
<u>65,134</u>	<u>3,557</u>	<u>16,883</u>	<u>44,642</u>	<u>154,601</u>	<u>18,413</u>	<u>816,781</u>
(30,228)	5,093	26,654	107,920	(55,930)	21,365	295,241
<u>23,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,000</u>
(7,228)	5,093	26,654	107,920	(55,930)	21,365	318,241
<u>6,466</u>	<u>17,356</u>	<u>19,805</u>	<u>(107,659)</u>	<u>312,940</u>	<u>0</u>	<u>663,339</u>
<u>(\$762)</u>	<u>\$22,449</u>	<u>\$46,459</u>	<u>\$261</u>	<u>\$257,010</u>	<u>\$21,365</u>	<u>\$981,580</u>

City of Clayton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2009

	Federal Stimulus	Asset Replacement	Total Nonmajor Capital Projects Funds
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
General Government	19,500	0	19,500
<i>Excess of Revenues Under Expenditures</i>	(19,500)	0	(19,500)
Other Financing Sources:			
Transfers-In	19,500	0	19,500
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balances at Beginning of Year</i>	0	100,000	100,000
<i>Fund Balances at End of Year</i>	<u>\$0</u>	<u>\$100,000</u>	<u>\$100,000</u>

City of Clayton, Ohio
Agency Fund Descriptions

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

Impact Fee Fund

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

Joint Economic Development District Fund

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

City of Clayton, Ohio
Combining Balance Sheet
Agency Funds
For the Year Ended December 31, 2009

	Impact Fee	Joint Economic Development District	Total All Agency Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$55,502	\$12,547	\$68,049
Liabilities:			
Due to Other Governments	\$55,502	\$12,547	\$68,049

City of Clayton, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2009

	Balance at 12/31/2008	Additions	Reductions	Balance at 12/31/2009
<u>IMPACT FEE</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$30,423	\$55,502	\$30,423	\$55,502
Liabilities:				
Due to Other Governments	\$30,423	\$55,502	\$30,423	\$55,502
<u>JOINT ECONOMIC DEVELOPMENT DISTRICT</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$99,061	\$86,514	\$12,547
Liabilities:				
Due to Other Governments	\$0	\$99,061	\$86,514	\$12,547
<u>TOTAL AGENCY FUNDS</u>				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$30,423	\$154,563	\$116,937	\$68,049
Liabilities:				
Due to Other Governments	\$30,423	\$154,563	\$116,937	\$68,049

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$421,430	\$384,686	(\$36,744)
Other Local Taxes	108,000	111,123	3,123
Municipal Income Taxes	1,603,600	1,321,431	(282,169)
Intergovernmental	415,131	432,564	17,433
Charges for Services	331,500	319,941	(11,559)
Licenses and Permits	3,061	3,433	372
Investment Income	20,000	23,668	3,668
Other	41,900	37,134	(4,766)
<i>Total Revenues</i>	<u>2,944,622</u>	<u>2,633,980</u>	<u>(310,642)</u>
Expenditures:			
Current:			
General Government			
Personal Services	835,290	776,367	58,923
Contractual Services	800,590	768,839	31,751
Materials and Supplies	104,261	59,663	44,598
Capital Outlay	14,945	14,043	902
<i>Total Expenditures</i>	<u>1,755,086</u>	<u>1,618,912</u>	<u>136,174</u>
<i>Excess of Revenues Over Expenditures</i>	<u>1,189,536</u>	<u>1,015,068</u>	<u>(174,468)</u>
Other Financing Uses:			
Transfers-Out	(1,015,367)	(971,205)	44,162
Advances-Out	(25,000)	(25,000)	0
<i>Total Other Financing Uses</i>	<u>(1,040,367)</u>	<u>(996,205)</u>	<u>44,162</u>
<i>Net Change in Fund Balance</i>	149,169	18,863	(130,306)
<i>Fund Balance at Beginning of Year</i>	449,410	449,410	0
<i>Prior Year Encumbrances Appropriated</i>	<u>142,564</u>	<u>142,564</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$741,143</u></u>	<u><u>\$610,837</u></u>	<u><u>(\$130,306)</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Police Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$1,239,551	\$1,204,373	(\$35,178)
Intergovernmental	237,700	263,505	25,805
Charges for Services	4,000	3,676	(324)
Fines and Forfeitures	10,000	16,726	6,726
Other	5,500	7,327	1,827
<i>Total Revenues</i>	<u>1,496,751</u>	<u>1,495,607</u>	<u>(1,144)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	1,377,967	1,359,148	18,819
Contractual Services	253,349	209,484	43,865
Materials and Supplies	73,780	56,072	17,708
Capital Outlay	8,450	7,412	1,038
<i>Total Expenditures</i>	<u>1,713,546</u>	<u>1,632,116</u>	<u>81,430</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(216,795)</u>	<u>(136,509)</u>	<u>80,286</u>
Other Financing Sources:			
Transfers-In	90,000	65,000	(25,000)
Advances-In	0	25,000	25,000
<i>Total Other Financing Sources</i>	<u>90,000</u>	<u>90,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(126,795)	(46,509)	80,286
<i>Fund Balance at Beginning of Year</i>	106,199	106,199	0
<i>Prior Year Encumbrances Appropriated</i>	<u>21,496</u>	<u>21,496</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$900</u></u>	<u><u>\$81,186</u></u>	<u><u>\$80,286</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$458,000	\$539,716	\$81,716
Licenses and Permits	0	1,225	1,225
Investment Income	500	1,058	558
Other	89,500	92,561	3,061
<i>Total Revenues</i>	<u>548,000</u>	<u>634,560</u>	<u>86,560</u>
Expenditures:			
Current:			
Transportation			
Personal Services	794,145	739,131	55,014
Contractual Services	99,757	70,279	29,478
Materials and Supplies	86,441	35,897	50,544
Capital Outlay	5,000	94	4,906
<i>Total Expenditures</i>	<u>985,343</u>	<u>845,401</u>	<u>139,942</u>
<i>Excess of Revenues Over Under Expenditures</i>	(437,343)	(210,841)	226,502
Other Financing Sources:			
Transfers-In	330,000	250,000	(80,000)
<i>Net Change in Fund Balance</i>	(107,343)	39,159	146,502
<i>Fund Balance at Beginning of Year</i>	98,409	98,409	0
<i>Prior Year Encumbrances Appropriated</i>	12,099	12,099	0
<i>Fund Balance at End of Year</i>	<u>\$3,165</u>	<u>\$149,667</u>	<u>\$146,502</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$803,062	\$792,185	(\$10,877)
Intergovernmental	104,000	156,642	52,642
Other	200	6,343	6,143
<i>Total Revenues</i>	<u>907,262</u>	<u>955,170</u>	<u>47,908</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	756,739	756,610	129
Contractual Services	166,255	149,773	16,482
Materials and Supplies	35,472	16,249	19,223
Capital Outlay	11,295	8,446	2,849
<i>Total Expenditures</i>	<u>969,761</u>	<u>931,078</u>	<u>38,683</u>
<i>Net Change in Fund Balance</i>	(62,499)	24,092	86,591
<i>Fund Balance at Beginning of Year</i>	60,504	60,504	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,869</u>	<u>3,869</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,874</u></u>	<u><u>\$88,465</u></u>	<u><u>\$86,591</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Capital Improvement Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$620,000	\$665,350	\$45,350
Intergovernmental	320,000	318,643	(1,357)
Other	0	26,834	26,834
<i>Total Revenues</i>	<u>940,000</u>	<u>1,010,827</u>	<u>70,827</u>
Expenditures:			
Current:			
General Government			
Contractual Services	723,881	645,851	78,030
Capital Outlay	413,089	410,094	2,995
<i>Total Expenditures</i>	<u>1,136,970</u>	<u>1,055,945</u>	<u>81,025</u>
<i>Excess of Revenues Under Expenditures</i>	(196,970)	(45,118)	151,852
Other Financing Sources:			
Proceeds from Capital Lease	125,000	0	(125,000)
<i>Net Change in Fund Balance</i>	(71,970)	(45,118)	26,852
<i>Fund Balance at Beginning of Year</i>	328,769	328,769	0
<i>Prior Year Encumbrances Appropriated</i>	<u>287,471</u>	<u>287,471</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$544,270</u></u>	<u><u>\$571,122</u></u>	<u><u>\$26,852</u></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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$50,000	\$54,428	\$4,428
Tap-In Fees	13,598	7,572	(6,026)
<i>Total Revenues</i>	<u>63,598</u>	<u>62,000</u>	<u>(1,598)</u>
Expenses:			
Personal Services	31,746	23,502	8,244
Contractual Services	5,813	3,177	2,636
Materials and Supplies	60,952	57,759	3,193
Capital Outlay	8,337	8,337	0
<i>Total Expenses</i>	<u>106,848</u>	<u>92,775</u>	<u>14,073</u>
<i>Net Change in Fund Equity</i>	(43,250)	(30,775)	12,475
<i>Fund Equity at Beginning of Year</i>	134,457	134,457	0
<i>Prior Year Encumbrances Appropriated</i>	<u>10,932</u>	<u>10,932</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$102,139</u></u>	<u><u>\$114,614</u></u>	<u><u>\$12,475</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget and Actual (Non-GAAP Basis)
Sewer Operating Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Proceeds from OWDA Loan	\$18,087	\$0	(\$18,087)
Expenses:			
Capital Outlay	18,087	4,975	13,112
<i>Net Change in Fund Equity</i>	0	(4,975)	(4,975)
<i>Fund Equity at Beginning of Year</i>	64,273	64,273	0
<i>Fund Equity at End of Year</i>	\$64,273	\$59,298	(\$4,975)

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Cops Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	31,390	31,390	0
<i>Fund Balance at End of Year</i>	<u>\$31,390</u>	<u>\$31,390</u>	<u>\$0</u>

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$0	\$140	\$140
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	0	140	140
<i>Fund Balance at Beginning of Year</i>	9,970	9,970	0
<i>Fund Balance at End of Year</i>	\$9,970	\$10,110	\$140

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$1,000	\$0	(\$1,000)
Other	0	625	625
<i>Total Revenues</i>	1,000	625	(375)
Expenditures:	0	0	0
<i>Net Change in Fund Balance</i>	1,000	625	(375)
<i>Fund Balance at Beginning of Year</i>	16,798	16,798	0
<i>Fund Balance at End of Year</i>	\$17,798	\$17,423	(\$375)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property Taxes	\$197,077	\$177,223	(\$19,854)
Intergovernmental	44,924	39,796	(5,128)
Charges for Services	290,000	335,703	45,703
Other	23,100	22,731	(369)
<i>Total Revenues</i>	<u>555,101</u>	<u>575,453</u>	<u>20,352</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	409,243	404,878	4,365
Contractual Services	64,984	40,217	24,767
Materials and Supplies	21,579	14,218	7,361
Capital Outlay	5,000	3,500	1,500
<i>Total Expenditures</i>	<u>500,806</u>	<u>462,813</u>	<u>37,993</u>
<i>Net Change in Fund Balance</i>	54,295	112,640	58,345
<i>Fund Balance at Beginning of Year</i>	5,201	5,201	0
<i>Prior Year Encumbrances Appropriated</i>	<u>11,619</u>	<u>11,619</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$71,115</u></u>	<u><u>\$129,460</u></u>	<u><u>\$58,345</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$34,500	\$43,761	\$9,261
Investment Income	0	1,359	1,359
<i>Total Revenues</i>	<u>34,500</u>	<u>45,120</u>	<u>10,620</u>
Expenditures:			
Current:			
Transportation			
Contractual Services	17,965	9,893	8,072
Materials and Supplies	17,870	7,276	10,594
<i>Total Expenditures</i>	<u>35,835</u>	<u>17,169</u>	<u>18,666</u>
<i>Net Change in Fund Balance</i>	(1,335)	27,951	29,286
<i>Fund Balance at Beginning of Year</i>	180,096	180,096	0
<i>Prior Year Encumbrances Appropriated</i>	<u>835</u>	<u>835</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$179,596</u></u>	<u><u>\$208,882</u></u>	<u><u>\$29,286</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Other Local Taxes	\$100,000	\$102,538	\$2,538
Investment Income	1,000	1,559	559
<i>Total Revenues</i>	<u>101,000</u>	<u>104,097</u>	<u>3,097</u>
Expenditures:			
Current:			
Transportation			
Contractual Services	76,305	44,043	32,262
Materials and Supplies	40,450	25,553	14,897
Capital Outlay	9,500	1,169	8,331
<i>Total Expenditures</i>	<u>126,255</u>	<u>70,765</u>	<u>55,490</u>
<i>Net Change in Fund Balance</i>	(25,255)	33,332	58,587
<i>Fund Balance at Beginning of Year</i>	182,527	182,527	0
<i>Prior Year Encumbrances Appropriated</i>	<u>6,255</u>	<u>6,255</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$163,527</u></u>	<u><u>\$222,114</u></u>	<u><u>\$58,587</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$28,000	\$28,576	\$576
Other	13,830	6,330	(7,500)
<i>Total Revenues</i>	41,830	34,906	(6,924)
Expenditures:			
Current:			
Security of Persons and Property			
Contractual Services	72,830	65,134	7,696
<i>Excess of Revenues Under Expenditures</i>	(31,000)	(30,228)	772
Other Financing Sources:			
Transfers-In	24,700	23,000	(1,700)
<i>Net Change in Fund Balance</i>	(6,300)	(7,228)	(928)
<i>Fund Balance at Beginning of Year</i>	6,466	6,466	0
<i>Fund Balance (Deficit) at End of Year</i>	\$166	(\$762)	(\$928)

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$3,000	\$8,650	\$5,650
Expenditures:			
Current:			
Public Health			
Contractual Services	4,596	3,428	1,168
Materials and Supplies	1,554	100	1,454
<i>Total Expenditures</i>	6,150	3,528	2,622
<i>Net Change in Fund Balance</i>	(3,150)	5,122	8,272
<i>Fund Balance at Beginning of Year</i>	14,740	14,740	0
<i>Fund Balance at End of Year</i>	\$11,590	\$19,862	\$8,272

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$26,020	\$43,537	\$17,517
Expenditures:			
Current:			
Economic Development			
Contractual Services	18,500	16,883	1,617
<i>Net Change in Fund Balance</i>	7,520	26,654	19,134
<i>Fund Balance at Beginning of Year</i>	19,805	19,805	0
<i>Fund Balance at End of Year</i>	\$27,325	\$46,459	\$19,134

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Emergency Management Agency Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$152,682	\$152,301	(\$381)
Expenditures:			
Current:			
General Government			
Contractual Services	152,682	152,301	381
<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)
Tax Increment Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Increment Taxes	\$100,000	\$98,671	(\$1,329)
Expenditures:			
Current:			
General Government			
Contractual Services	132,557	131,286	1,271
Debt Service:			
Principal Retirement	45,000	45,000	0
Interest and Fiscal Charges	63,113	63,113	0
<i>Total Expenditures</i>	<u>240,670</u>	<u>239,399</u>	<u>1,271</u>
<i>Net Change in Fund Balance</i>	(140,670)	(140,728)	(58)
<i>Fund Balance at Beginning of Year</i>	225,744	225,744	0
<i>Prior Year Encumbrances Appropriated</i>	<u>87,557</u>	<u>87,557</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$172,631</u></u>	<u><u>\$172,573</u></u>	<u><u>(\$58)</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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Increment Taxes	\$39,000	\$39,778	\$778
Expenditures:			
Current:			
General Government			
Contractual Services	285	285	0
<i>Excess of Revenues Over Expenditures</i>	38,715	39,493	778
Other Financing Uses:			
Advances-Out	(24,715)	0	24,715
<i>Net Change in Fund Balance</i>	14,000	39,493	25,493
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$14,000</u>	<u>\$39,493</u>	<u>\$25,493</u>

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, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:	\$0	\$0	\$0
Expenditures:			
Debt Service:			
Principal Retirement	355,780	325,923	29,857
Interest and Fiscal Charges	282,575	282,575	0
<i>Total Expenditures</i>	638,355	608,498	29,857
<i>Excess of Revenues Over (Under) Expenditures</i>	(638,355)	(608,498)	29,857
Other Financing Sources:			
Transfers-In	640,000	613,705	(26,295)
<i>Net Change in Fund Balance</i>	1,645	5,207	3,562
<i>Fund Balance at Beginning of Year</i>	10,257	10,257	0
<i>Fund Balance at End of Year</i>	\$11,902	\$15,464	\$3,562

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Federal Stimulus Fund
For the Year Ended December 31, 2009

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$19,500	\$0	(\$19,500)
Expenditures:			
Current:			
General Government			
Contractual Services	19,500	19,500	0
<i>Excess of Revenues Over (Under) Expenditures</i>	0	(19,500)	(19,500)
Other Financing Sources:			
Transfers-In	0	19,500	19,500
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance at Beginning of Year</i>	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Asset Replacement Fund
For the Year Ended December 31, 2009

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

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STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	102-109
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	110-119
These schedules contain information to help the reader assess the City’s most significant local revenue sources, property taxes and income taxes.	
Debt Capacity	120-126
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	127-129
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating information	130-134
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial reports relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented *GASB Statement No. 34* in 2004. Schedules presenting government-wide information include information beginning in that year.

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

	2003	2004	2005	2006	2007	2008	2009
Governmental Activities:							
Invested in Capital Assets, Net of Related Debt	\$86,351	\$3,952	\$1,096,146	\$2,385,015	\$3,399,360	\$4,534,717	\$4,985,791
Restricted	1,465,798	1,937,007	2,283,572	2,418,788	2,976,984	1,863,244	3,028,063
Unrestricted	1,191,175	1,835,685	2,535,512	2,604,083	2,478,642	2,167,933	2,152,885
<i>Total Governmental Activities Net Assets</i>	<u>2,743,324</u>	<u>3,776,644</u>	<u>5,915,230</u>	<u>7,407,886</u>	<u>8,854,986</u>	<u>8,565,894</u>	<u>10,166,739</u>
Business-Type Activities:							
Invested in Capital Assets, Net of Related Debt	0	(102,187)	(46,429)	(78,683)	(80,021)	(57,466)	(64,741)
Unrestricted (Deficit)	149,464	164,623	(145,701)	18,068	184,759	292,602	238,435
<i>Total Business-Type Activities</i>	<u>149,464</u>	<u>62,436</u>	<u>(192,130)</u>	<u>(60,615)</u>	<u>104,738</u>	<u>235,136</u>	<u>173,694</u>
Primary Government:							
Invested in Capital Assets, Net of Related Debt	86,351	(98,235)	1,049,717	2,306,332	3,319,339	4,477,251	4,921,050
Restricted	1,465,798	1,937,007	2,283,572	2,418,788	2,976,984	1,863,244	3,028,063
Unrestricted	1,340,639	2,000,308	2,389,811	2,622,151	2,663,401	2,460,535	2,391,320
<i>Total Primary Government Net Assets</i>	<u>\$2,892,788</u>	<u>\$3,839,080</u>	<u>\$5,723,100</u>	<u>\$7,347,271</u>	<u>\$8,959,724</u>	<u>\$8,801,030</u>	<u>\$10,340,433</u>

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

	2004	2005	2006	2007	2008	2009
Program Revenues:						
Governmental Activities:						
Charges for Services:						
General Government	\$26,772	\$38,031	\$169,787	\$132,499	\$102,638	\$318,580
Security of Persons and Property	314,897	345,607	296,703	352,411	445,672	438,413
Public Health	800	4,625	4,125	2,350	1,340	8,650
Transportation	0	0	0	1,325	1,925	1,225
Operating Grants, Contributions and Interest	552,811	817,692	908,004	1,003,649	1,093,240	1,207,084
Capital Grants, Contributions and Interest	0	276,069	572,922	389,589	317,078	884,827
<i>Total Governmental Activities Program Revenues</i>	<u>895,280</u>	<u>1,482,024</u>	<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)	31,303	27,111	66,812	193,040	112,285	48,037
Sewer Operating (2)	0	0	21,505	6,384	8,986	828
Capital Grants, Contributions and Interest	0	107,149	269,452	0	0	98,773
<i>Total Business-Type Activities Program Revenues</i>	<u>31,303</u>	<u>134,260</u>	<u>357,769</u>	<u>199,424</u>	<u>121,271</u>	<u>147,638</u>
<i>Total Primary Government Program Revenues</i>	<u>926,583</u>	<u>1,616,284</u>	<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	1,368,528	2,370,105	2,549,858	1,699,954	1,665,425	2,102,857
Security of Persons and Property	2,407,965	1,801,658	2,252,398	3,081,544	3,181,958	3,103,331
Leisure Time Activities	667	0	0	0	0	0
Public Health	5,376	4,549	4,136	5,101	4,591	3,557
Economic Development	0	0	0	0	0	16,883
Transportation	537,134	261,669	947,510	1,174,423	1,292,387	1,201,965
Interest and Fiscal Charges	34,215	180,251	226,533	229,427	230,230	226,296
<i>Total Governmental Activities Expenses</i>	<u>4,353,885</u>	<u>4,618,232</u>	<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	118,331	333,428	288,508	120,237	113,795	161,076
Sewer Operating	0	56,548	140,098	137,465	139,324	233,626
<i>Total Business-Type Activities Expenses</i>	<u>118,331</u>	<u>389,976</u>	<u>428,606</u>	<u>257,702</u>	<u>253,119</u>	<u>394,702</u>
<i>Total Primary Government Expenses</i>	<u>\$4,472,216</u>	<u>\$5,008,208</u>	<u>\$6,409,041</u>	<u>\$6,448,151</u>	<u>\$6,627,710</u>	<u>\$7,049,591</u>

(continued)

(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

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

	2004	2005	2006	2007	2008	2009
Net (Expense) / Revenue:						
Governmental Activities	(\$3,458,605)	(\$3,136,208)	(\$4,028,894)	(\$4,308,626)	(\$4,412,698)	(\$3,796,110)
Business-Type Activities	(87,028)	(255,716)	(70,837)	(58,278)	(131,848)	(247,064)
<i>Total Primary Government Net Assets</i>	(3,545,633)	(3,391,924)	(4,099,731)	(4,366,904)	(4,544,546)	(4,043,174)
General Revenues and Transfers:						
Governmental Activities:						
Property Taxes Levied for General Purposes	342,712	364,204	383,670	374,624	374,000	391,904
Property Taxes Levied for Police	1,022,788	1,098,323	1,105,558	1,085,879	1,076,541	1,228,963
Property Taxes Levied for Fire	405,506	421,057	443,579	423,706	421,228	814,478
Property Taxes Levied for EMS	176,307	184,599	193,639	184,206	183,452	180,448
Other Local Taxes	336,326	262,708	507,230	335,198	206,438	216,829
Increment Taxes	0	0	0	0	0	199,876
Municipal Income Taxes Levied for General Purposes	852,187	1,459,448	1,578,201	1,311,919	1,280,281	1,364,296
Municipal Income Taxes Levied for Capital Outlay	429,971	698,190	811,251	607,727	727,648	686,419
Grants and Entitlements not Restricted to Specific Programs	820,270	579,344	514,987	534,113	550,153	297,537
Contributions	12,331	0	0	0	0	0
Investment Income	2,622	98,999	173,067	178,584	85,905	23,668
Investment in Joint Venture	0	0	0	0	12,955	(8,656)
Other	90,905	107,922	107,846	168,012	217,289	186,815
Transfers	0	0	(202,352)	(202,234)	(262,233)	(185,622)
<i>Total Governmental Activities General Revenues and Transfers</i>	4,491,925	5,274,794	5,616,676	5,001,734	4,873,657	5,396,955
Business-Type Activities:						
Other	0	1,150	0	0	13	0
Transfers	0	0	202,352	202,234	262,233	185,622
<i>Total Business-Type Activities General Revenues and Transfers</i>	0	1,150	202,352	202,234	262,246	185,622
Prior Year Restatement of Governmental Type Net Assets	0	0	(95,126)	753,992	(750,051)	0
Prior Year Restatement of Business-Type Net Assets	0	0	0	21,397	0	0
Change in Net Assets:						
Governmental Activities	1,033,320	2,138,586	1,492,656	1,447,100	(289,092)	1,600,845
Business-Type Activities	(87,028)	(254,566)	131,515	165,353	130,398	(61,442)
<i>Total Primary Government</i>	\$946,292	\$1,884,020	\$1,624,171	\$1,612,453	(\$158,694)	\$1,539,403

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

Function / Program:	2004	2005	2006	2007	2008	2009
Governmental Activities:						
General Government	\$54,892	\$357,923	\$783,323	\$606,334	\$595,918	\$1,295,181
Security of Persons and Property	353,681	623,878	624,108	613,690	769,283	966,548
Public Health	800	4,625	4,125	2,350	1,340	8,650
Transportation	485,907	495,598	539,985	659,449	595,352	588,400
<i>Total Governmental Activities Program Revenues</i>	<u>895,280</u>	<u>1,482,024</u>	<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	31,303	130,227	112,469	193,040	112,285	146,810
Sewer Operating	0	4,033	245,300	6,384	8,986	828
<i>Total Business-Type Activities Program Revenues</i>	<u>31,303</u>	<u>134,260</u>	<u>357,769</u>	<u>199,424</u>	<u>121,271</u>	<u>147,638</u>
<i>Total Primary Government Program Revenues</i>	<u>\$926,583</u>	<u>\$1,616,284</u>	<u>\$2,309,310</u>	<u>\$2,081,247</u>	<u>\$2,083,164</u>	<u>\$3,006,417</u>

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	18,222	23,351	68,376	128,863
Unreserved	<u>651,466</u>	<u>966,509</u>	<u>1,056,776</u>	<u>687,905</u>
<i>Total General Fund</i>	<u>669,688</u>	<u>989,860</u>	<u>1,125,152</u>	<u>816,768</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	9,269	174,066	243,079	408,995
Unreserved, Undesignated (Deficit) Reported in:				
Special Revenue Funds	796,231	856,525	650,808	733,282
Debt Service Fund	0	0	0	0
Capital Projects Funds	<u>1,352</u>	<u>(237,791)</u>	<u>(497,824)</u>	<u>96,248</u>
<i>Total All Other Governmental Funds</i>	<u>806,852</u>	<u>792,800</u>	<u>396,063</u>	<u>1,238,525</u>
<i>Total Governmental Funds</i>	<u>\$1,476,540</u>	<u>\$1,782,660</u>	<u>\$1,521,215</u>	<u>\$2,055,293</u>

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

2004	2005	2006	2007	2008	2009(1)
\$0	\$0	\$0	\$0	\$19,893	\$20,339
0	0	0	0	0	48,086
0	0	0	0	1,519,538	1,451,057
77,786	141,169	142,351	59,053	0	0
1,322,683	1,917,869	1,789,609	1,734,915	0	0
1,400,469	2,059,038	1,931,960	1,793,968	1,539,431	1,519,482
0	0	0	0	45,297	45,122
0	0	0	0	1,320,123	1,559,714
0	0	0	0	110,257	115,464
0	0	0	0	(352,411)	(233,760)
243,191	136,530	210,896	110,316	0	0
1,077,057	1,328,413	1,090,855	945,875	0	0
0	4,431	5,617	10,257	0	0
3,093,024	454,323	506,205	681,450	0	0
4,413,272	1,923,697	1,813,573	1,747,898	1,123,266	1,486,540
\$5,813,741	\$3,982,735	\$3,745,533	\$3,541,866	\$2,662,697	\$3,006,022

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

	2000	2001	2002	2003
Revenues:				
Property Taxes	\$2,032,740	\$2,146,736	\$2,239,105	\$2,222,997
Increment Taxes (1)	0	0	0	0
Other Local Taxes (2)	0	0	0	0
Municipal Income Taxes	0	0	0	0
Intergovernmental	1,225,596	2,034,908	1,696,953	1,648,301
Charges for Services	44,975	127,143	240,292	264,812
Licenses and Permits	58,613	22,229	31,918	27,589
Fines and Forfeitures	0	0	0	0
Contributions and Donations	0	66,370	77,712	400
Investment Income	107,223	97,840	81,178	28,500
Special Assessments	27,456	26,747	31,056	22,765
Impact Fees	0	0	0	0
Other	57,338	65,766	38,011	43,869
<i>Total Revenues</i>	<u>3,553,941</u>	<u>4,587,739</u>	<u>4,436,225</u>	<u>4,259,233</u>
Expenditures:				
Current:				
General Government	818,027	861,745	788,044	762,008
Security of Persons and Property	1,892,324	2,033,113	2,127,539	2,362,097
Leisure Time Activities	51,599	0	0	0
Public Health	4,604	7,393	3,410	6,910
Economic Development	0	0	0	0
Community Environment	90,688	87,233	86,588	106,591
Transportation	648,650	538,912	785,432	663,815
Intergovernmental	0	0	0	0
Capital Outlay	157,611	661,085	805,690	1,370,997
Debt Service:				
Principal Retirement	48,579	77,606	83,493	33,255
Interest and Fiscal Charges	9,104	26,025	21,548	19,482
Issuance Costs	0	0	0	0
<i>Total Expenditures</i>	<u>3,721,186</u>	<u>4,293,112</u>	<u>4,701,744</u>	<u>5,325,155</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(167,245)</u>	<u>294,627</u>	<u>(265,519)</u>	<u>(1,065,922)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	3,689	5,981	4,074	0
General Obligation Bonds Issued	0	0	0	0
Proceeds from Refunding Notes	0	0	0	0
Premium on Debt Issued	0	0	0	0
Notes Issued	0	0	0	1,600,000
Proceeds of Loan	0	0	0	0
Proceeds from Capital Lease	157,611	5,512	0	0
Transfers-In	188,000	200,000	337,500	524,052
Current Refunding	0	0	0	0
Transfers-Out	(188,000)	(200,000)	(337,500)	(524,052)
<i>Total Other Financing Sources (Uses)</i>	<u>161,300</u>	<u>11,493</u>	<u>4,074</u>	<u>1,600,000</u>
<i>Net Change in Fund Balances</i>	<u>(\$5,945)</u>	<u>\$306,120</u>	<u>(\$261,445)</u>	<u>\$534,078</u>
<i>Debt Service as a Percentage of Noncapital Expenditures (3)</i>	1.6%	2.9%	2.8%	1.4%

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

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

(3) Beginning in 2004, the City began 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.

2004	2005	2006	2007	2008	2009
\$2,341,468	\$2,434,127	\$2,132,002	\$2,071,635	\$2,063,329	\$2,558,467
0	0	0	0	115,173	138,449
0	0	406,845	371,060	199,928	213,638
1,184,355	1,882,105	2,072,428	2,000,105	2,003,061	1,998,627
1,294,237	1,639,988	1,917,568	1,736,282	1,923,306	1,801,731
301,520	341,039	360,292	379,355	393,877	648,425
7,960	8,315	10,626	10,144	11,806	4,658
22,263	13,624	13,526	20,519	17,851	17,231
12,331	0	0	0	0	0
32,442	142,245	235,838	246,821	97,086	27,644
22,128	22,124	22,228	22,718	28,991	28,576
0	0	63,032	40,350	18,264	2,427
95,932	107,554	108,214	104,369	217,289	186,515
5,314,636	6,591,121	7,342,599	7,003,358	7,089,961	7,626,388
1,572,028	5,647,391	3,627,015	2,673,903	3,018,325	2,594,614
2,388,868	2,454,231	2,806,686	2,906,093	2,996,332	3,025,428
667	0	0	0	0	0
5,376	4,549	4,136	5,101	4,591	3,557
0	0	0	0	0	16,883
0	0	0	0	0	0
586,560	753,543	879,686	1,015,617	1,035,123	925,970
0	0	0	0	44,342	0
0	0	0	0	0	0
1,616,253	69,973	357,611	347,434	389,680	317,089
21,449	182,830	211,590	222,743	218,504	213,900
0	98,022	0	0	0	0
6,191,201	9,210,539	7,886,724	7,170,891	7,706,897	7,097,441
(876,565)	(2,619,418)	(544,125)	(167,533)	(616,936)	528,947
0	0	0	0	0	0
0	4,500,000	0	0	0	0
0	1,600,000	0	0	0	0
0	98,022	0	0	0	0
4,500,000	0	0	0	0	0
0	198,390	0	0	0	0
135,013	492,000	509,275	166,100	0	0
278,442	793,605	1,648,523	1,470,804	1,163,496	785,583
0	(6,100,000)	0	0	0	0
(278,442)	(793,605)	(1,850,875)	(1,673,038)	(1,425,729)	(971,205)
4,635,013	788,412	306,923	(36,134)	(262,233)	(185,622)
\$3,758,448	(\$1,831,006)	(\$237,202)	(\$203,667)	(\$879,169)	\$343,325
28.3%	6.6%	9.5%	9.3%	9.7%	9.2%

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

Year	Property and Other Local Taxes	Municipal Income Tax	Total
2000	\$2,032,740	\$0	\$2,032,740
2001	2,107,593	0	2,107,593
2002	2,239,105	0	2,239,105
2003	2,222,997	0	2,222,997
2004*	2,341,468	1,184,355	3,525,823
2005	2,434,127	1,882,105	4,316,232
2006	2,538,847	2,072,428	4,611,275
2007	2,442,695	2,000,105	4,442,800
2008	2,378,430	2,003,061	4,381,491
2009	2,772,105	1,998,627	4,770,732

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

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

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial Industrial/PU		Assessed Value	Estimated Actual Value
2000	\$193,707,740	\$11,727,330	\$586,957,343	\$10,162,410	\$11,548,193
2001	195,821,450	12,701,070	595,778,629	9,256,180	10,518,386
2002	198,251,620	12,087,280	600,968,286	6,811,490	7,740,330
2003	220,594,270	14,047,960	670,406,371	6,969,700	7,920,114
2004	223,733,540	13,378,050	677,461,686	6,750,130	7,670,602
2005	227,078,110	13,559,680	687,536,543	5,979,780	6,795,205
2006	245,417,110	14,684,510	743,147,486	5,940,090	6,750,102
2007	246,309,620	14,803,000	746,036,057	5,689,890	6,465,784
2008	248,450,750	14,818,730	752,198,514	4,879,900	5,545,341
2009	250,616,410	16,233,890	762,429,429	4,970,690	5,648,511

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>	
\$1,664,171	\$6,656,684	\$217,261,651	\$605,162,220	35.90%	\$10.16
1,865,725	7,462,900	219,644,425	601,306,098	36.53	10.13
2,144,783	8,579,132	219,295,173	599,187,353	36.60	9.30
2,287,021	9,148,084	243,898,951	664,021,629	36.73	9.29
2,422,986	9,691,944	246,284,706	694,824,232	35.45	9.28
2,368,147	9,472,588	248,985,717	703,804,335	35.38	9.27
1,812,688	9,667,669	267,854,398	759,565,257	35.26	8.79
1,629,718	13,037,744	268,432,228	765,539,585	35.06	8.79
1,300,056	10,400,448	269,449,436	768,144,303	35.08	8.76
760,410	6,083,280	272,581,400	774,161,220	35.21	10.32

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

	2000	2001	2002	2003
Unvoted Millage				
Operating	\$1.60000	\$1.60000	\$1.60000	\$1.60000
Voted Millage - by levy				
1976 Police				
Residential/Agricultural Real	0.6762	0.6741	0.6100	0.6100
Commercial/Industrial and Public Utility Real	1.2693	1.2690	1.0753	1.0753
General Business and Public Utility Personal	2.6800	2.6800	2.6800	2.6800
1998 Police				
Residential/Agricultural Real	1.3864	1.3821	1.2507	1.2507
Commercial/Industrial and Public Utility Real	1.5000	1.4997	1.2708	1.2708
General Business and Public Utility Personal	1.5000	1.5000	1.5000	1.5000
1998 Police - Replaced in 2008				
Residential/Agricultural Real	3.2349	3.2249	2.9183	2.9183
Commercial/Industrial and Public Utility Real	3.5000	3.4993	2.9652	2.9652
General Business and Public Utility Personal	3.5000	3.5000	3.5000	3.5000
1998 Fire District - Fire and EMS - Replaced in 2008				
Residential/Agricultural Real	2.1259	2.1193	1.9179	1.9179
Commercial/Industrial and Public Utility Real	2.3000	2.2996	1.9490	1.9490
General Business and Public Utility Personal	2.3000	2.3000	2.3000	2.3000
1998 Fire District				
Residential/Agricultural Real	0.9243	0.9214	0.8339	0.8339
Commercial/Industrial and Public Utility Real	1.0000	0.9998	0.8474	0.8474
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	8.34770	8.32180	7.53080	7.53080
Commercial/Industrial and Public Utility Real	9.56930	9.56740	8.10770	8.10770
General Business and Public Utility Personal	10.98000	10.98000	10.98000	10.98000
<i>Total Millage by Type of Property</i>				
Residential/Agricultural Real	9.94770	9.92180	9.13080	9.13080
Commercial/Industrial and Public Utility Real	11.16930	11.16740	9.70770	9.70770
General Business and Public Utility Personal	12.58000	12.58000	12.58000	12.58000

2004	2005	2006	2007	2008	2009
\$1.60000	\$1.60000	\$1.60000	\$1.60000	\$1.60000	\$1.60000
0.6084	0.6074	0.5715	0.5716	0.5700	0.5651
1.0767	1.0766	0.9983	1.0043	1.0038	0.9484
2.6800	2.6800	2.6800	2.6800	2.6800	2.6800
1.2475	1.2454	1.1717	1.1719	1.1687	1.1585
1.2725	1.2724	1.1798	1.1869	1.1862	1.1208
1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
2.9107	2.9059	2.7340	2.7344	2.7269	3.4695
2.9691	2.9688	2.7528	2.7693	2.7678	3.3069
3.5000	3.5000	3.5000	3.5000	3.5000	3.5000
1.9129	1.9097	1.7969	1.7971	1.7922	3.4697
1.9515	1.9514	1.8086	1.8194	1.8184	3.3064
2.3000	2.3000	2.3000	2.3000	2.3000	3.5000
0.8317	0.8303	0.7813	0.7814	0.7792	0.0000
0.8485	0.8484	0.7863	0.7911	0.7906	0.0000
1.0000	1.0000	1.0000	1.0000	1.0000	0.0000
7.51120	7.49870	7.05540	7.05640	7.03700	8.66280
8.11830	8.11760	7.52580	7.57100	7.56680	8.68250
10.98000	10.98000	10.98000	10.98000	10.98000	11.18000
9.11120	9.09870	8.65540	8.65640	8.63700	10.26280
9.71830	9.71760	9.12580	9.17100	9.16680	10.28250
12.58000	12.58000	12.58000	12.58000	12.58000	12.78000

(continued)

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

Overlapping Rates by Taxing District	2000	2001	2002	2003
Northmont School District				
Residential/Agricultural Real	\$30.9798	\$30.8410	\$30.7310	\$28.0041
Commercial/Industrial and Public Utility Real	35.8377	35.8719	35.6492	31.4708
General Business and Public Utility Personal	58.8500	58.8300	58.8000	58.3500
Trotwood-Madison School District				
Residential/Agricultural Real	38.4135	39.3770	39.6467	47.4226
Commercial/Industrial and Public Utility Real	42.4120	43.5789	45.2203	51.6159
General Business and Public Utility Personal	52.6400	52.6400	52.9100	61.0500
Brookville School District				
Residential/Agricultural Real	30.2103	30.0433	29.9119	35.8699
Commercial/Industrial and Public Utility Real	36.2159	36.4068	36.0303	40.7727
General Business and Public Utility Personal	57.0900	57.0900	57.0800	65.0600
Sinclair Community College				
Residential/Agricultural Real	0.0000	0.0000	0.0000	0.0000
Commercial/Industrial and Public Utility Real	0.0000	0.0000	0.0000	0.0000
General Business and Public Utility Personal	0.0000	0.0000	0.0000	0.0000
Montgomery County				
Residential/Agricultural Real	13.3359	14.1326	14.1053	12.7219
Commercial/Industrial and Public Utility Real	15.1759	15.8608	15.8389	14.5574
General Business and Public Utility Personal	16.6400	17.2400	17.2400	17.2400
Special Taxing Districts (1)				
Residential/Agricultural Real	2.2371	2.2365	2.2361	2.5161
Commercial/Industrial and Public Utility Real	2.5322	2.5278	2.5084	2.5632
General Business and Public Utility Personal	2.8400	2.8400	2.8400	2.8400

Source: Montgomery County Auditor

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

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

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

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

(1) Library, Joint Vocational School

2004	2005	2006	2007	2008	2009
\$33.6824	\$33.5861	\$31.8522	\$31.7846	\$37.6076	\$37.8629
37.2891	37.6443	36.5464	36.5338	42.4345	40.2311
64.1500	64.1500	64.1500	64.1500	70.0500	70.0500
47.2126	47.1064	43.9139	43.9060	43.9211	44.7575
51.5069	51.7235	49.8603	50.1742	50.7206	47.6358
60.8500	60.7000	60.0600	60.0600	60.0600	60.0600
35.8140	35.6903	33.5760	33.6254	33.4836	37.4278
40.4013	40.4597	40.2386	40.4653	40.5158	43.3680
65.0600	65.0600	65.0400	65.0400	65.0400	69.0300
2.0190	2.0144	1.8234	1.8224	1.8199	3.2000
2.1749	2.1806	2.0774	2.0840	2.0737	3.1026
2.5000	2.5000	2.5000	2.5000	2.5000	3.2000
13.1094	13.0835	12.0043	11.9987	16.0261	16.1213
14.1786	14.1955	13.6040	13.6420	16.6010	16.1475
15.7400	15.7400	15.7400	15.7400	17.7400	17.7400
2.5049	3.5228	3.2372	3.2262	3.1931	3.1847
2.5676	3.5987	3.4506	3.4641	3.4395	3.3231
2.8400	3.8300	3.8300	3.8300	3.8300	3.8300

City of Clayton, Ohio
Principal Property Tax Payers
2009 and 2006 (1)

Taxpayer	2009	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$4,475,930	1.64%
Tilak Nagar/Stoneridge	2,469,030	0.91%
Pleasant Real Estate LLC	1,754,290	0.64%
Garden Woods Apartments	1,576,980	0.58%
LGH Properties	1,343,600	0.49%
Randolph Investments LLC	970,510	0.36%
Greenglen Apartments of Dayton	652,630	0.24%
Louis Fanty A. Jr.	549,300	0.20%
Vectren Energy	431,820	0.16%
Stone Tree Properties	422,140	0.15%
Total Real and Personal Property	14,646,230	5.37%
All Others	257,935,170	94.63%
Total Assessed Valuation	\$272,581,400	100.00%

Taxpayer	2006	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$3,989,200	1.49%
Tilak Nagar/Stoneridge	1,945,370	0.73%
Garden Woods Apartments	1,661,670	0.62%
LGH Properties	1,265,480	0.47%
Pleasant Real Estate LLC	944,870	0.35%
Verizon North	940,820	0.35%
Randolph Investments LLC	911,850	0.34%
Louis Fanty A. Jr.	781,110	0.29%
Greenglen Apartments of Dayton	622,350	0.23%
MB Hussain LLC	496,020	0.19%
Total Real and Personal Property	13,558,740	5.06%
All Others	254,295,658	94.94%
Total Assessed Valuation	\$267,854,398	100.00%

Source: Montgomery County Auditor

(1) Information prior to 2006 is unavailable.

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

<u>Collection Year</u>	<u>Total Tax Levied (1)</u>	<u>Current Tax Collection (1)</u>	<u>Percent of Current Levy Collected</u>	<u>Delinquent Tax Collection (2)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Collections To Total Levy</u>
2000	\$2,217,305	\$2,159,653	97.40%	\$53,136	\$2,212,789	99.80%
2001	2,234,420	2,210,156	98.91%	59,142	2,269,298	101.56%
2002	2,356,324	2,279,078	96.72%	62,215	2,341,293	99.36%
2003	2,362,074	2,333,517	98.79%	77,248	2,410,765	102.06%
2004	2,305,743	2,218,299	96.21%	54,778	2,273,077	98.58%
2005	2,191,528	2,100,921	95.87%	80,491	2,181,412	99.54%
2006	2,353,436	2,287,521	97.20%	90,414	2,377,935	101.04%
2007	2,294,131	2,193,496	95.61%	72,473	2,265,969	98.77%
2008	2,362,233	2,340,682	99.09%	73,306	2,413,988	102.19%
2009	2,588,041	2,605,623	100.68%	67,864	2,673,487	103.30%

Source: Montgomery County Auditor

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

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

Fiscal Year	Governmental Activities				Business-Type Activities		Total Outstanding Debt
	Improvement Notes	Various Purpose Bonds	Communication Equipment Loan	Capital Leases	Water Line Loan	OWDA Loan	
2000	\$110,000	\$0	\$0	\$190,750	\$0	\$0	\$300,750
2001	650,000	0	0	118,656	0	0	768,656
2002	650,000	0	0	35,163	0	0	685,163
2003	1,600,000	0	0	1,908	0	0	1,601,908
2004	4,500,000	0	0	120,668	4,464,274	0	9,084,942
2005	0	4,601,904	198,390	542,695	4,444,874	1,242,895	11,030,758
2006	0	4,498,269	132,260	875,489	4,397,685	3,283,377	13,187,080
2007	0	4,381,389	66,130	880,285	4,261,676	3,354,891	12,944,371
2008	0	4,264,567	0	681,735	4,232,359	3,287,506	12,466,167
2009	0	4,148,415	0	489,646	4,232,359	3,233,672	12,104,092

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

(2) Source: 2000 Census

Total Personal Income (1)	Population (2)	Ratio of Debt to Total Personal Income	Debt Per Capita
\$390,546,567	13,347	0.08%	\$22.53
390,546,567	13,347	0.20%	57.59
390,546,567	13,347	0.18%	51.33
390,546,567	13,347	0.41%	120.02
390,546,567	13,347	2.33%	680.67
390,546,567	13,347	2.82%	826.46
390,546,567	13,347	3.38%	988.02
390,546,567	13,347	3.31%	969.83
390,546,567	13,347	3.19%	934.01
354,616,443	13,347	3.41%	906.88

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

Fiscal Year	General Bonded Debt (1)	Estimated Actual Value (2)	Population (3)	Ratio of Debt to Estimated Actual Value	General Obligation Bonded Debt Per Capita
2005	\$4,601,904	\$703,804,335	13,347	0.65%	\$344.79
2006	4,498,269	759,565,257	13,347	0.59%	337.02
2007	4,381,389	765,539,585	13,347	0.57%	328.27
2008	4,264,567	768,144,303	13,347	0.56%	319.52
2009	4,148,415	774,161,220	13,347	0.54%	310.81

Source: (1) The City of Clayton did not have General Bonded Debt prior to January 1, 2005.
 (2) Montgomery County Auditor
 (3) 2000 Census

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

	2000	2001	2002	2003
Total Assessed Valuation	\$217,261,651	\$219,644,425	\$219,295,173	\$243,898,951
Overall debt limitation - 10.5% of assessed valuation	<u>22,812,473</u>	<u>23,062,665</u>	<u>23,025,993</u>	<u>25,609,390</u>
Gross indebtedness authorized by the City	0	650,000	650,000	1,600,000
Less Exempt Debt				
State Route 48 Improvement Note	0	650,000	650,000	1,600,000
Water Line Loan	0	0	0	0
Various Purpose Bond - State Route 48 Improvement Portion	0	0	0	0
OWDA Loan	0	0	0	0
Total Exempt Debt	<u>0</u>	<u>650,000</u>	<u>650,000</u>	<u>1,600,000</u>
Net Debt Subject to Limitation	0	0	0	0
Less amount available in the Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin within 10.5% limitation	<u>\$22,812,473</u>	<u>\$23,062,665</u>	<u>\$23,025,993</u>	<u>\$25,609,390</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.0%	100.0%	100.0%	100.0%
<hr/>				
Unvoted debt limitation 5.5% of assessed valuation	\$11,949,391	\$12,080,443	\$12,061,235	\$13,414,442
Gross indebtedness authorized by the City	<u>0</u>	<u>650,000</u>	<u>650,000</u>	<u>1,600,000</u>
Less Exempt Debt				
State Route 48 Improvement Note	0	650,000	650,000	1,600,000
Water Line Loan	0	0	0	0
Various Purpose Bond - State Route 48 Improvement Portion	0	0	0	0
OWDA Loan	0	0	0	0
Total Exempt Debt	<u>0</u>	<u>650,000</u>	<u>650,000</u>	<u>1,600,000</u>
Net Debt Subject to Limitation	0	0	0	0
Less amount available in the Debt Service Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Debt Subject to Limitation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal debt margin within 5.5% limitation	<u>\$11,949,391</u>	<u>\$12,080,443</u>	<u>\$12,061,235</u>	<u>\$13,414,442</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.0%	100.0%	100.0%	100.0%

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

2004	2005	2006	2007	2008	2009
\$246,284,706	\$248,985,717	\$267,854,398	\$268,432,228	\$269,449,436	\$272,581,400
25,859,894	26,143,500	28,124,712	28,185,384	28,292,191	28,621,047
8,964,274	10,386,159	12,198,322	11,947,694	11,659,865	11,481,031
1,600,000	0	0	0	0	0
4,464,274	4,444,874	4,397,685	4,261,676	4,232,359	4,232,359
0	1,600,000	0	0	0	0
0	1,242,895	3,283,377	3,354,891	3,287,506	3,233,672
6,064,274	7,287,769	7,681,062	7,616,567	7,519,865	7,466,031
2,900,000	3,098,390	4,517,260	4,331,127	4,140,000	4,015,000
0	4,431	5,617	10,257	10,257	15,464
2,900,000	3,093,959	4,511,643	4,320,870	4,129,743	3,999,536
\$22,959,894	\$23,049,541	\$23,613,069	\$23,864,514	\$24,162,448	\$24,621,511
88.8%	88.2%	84.0%	84.7%	85.4%	86.0%

\$13,545,659	\$13,694,214	\$14,731,992	\$14,763,773	\$14,819,719	\$14,991,977
8,964,274	10,386,159	12,198,322	11,947,694	11,659,865	11,481,031
1,600,000	0	0	0	0	0
4,464,274	4,444,874	4,397,685	4,261,676	4,232,359	4,232,359
0	1,600,000	0	0	0	0
0	1,242,895	3,283,377	3,354,891	3,287,506	3,233,672
6,064,274	7,287,769	7,681,062	7,616,567	7,519,865	7,466,031
2,900,000	3,098,390	4,517,260	4,331,127	4,140,000	4,015,000
0	4,431	5,617	10,257	10,257	15,464
2,900,000	3,093,959	4,511,643	4,320,870	4,129,743	3,999,536
\$10,645,659	\$10,600,255	\$10,220,349	\$10,442,903	\$10,689,976	\$10,992,441
78.6%	77.4%	69.4%	70.7%	72.1%	73.3%

City of Clayton, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2009

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	\$4,148,415	100.00%	\$4,148,415
Capital Lease Obligations	489,646	100.00%	489,646
Total Direct Debt	4,638,061		4,638,061
Overlapping Debt:			
Montgomery County			
General Obligation Bonds	41,972,796	2.61%	1,095,490
Special Assessment Bonds	2,004,197	2.61%	52,310
Trotwood-Madison School District (2)			
School Improvement Bonds, Refunding	33,539,143	2.42%	811,647
Energy Conservation Note Payable	9,720,972	2.42%	235,248
Brookville School District (2)			
School Construction Bonds, Refunding	21,884,882	0.12%	26,262
Greater Dayton Regional Transit Authority			
Capital Facility Bonds	3,885,000	2.61%	101,399
Total Overlapping Debt	113,006,990		2,322,356
Grand Total	\$117,645,051		\$6,960,417

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, 2009.

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)
2000	13,347	\$390,546,567	\$29,261	\$60,625	39.2	91.5%	2.9%	\$217,261,651
2001	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	219,644,425
2002	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	219,295,173
2003	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	243,898,951
2004	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	246,284,706
2005	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	248,985,717
2006	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.9%	267,854,398
2007	13,347	390,546,567	29,261	60,625	39.2	91.5%	2.8%	268,432,228
2008	13,347	390,546,567	29,261	60,625	39.2	91.5%	5.8%	269,449,436
2009	13,347	354,616,443	26,569	60,625	39.2	91.5%	7.4%	272,581,400

Source: (1) 2000 Census
(2) Computation of per capita personal income multiplied by population
(3) Ohio Department of Job and Family Services
(4) Montgomery County Auditor

City of Clayton, Ohio

Principal Employers

2009 and 2006 (1)

Employer	2009	
	Total Employees	Percentage of Total Employees
Stillwater Center	196	5.71%
Northmont Board of Education	173	5.04%
Dayton Meadowbrook	100	2.92%
City of Clayton	88	2.57%
Landes Meats, Inc.	64	1.87%
Studebaker Electric	50	1.46%
Anchor Fabricating	40	1.17%
Cottages of Clayton	33	0.95%
Salem Christian Academy	25	0.73%
Fidelity Orthopedic	17	0.50%
Total Employees	786	22.92%
All Other Employers	2,644	77.08%
Total Employees	3,430	100.00%

Source: City's records

(1) Information prior to 2006 is unavailable

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

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

	2000		2001		2002		2003		2004	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
Governmental Activities:										
General Government:										
Administration	7	12	8	8	9	13	7	17	7	19
Police	13	14	14	14	15	26	15	23	15	22
Fire/EMS	5	45	5	45	6	50	6	49	5	52
Street	9	26	10	6	7	8	8	13	8	14
<i>Total Number of Employees</i>	<u>34</u>	<u>97</u>	<u>37</u>	<u>73</u>	<u>37</u>	<u>97</u>	<u>36</u>	<u>102</u>	<u>35</u>	<u>107</u>

Source: City's records

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

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

	2002	2003	2004
Police			
Police Calls	13,533	12,892	11,203
Fire/EMS			
Fire and EMS Calls	1,287	1,376	1,494
Street			
Dollars for Road Improvement	\$153,262	\$119,823	\$150,285
Miles of Roads	197	197	197
Tons of Salt Spread	353	791	700
Tons of Grit Spread	328	1,037	1,500

Source: City's records

(1) Information prior to 2002 is not available.

2005	2006	2007	2008	2009
10,263	10,233	10,178	7,146	7,136
1,788	1,739	1,710	1,959	1,287
\$130,240	\$520,368	\$861,720	\$1,034,836	\$499,180
197	197	197	197	212
400	350	350	930	490
200	118	118	220	0

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

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

Source: City's records

(1) Information prior to 2004 is not available.



Mary Taylor, CPA
Auditor of State

CITY OF CLAYTON

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
JULY 6, 2010