



**Auditor of State
Betty Montgomery**

**CITY OF CLAYTON
MONTGOMERY COUNTY**

TABLE OF CONTENTS

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

This page intentionally left blank.



Auditor of State Betty Montgomery

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

City of Clayton
Montgomery County
P.O. Box 280
Clayton, Oh 45315-0280

To the Members of 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, 2004, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 28, 2005 wherein we noted the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. 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 to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

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*. However, we noted certain immaterial instances of noncompliance that we have reported to the City's management in a separate letter dated June 28, 2005.

One First National Plaza / 130 W. Second St. / Suite 2040 / Dayton, OH 45402
Telephone: (937) 285-6677 (800) 443-9274 Fax: (937) 285-6688
www.auditor.state.oh.us

City of Clayton
Montgomery County
Independent Accountants' Report on Internal Control over Financial Reporting
and on Compliance Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management, and City Council, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

June 28, 2005

CITY OF CLAYTON, OHIO

MONTGOMERY COUNTY

Comprehensive Annual Financial Report

For the Year Ended December 31, 2004

Prepared by:
Department of Finance

Ferris Brown
Finance Director

Teri Birchfield
Assistant to the Finance Director

City of Clayton, Ohio
Comprehensive Annual Financial Report
For The Year Ended December 31, 2004
Table of Contents

INTRODUCTORY SECTION

Table of Contents	i
Letter of Transmittal	iv
Principal Officials	ix
Organizational Chart	x

FINANCIAL SECTION

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

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets	10
Statement of Activities.....	11

Fund Financial Statements:

Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) - General Fund	19
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) – Police Fund.....	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis) – Fire Fund	21
Statement of Fund Net Assets - Enterprise Fund	22
Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Fund.....	23

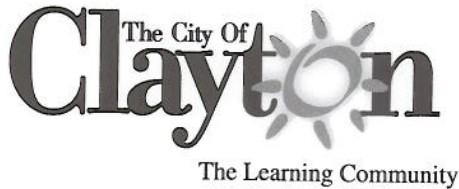
City of Clayton, Ohio
Comprehensive Annual Financial Report
For The Year Ended December 31, 2004
Table of Contents
(continued)

Statement of Cash Flows – Enterprise Fund.....	24
Notes to the Basic Financial Statements	25
Combining Financial Statements:	
Combining Financial Statements – Nonmajor Governmental Funds:	
Nonmajor Fund Descriptions	54
Combining Balance Sheet – Nonmajor Governmental Funds	56
Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	57
Combining Balance Sheet – Nonmajor Special Revenue Funds	58
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	60
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Basis):	
General Fund.....	62
Police Fund	63
Fire Fund.....	64
Capital Improvement Fund	65
State Route 48 Improvement Fund	66
Water Department Fund.....	67
Cops Fund	68
Drug Law Enforcement Fund	69
Law Enforcement Trust Fund	70
EMS Fund	71
Street Department Fund	72
State Highway Fund.....	73
Permissive Motor Vehicle License Tax Fund.....	74
Street Lights Fund.....	75
Cemetery Fund.....	76
Tax Increment Fund.....	77
Irvington Storm Water Fund.....	78

City of Clayton, Ohio
Comprehensive Annual Financial Report
For The Year Ended December 31, 2004
Table of Contents
(continued)

STATISTICAL SECTION

Statistical Table Description	79
Net Assets by Component – Last Two Years	80
Changes in Net Assets – Current Year.....	81
Fund Balances – Governmental Funds – Last Five Years	83
Changes in Fund Balances – Governmental Funds – Last Five Years	84
Program Revenues by Function/Program – Current Year	85
Tax Revenues by Source – Governmental Funds – Last Five Years	86
Assessed Value and Estimated Actual Value of Taxable Property – Last Five Years	87
Direct and Overlapping Property Tax Rates – Last Five Years.....	88
Principal Property Tax Payers – December 31, 2004	90
Property Tax Levies and Collections – Last Five Years.....	91
Ratios of Outstanding Debt by Type – Governmental Activities – Last Five Years	92
Direct and Overlapping Governmental Activities Debt – As of December 31, 2004	93
Legal Debt Margin Information – Last Five Years.....	94
Demographic and Economic Statistics - Last Five Years	95
Principal Employers – December 31, 2004	96
City Government Employees by Function/Program – Last Five Years.....	97
Operating Indicators by Function/Program – Last Three Years	98
Capital Assets Statistics by Function/Program – December 31, 2004.....	99



June 28, 2005

Citizens of Clayton
Members of Council
City of Clayton, Ohio

I am pleased to present the first Comprehensive Annual Financial Report (CAFR) for the City of Clayton. This report, for the year ended December 31, 2004, 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"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically with the City Finance Director's office.

This CAFR is divided into three sections as follows:

1. The Introductory Section contains the table of contents, this letter of transmittal, a list of principal officials, and an organizational chart of the City.
2. The Financial Section begins with the Independent Auditor's Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and notes that provide an overview of the City's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements.
3. The Statistical Section presents social and economic data and financial trend information, and demonstrates the fiscal capacity of the City. The City has chosen to implement the recently issued *Governmental Accounting Standards Board Statement No. 44, "Economic Condition Reporting: The Statistical Section"*.

CITY OVERVIEW

Randolph Township was formed in 1804 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 registered electors registered or voting 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 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 protection, water services, street maintenance and repair, zoning, and maintenance of a staff to provide support services (i.e., payroll processing and accounts payable). The City Manager has direct responsibility for these activities.

Component units are 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 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 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. These organizations are presented in Note 18.

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 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

Clayton 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 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 north and east of Clayton 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 first full year of collection generated \$1,184,355 in governmental fund revenue. This revenue was generated from approximately 6,000 employed persons, evenly split from within and outside the City. In January 2005, in an attempt to increase the number of jobs within the City limits, the City of Clayton exercised its 8 year-old option to purchase 143 acres of prime industrial land adjacent to I-70 for a commerce park.

The City has gained a few new businesses, and some of the employers located within the City have expanded operations. These additions/expansions have helped the City maintain its economic stability.

The City's application for an Economic Development/Governmental Equity (ED/GE) grant on behalf of Anchor Fabricating, was approved during 2002. The grant, which was received in 2003, was for \$103,000 to support the location of the corporation's current facility. By meeting Anchor's need for water, the grant made it possible for them to stay in Clayton and preserved the company's existing jobs.

During the next six years, the I-70/I-75 interchange will be undergoing major reconstruction. 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 will be able to accommodate increased traffic flow and eliminate weaving of traffic at the interchange. The new interchange will easily accommodate the increased traffic and keep goods, services and people moving. All of these factors will 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 Montgomery County townships, villages and cities.

MAJOR INITIATIVES

The recent Towne Center proposal intends to move the City of Clayton into the future. The current plans call for 468 housing units consisting of 274 units of attached housing (townhouses and flats) and 194 units of single family housing. Plans call for 820,800 square feet of retail/office space and a 150,000 square feet sportsplex. The units are based on a conservative figure of \$100,000 and \$250,000 per unit market value for the attached and single family housing, respectively and \$100 finished price per square foot for the retail space and sportsplex. The additional tax valuation for the first phase of the Towne Center is projected to be \$172,900,000.

Once completed this would annually generate \$1,191,945 in additional property tax revenue. Yet to be negotiated but currently proposed is an impact fee of \$7,724 per unit, which would generate an additional \$772,400 per year if 100 units were built each year.

During 2003, the City of Clayton contracted 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.

FINANCIAL INFORMATION

Internal Control Structure and Budgetary Controls

Development of the City's accounting system included consideration of internal accounting controls. Internal accounting controls are designed to provide reasonable but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements. The concept of reasonable assurance states that internal control should be evaluated to insure that the expense associated with providing internal controls does not exceed the benefit expected to be derived from their implementation. This evaluation involves estimates and judgment by the City administration and members of the finance office. The administrative and financial management personnel believe that the City's financial controls adequately safeguard existing assets and provide reasonable assurance of the proper recording of financial transactions.

Budgetary control is maintained by the encumbrance of purchase amounts prior to the release of purchase orders to vendors. Purchase orders are not issued when insufficient appropriations preclude the encumbrance of the amount of the purchase. Each department head is furnished a monthly report showing the month's transactions and summarizing the balances available to be spent from the appropriations for goods and services.

Financial Condition

This is the first year the City has prepared financial statements following *GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments."* GASB Statement No. 34 created new basic financial statements for reports as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary funds use the accrual basis of accounting.

Statements of budgetary comparisons - These statements present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management's Discussion and Analysis of the City. This discussion begins the financial section of this report, providing an assessment of the City's finances for 2004.

Cash Management

A majority of the City's deposits are collateralized by pooled collateral. By law, financial institutions may establish a collateral pool to cover all public deposits. The market value of the pooled collateral must equal at least 105 percent of the public funds on deposit. The collateral is held by trustees, including the Federal Reserve Bank and designated third party trustees of the financial institutions. The City regularly reviews the market value of the pool to insure that adequate collateral is being provided.

Risk Management

The City is insured through the Ohio Government Risk Management Plan for general, automobile, employment practice, public official's liability, boiler and machinery, flood, earthquake, and property insurance coverage.

The City is insured by United Health Care for medical, vision and prescription drug benefits for employees. The annual per employee premium is \$3,076 for an individual, \$6,153 for employee and spouse and \$9,538 for a family.

OTHER INFORMATION

Independent Audit

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

Awards

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the Government Finance Officers Association of the United States and Canada.

Acknowledgments

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 input and commitment. I 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, I would like to express appreciation to Ms. Betty Montgomery, Auditor of State, and her Local Government Services staff for their guidance and assistance in preparing this report.

Respectively Submitted,



Ferris W. Brown
Finance Director

City of Clayton, Ohio

Principal Officials

December 31, 2004

Elected Officials

Name	Title	Term Expires
Ted Gudorf	Mayor	12/31/2005
Tim Gorman	Vice-Mayor	12/31/2007
Robert Peters	Council	12/31/2005
Don Shaffer	Council	12/31/2005
Bev Smith	Council	12/31/2007
G. Malcom Treon	Council	12/31/2007
Dawn Tindall	Council	12/31/2005

Appointed Officials

Name	Title	Term Expires
David W. Rowlands	City Manager	Pleasure of Council
Jesse Lightle	Assistant City Manager	Pleasure of City Manager
Ferris Brown	Finance Director	Pleasure of City Manager
Wilbur B. Sussman	Clerk of Council	Pleasure of Council
Robert E. Portune	Law Director	Pleasure of Council

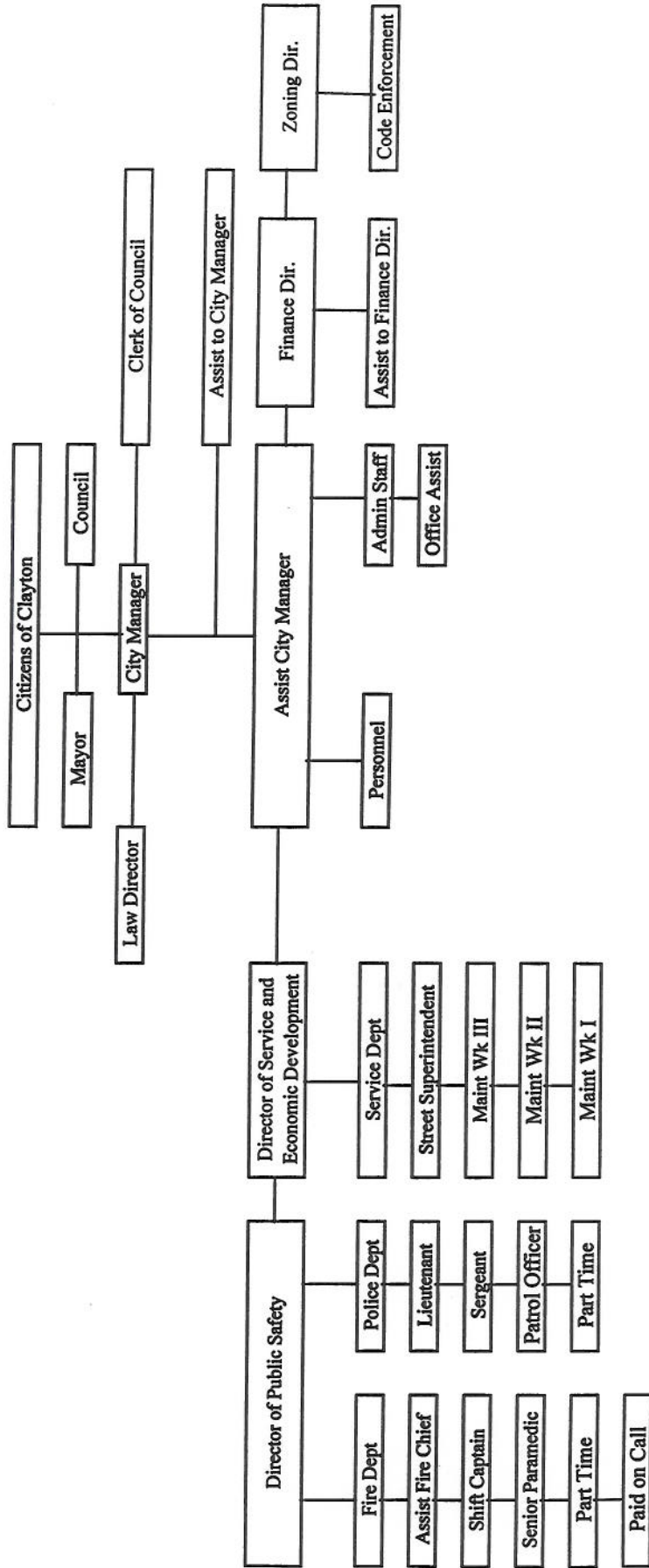
CITY OF CLAYTON ORGANIZATIONAL CHART

ADMINISTRATIVE OFFICES MISSION

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

SERVICE DEPARTMENT MISSION

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





Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

City of Clayton
Montgomery County
P.O. Box 280
Clayton, Oh 45315-0280

To the Members of 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, (the City), as of and for the year ended December 31, 2004, 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 as of December 31, 2004, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General, Police, 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 the year ended December 31, 2004, the City implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2005, 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's 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 and individual non-major fund statements and schedules, and the statistical tables are presented for additional information and are not a required part of the basic financial statements. We subjected the combining and individual non-major 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.



Betty Montgomery
Auditor of State

June 28, 2005

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004

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, 2004. The intent of this discussion and analysis is to look at the City's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the City's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *GASB Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"* issued June, 1999. However, because this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare this information of the prior year, and that GASB Statement No. 34 permits the omission of the comparative information in the first year of adoption of the new reporting model, the City has elected to exclude the information in this report. Subsequent reports will include the comparative information.

FINANCIAL HIGHLIGHTS

The City's total governmental activities' net assets increased \$1,033,320, which represents a 37.7 percent increase from 2003. Business-type activities net assets decreased \$57,146, which represents a 38.2 percent decrease from 2003.

For governmental activities, general revenues accounted for \$4,491,925 or 83.4% of total revenue. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$895,280 or 16.6% of total revenue of \$5,387,205.

The City had \$4,353,885 in expenses related to governmental activities; only \$895,280 of these expenses were offset by program specific charges for services, operating grants, contributions, and interest. General revenues (primarily property and municipal income taxes) of \$4,491,925 were adequate to provide for the remaining cost of these programs.

The General Fund had \$1,869,714 in revenues and \$1,028,513 in expenditures. The General Fund balance increased by \$583,701 over 2003 leaving an ending fund balance of \$1,400,469.

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

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and the Statement of Activities

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

These two statements report the City's net assets and changes to those assets. These changes inform the reader whether the City's financial position, as a whole, have 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, leisure time activities, community environment, public health, transportation, and general government.

Business-Type Activities – This service consists of fees for water 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, Fire, Capital Improvement, and State Route 48 Improvement funds.

Governmental Funds

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

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004

Proprietary Fund

The proprietary fund uses the same measurement focus and basis of accounting as the government-wide financial statements.

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 2004 compared to 2003.

Table 1
Net Assets

	<u>Governmental Activities</u>		<u>Business-Type Activity</u>		<u>Total</u>	
	2004	2003	2004	2003	2004	2003
Assets:						
Current and Other Assets	\$9,088,194	\$5,518,552	\$207,329	\$155,200	\$9,295,523	\$5,673,752
Capital Assets	1,720,247	1,492,690	3,985,285	0	5,705,532	1,492,690
<i>Total Assets</i>	<u>10,808,441</u>	<u>7,011,242</u>	<u>4,192,614</u>	<u>155,200</u>	<u>15,001,055</u>	<u>7,166,442</u>
Liabilities:						
Current and Other Liabilities	2,284,980	2,533,589	12,824	5,736	2,297,804	2,539,325
Long-Term Liabilities	4,746,817	1,734,329	4,087,472	0	8,834,289	1,734,329
<i>Total Liabilities</i>	<u>7,031,797</u>	<u>4,267,918</u>	<u>4,100,296</u>	<u>5,736</u>	<u>11,132,093</u>	<u>4,273,654</u>
Net Assets:						
Invested in Capital Assets, Net of Related Debt	3,952	86,351	(102,187)	0	(98,235)	86,351
Restricted for:						
Capital Outlay	258,602	6,192	0	0	258,602	6,192
Other Purposes	1,678,405	1,459,606	0	0	1,678,405	1,459,606
Unrestricted	<u>1,835,685</u>	<u>1,191,175</u>	<u>194,505</u>	<u>149,464</u>	<u>2,030,190</u>	<u>1,340,639</u>
<i>Total Net Assets</i>	<u>\$3,776,644</u>	<u>\$2,743,324</u>	<u>\$92,318</u>	<u>\$149,464</u>	<u>\$3,868,962</u>	<u>\$2,892,788</u>

Net assets of the City's governmental activities increased \$1,033,320. Assets increased \$3,797,199 with equity in pooled cash and cash equivalents increasing \$3,405,398, due mainly to the City issuing the \$2,900,000 Land Acquisition Note in December 2004 and not purchasing the land until 2005. Current liabilities increased \$241,521 due primarily to the City paying off short-term debt from the prior year. Long-term liabilities decreased \$7,099,960 due chiefly to two new short-term notes payable. Net Assets of business – type activities decreased by \$57,146 mainly due to depreciation on the capital assets.

Table 2 shows the changes in net assets for the year ended December 31, 2004. Since this is the first year the City has prepared financial statements following *GASB Statement No. 34*, revenue and expense comparisons to 2003 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004

Table 2
Change in Net Assets

	Governmental Activities	Business-Type Activity	Total
	2004	2004	2004
Revenues:			
Program Revenues:			
Charges for Services	\$342,469	\$61,185	\$403,654
Operating Grants, Contributions, and Interest	552,811	0	552,811
<i>Total Program Revenues</i>	<u>895,280</u>	<u>61,185</u>	<u>956,465</u>
General Revenues:			
Property and Other Local Taxes	2,283,639	0	2,283,639
Municipal Income Taxes	1,282,158	0	1,282,158
Grants and Entitlements not Restricted to Specific Programs	820,270	0	820,270
Contributions	12,331	0	12,331
Investment Income	2,622	0	2,622
Other	90,905	0	90,905
<i>Total General Revenues</i>	<u>4,491,925</u>	<u>0</u>	<u>4,491,925</u>
<i>Total Revenues</i>	<u>5,387,205</u>	<u>61,185</u>	<u>5,448,390</u>
Program Expenses:			
General Government	1,368,528	0	1,368,528
Security of Persons and Property	2,407,965	0	2,407,965
Leisure Time Activities	667	0	667
Public Health	5,376	0	5,376
Transportation	537,134	0	537,134
Interest and Fiscal Charges	34,215	0	34,215
Water Department	0	118,331	118,331
<i>Total Expenses</i>	<u>4,353,885</u>	<u>118,331</u>	<u>4,472,216</u>
<i>Increase (Decrease) in Net Assets</i>	<u>\$1,033,320</u>	<u>(\$57,146)</u>	<u>\$976,174</u>

Governmental Activities

The 1.5 percent income tax is a large source of revenue for the City of Clayton. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either bimonthly, monthly, or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate. The increase of \$1,033,320 in net assets can be attributed mainly to 2004 being the first year of the income tax which generated \$1,282,158 of additional revenue for the City.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004

Governmental program expenses for 2004 were as follows:

General Government	31.43%
Security of Persons and Property	55.31%
Leisure Time Services	0.02%
Public Health	0.12%
Transportation	12.34%
Interest and Fiscal Charges	0.78%
	<u>100.00%</u>

As indicated above, citizen safety and well-being is emphasized.

Business – Type Activities

The Water Fund is the repository for the fees charged to the City of Clayton's water customers. The City of Dayton sells the water to the City of Clayton water service area. The City of Clayton assesses, bills, and collects fees from water customers. In May of 2004, the City of Dayton completed the construction of trunk water main line within the City of Clayton. The City of Clayton is in the negotiation stage with the City of Dayton over the reimbursement for this construction. Net assets for this fund decreased \$57,146 over 2003.

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 12. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$5,314,636 and expenditures of \$6,191,201. At year-end, the City's governmental funds reported combined ending fund balances of \$5,813,741, an increase of \$3,758,448 in comparison with the prior year. Approximately 94.5% of this total amount (\$5,492,764) constitutes unreserved fund balance, which is available for spending at the City's discretion within the limitations of the use of resources within each fund. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate purchase orders of the prior period (\$320,977).

The General Fund balance increased by \$583,701, primarily due to the municipal income tax that started in 2004. Also, the City departments have sustained a trend of under-spending their appropriations through fiscal restraint.

The Police Fund maintained a steady flow of revenues and expenditures as compared to prior years with a decrease in fund balance of \$447.

The Fire Fund balance increased by \$109,366. This was mainly due to new leadership and the previously mentioned focus on fiscal restraint.

The Capital Improvement Fund had an ending fund balance of \$3,132,575. This was primarily due to the issuance of a \$2,900,000 Land Acquisition Note which was not expended until 2005.

The State Route 48 Improvement Fund balance decreased by \$191,196. This was due to the completion of the improvement project during 2004.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004

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 2004, there were several revisions to the General Fund budget. The net effect of the revisions was an increase in the appropriations of \$24,386.

Original General Fund budgeted revenues were \$1,707,700. The final budgeted amount was \$1,598,260 and the actual revenue amount was \$1,832,422. The City's ending unobligated cash balance was \$839,456 over the final budgeted amount in the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2004, the City's book value of capital assets for governmental and business-type activities (net of accumulated depreciation) amounts to \$5,705,532, an increase of \$4,212,842 over 2003.

Table 3
 Capital Assets (Net of Depreciation)

	Governmental Activities		Business Type Activity		Total	
	2004	2003	2004	2003	2004	2003
Land	\$227,357	\$227,357	\$0	\$0	\$227,357	\$227,357
Buildings	157,856	174,961	0	0	157,856	174,961
Improvements Other Than Buildings	20,871	0	0	0	20,871	0
Furniture and Fixtures	31,786	34,508	0	0	31,786	34,508
Vehicles	868,531	843,996	0	0	868,531	843,996
Equipment	232,210	211,868	0	0	232,210	211,868
Infrastructure	181,636	0	3,985,285	0	4,166,921	0
Totals	<u>\$1,720,247</u>	<u>\$1,492,690</u>	<u>\$3,985,285</u>	<u>\$0</u>	<u>\$5,705,532</u>	<u>\$1,492,690</u>

The increase of \$227,557 in governmental activities capital assets occurred due to infrastructure being added in 2004. The City has chosen to only bring on current year total additions to infrastructure. The increase in business-type activities was due to newly constructed water lines. See Note 9 of the Notes to the Basic Financial Statements for more detailed information.

Debt

At December 31, 2004, the City of Clayton had \$8,587,472 in notes and loans outstanding and \$120,668 in capital leases.

City of Clayton, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004

Table 4
 Outstanding Debt at Year End

	Governmental Activities		Business-Type Activity	
	2004	2003	2004	2003
State Route 48 Improvement Note	\$1,600,000	\$1,600,000	\$0	\$0
Land Acquisition Note	2,900,000	0	0	0
Capital Leases	120,668	1,908	0	0
Water Line Loan	0	0	4,087,472	0
Totals	\$4,620,668	\$1,601,908	\$4,087,472	\$0

The City's overall legal debt margin was \$22,959,894 as of December 31, 2004. The more restrictive unvoted legal debt margin was \$10,645,659 as of the same date. The terms and agreement for the repayment of the Water Line Loan have not been finalized with the City of Dayton. See Notes 14 and 15 of the Basic Financial Statements for more detailed information.

CURRENT FINANCIAL ISSUES AND CONCERNS

The City of Clayton has experienced a new birth in 2004. The passage of the 1.5 percent income tax has created a new level of fiscal stability. The 2004 collections represented 42.1 percent of the General Fund revenue and 22.3 percent of all fund revenue. The General Fund carryover balance grew from \$816,768 at December 31, 2003 to \$1,400,469 at December 31, 2004. That represents 95.9 percent of the General Fund's projected actual expenditures for 2005 (\$1,461,000). Our projected General Fund carryover balance for 2005 is over \$1,700,000, which exceeds the General Fund projected expenditures for 2006.

The newly authorized Commerce Park is an attempt to maintain the momentum. Council passed legislation to exercise an option to purchase a 143 acre parcel of land on Hoke Road to become an industrial destination. Currently, the \$1,300,000 income tax revenue is generated by approximately 3,000 jobs in the City. As new jobs are created, the income tax will continue to grow.

The essential purpose of the impact fees and tax increment financing (financing based on the growth of the tax base in a development) is to offset the development costs incurred by the City.

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 Ferris Brown, Director of Finance, City of Clayton, P.O. 280, Clayton, Ohio 45315.

City of Clayton, Ohio
Statement of Net Assets
December 31, 2004

	Governmental Activities	Business-Type Activities	Total
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$5,853,803	\$93,750	\$5,947,553
Accounts Receivable	91,364	8,436	99,800
Due from Other Governments	700,690	0	700,690
Prepaid Items	75,658	0	75,658
Increment Tax Receivable	66,925	0	66,925
Municipal Income Tax Receivable	143,771	0	143,771
Property and Other Local Taxes Receivable	2,131,543	0	2,131,543
Special Assessments Receivable - Current	22,085	75,261	97,346
Special Assessments Receivable - Delinquent	2,355	29,882	32,237
Nondepreciable Capital Assets	227,357	0	227,357
Depreciable Capital Assets, net	1,492,890	3,985,285	5,478,175
<i>Total Assets</i>	<u>10,808,441</u>	<u>4,192,614</u>	<u>15,001,055</u>
Liabilities:			
Accounts Payable	73,336	0	73,336
Accrued Wages Payable	82,159	0	82,159
Due to Other Governments	176,594	12,824	189,418
Deferred Revenue	1,927,965	0	1,927,965
Notes Payable	0	0	0
Accrued Interest Payable	24,926	0	24,926
Long-Term Liabilities:			
Due Within One Year	107,175	0	107,175
Due in More Than One Year	4,639,642	4,087,472	8,727,114
<i>Total Liabilities</i>	<u>7,031,797</u>	<u>4,100,296</u>	<u>11,132,093</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	3,952	(102,187)	(98,235)
Restricted for Capital Outlay	258,602	0	258,602
Restricted for Other Purposes	1,678,405	0	1,678,405
Unrestricted	1,835,685	194,505	2,030,190
<i>Total Net Assets</i>	<u>\$3,776,644</u>	<u>\$92,318</u>	<u>\$3,868,962</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Activities
For the Year Ended December 31, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants, Contributions and Interest	Governmental Activities	Business-Type Activity	Total
Governmental Activities:						
General Government	\$1,368,528	\$26,772	\$28,120	(\$1,313,636)	\$0	(\$1,313,636)
Security of Persons and Property	2,407,965	314,897	38,784	(2,054,284)	0	(2,054,284)
Lesiure Time Activities	667	0	0	(667)	0	(667)
Public Health	5,376	800	0	(4,576)	0	(4,576)
Transportation	537,134	0	485,907	(51,227)	0	(51,227)
Interest and Fiscal Charges	34,215	0	0	(34,215)	0	(34,215)
<i>Total Governmental Activities</i>	4,353,885	342,469	552,811	(3,458,605)	0	(3,458,605)
Business-Type Activity:						
Water Department	118,331	61,185	0	0	(57,146)	(57,146)
<i>Totals</i>	<u>\$4,472,216</u>	<u>\$403,654</u>	<u>\$552,811</u>	<u>(3,458,605)</u>	<u>(57,146)</u>	<u>(3,515,751)</u>
General Revenues:						
Property Taxes Levied For:						
General Purposes				342,712	0	342,712
Police				1,022,788	0	1,022,788
Fire				405,506	0	405,506
EMS				176,307	0	176,307
Other Local Taxes				336,326		336,326
Municipal Income Tax Levied For:						
General Purposes				852,187	0	852,187
Capital Outlay				429,971	0	429,971
Grants and Entitlements not Restricted to Specific Programs						
Contributions				820,270	0	820,270
Investment Income				12,331	0	12,331
Other				2,622	0	2,622
				90,905	0	90,905
<i>Total General Revenues</i>				<u>4,491,925</u>	<u>0</u>	<u>4,491,925</u>
<i>Change in Net Assets</i>				1,033,320	(57,146)	976,174
<i>Net Assets Beginning of Year - Note 3</i>				<u>2,743,324</u>	<u>149,464</u>	<u>2,892,788</u>
<i>Net Assets End of Year</i>				<u>\$3,776,644</u>	<u>\$92,318</u>	<u>\$3,868,962</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Balance Sheet
Governmental Funds
December 31, 2004

	General	Police	Fire
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$1,295,227	\$250,817	\$168,263
Receivables:			
Property and Other Local Taxes	459,123	1,069,443	415,713
Municipal Income Tax	97,285	0	0
Increment Tax	0	0	0
Accounts	73,731	0	0
Special Assessments - Current	0	0	0
Special Assessments - Delinquent	0	0	0
Due from Other Governments	304,461	72,086	28,745
Prepaid Items	21,103	16,800	8,348
<i>Total Assets</i>	<u>\$2,250,930</u>	<u>\$1,409,146</u>	<u>\$621,069</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$20,160	\$6,379	\$5,815
Accrued Wages Payable	12,411	32,728	16,289
Due to Other Governments	22,427	79,789	44,872
Deferred Revenue	795,463	1,139,514	444,458
<i>Total Liabilities</i>	<u>850,461</u>	<u>1,258,410</u>	<u>511,434</u>
Fund Balances:			
Reserved for Encumbrances	77,786	70,849	41,439
Unreserved, Undesignated, Reported in:			
General Fund	1,322,683	0	0
Special Revenue Funds	0	79,887	68,196
Capital Projects Funds	0	0	0
<i>Total Fund Balances</i>	<u>1,400,469</u>	<u>150,736</u>	<u>109,635</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,250,930</u>	<u>\$1,409,146</u>	<u>\$621,069</u>

See accompanying notes to the basic financial statements

Capital Improvement	State Route 48 Improvement	Nonmajor Funds	Total Governmental Funds
\$3,118,690	\$4,373	\$1,016,433	\$5,853,803
0	0	187,264	2,131,543
46,486	0	0	143,771
0	0	66,925	66,925
0	0	17,633	91,364
0	0	22,085	22,085
0	0	2,355	2,355
0	0	295,398	700,690
0	0	29,407	75,658
<u>\$3,165,176</u>	<u>\$4,373</u>	<u>\$1,637,500</u>	<u>\$9,088,194</u>
\$0	\$0	\$40,982	\$73,336
0	0	20,731	82,159
0	0	29,506	176,594
<u>32,601</u>	<u>0</u>	<u>530,328</u>	<u>2,942,364</u>
<u>32,601</u>	<u>0</u>	<u>621,547</u>	<u>3,274,453</u>
62,276	0	68,627	320,977
0	0	0	1,322,683
0	0	928,974	1,077,057
<u>3,070,299</u>	<u>4,373</u>	<u>18,352</u>	<u>3,093,024</u>
<u>3,132,575</u>	<u>4,373</u>	<u>1,015,953</u>	<u>5,813,741</u>
<u>\$3,165,176</u>	<u>\$4,373</u>	<u>\$1,637,500</u>	<u>\$9,088,194</u>

City of Clayton, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 December 31, 2004*

Total Governmental Fund Balances		\$5,813,741
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:		
Land	227,357	
Buildings	726,380	
Improvements Other Than Buildings	32,388	
Furniture and Fixtures	72,560	
Vehicles	2,354,468	
Equipment	526,091	
Infrastructure	191,196	
Accumulated Depreciation	<u>(2,410,193)</u>	
Total		1,720,247
 Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property and Other Local Taxes	263,984	
Municipal Income Taxes	97,803	
Intergovernmental	554,846	
Special Assessments	24,440	
Charges for Services	<u>73,326</u>	
Total		1,014,399
 Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Accrued Interest Payable	(24,926)	
Notes Payable	(4,500,000)	
Capital Lease Payable	(120,668)	
Compensated Absences Payable	<u>(126,149)</u>	
Total		<u>(4,771,743)</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$3,776,644</u></u>

See accompanying notes to the basic financial statements

THIS PAGE INTENTIONALLY LEFT BLANK

City of Clayton Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2004

	General	Police	Fire
Revenues:			
Property and Other Local Taxes	\$456,199	\$1,069,681	\$416,153
Municipal Income Taxes	786,985	0	0
Intergovernmental	562,304	170,881	65,629
Charges for Services	13,453	0	0
Licenses and Permits	7,960	0	0
Fines and Forfeitures	0	13,955	0
Contributions and Donations	0	10,595	0
Investment Income	2,622	0	0
Special Assessments	0	0	0
Other	40,191	6,925	11,974
<i>Total Revenues</i>	<u>1,869,714</u>	<u>1,272,037</u>	<u>493,756</u>
Expenditures:			
Current:			
General Government	1,026,548	0	0
Security of Persons and Property	0	1,409,984	384,390
Leisure Time Activities	0	0	0
Public Health	0	0	0
Transportation	0	0	0
Debt Service:			
Principal Retirement	1,908	0	0
Interest and Fiscal Charges	57	0	0
<i>Total Expenditures</i>	<u>1,028,513</u>	<u>1,409,984</u>	<u>384,390</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>841,201</u>	<u>(137,947)</u>	<u>109,366</u>
Other Financing Sources (Uses):			
Notes Issued	0	0	0
Inception of Capital Lease	0	0	0
Transfers - In	0	137,500	0
Transfers - Out	(257,500)	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(257,500)</u>	<u>137,500</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	583,701	(447)	109,366
<i>Fund Balances at Beginning of Year - Restated (Note 3)</i>	<u>816,768</u>	<u>151,183</u>	<u>269</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,400,469</u>	<u>\$150,736</u>	<u>\$109,635</u>

See accompanying notes to the basic financial statements

Capital Improvement	State Route 48 Improvement	Nonmajor Funds	Total Governmental Funds
\$0	\$0	\$399,435	\$2,341,468
397,370	0	0	1,184,355
0	0	495,423	1,294,237
0	0	288,067	301,520
0	0	0	7,960
0	0	8,308	22,263
0	0	1,736	12,331
0	0	29,820	32,442
0	0	22,128	22,128
0	0	36,842	95,932
<u>397,370</u>	<u>0</u>	<u>1,281,759</u>	<u>5,314,636</u>
285,013	191,196	69,271	1,572,028
0	0	594,494	2,388,868
0	0	667	667
0	0	5,376	5,376
0	0	586,560	586,560
14,345	1,600,000	0	1,616,253
450	20,942	0	21,449
<u>299,808</u>	<u>1,812,138</u>	<u>1,256,368</u>	<u>6,191,201</u>
<u>97,562</u>	<u>(1,812,138)</u>	<u>25,391</u>	<u>(876,565)</u>
2,900,000	1,600,000	0	4,500,000
135,013	0	0	135,013
0	20,942	120,000	278,442
0	0	(20,942)	(278,442)
<u>3,035,013</u>	<u>1,620,942</u>	<u>99,058</u>	<u>4,635,013</u>
3,132,575	(191,196)	124,449	3,758,448
0	195,569	891,504	2,055,293
<u>\$3,132,575</u>	<u>\$4,373</u>	<u>\$1,015,953</u>	<u>\$5,813,741</u>

City of Clayton Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2004*

Net Change in Fund Balances - Total Governmental Funds \$3,758,448

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	412,349	
Depreciation	(184,792)	

Excess of Capital Outlay over Depreciation Expense	227,557
--	---------

Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. (135,013)

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:

Notes Payable	1,600,000	
Capital Lease Payable	16,253	

1,616,253

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 and Other Taxes	(57,829)
Municipal Income Taxes	97,803
Intergovernmental	49,024
Charges for Services	(11,860)
Fines, Licenses and Permits	(150)
Special Assessments	608
Other	(5,027)

72,569

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

Notes	(4,500,000)
-------	-------------

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Net Increase in Accrued Interest	(12,766)
----------------------------------	----------

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

Decrease in Compensated Absences	6,272	
----------------------------------	-------	--

Change in Net Assets of Governmental Activities \$1,033,320

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, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Local Taxes	\$415,900	\$415,900	\$456,199	\$40,299
Municipal Income Taxes	603,000	603,000	759,215	156,215
Intergovernmental	642,550	517,925	539,370	21,445
Charges for Services	11,750	11,750	15,591	3,841
Licenses and Permits	5,000	5,000	7,960	2,960
Investment Income	10,000	10,000	13,896	3,896
Other	19,500	34,685	40,191	5,506
<i>Total Revenues</i>	1,707,700	1,598,260	1,832,422	234,162
Expenditures:				
Current:				
General Government	1,374,393	1,398,779	1,116,785	281,994
<i>Excess of Revenues Over Expenditures</i>	333,307	199,481	715,637	516,156
Other Financing Sources (Uses):				
Advances-In	0	109,440	109,440	0
Transfers-Out	(590,000)	(580,800)	(257,500)	323,300
<i>Total Other Financing Sources (Uses)</i>	(590,000)	(471,360)	(148,060)	323,300
<i>Net Change in Fund Balance</i>	(256,693)	(271,879)	567,577	839,456
<i>Fund Balance Beginning of Year</i>	490,101	490,101	490,101	0
<i>Prior Year Encumbrances Appropriated</i>	141,524	141,524	141,524	0
<i>Fund Balance End of Year</i>	\$374,932	\$359,746	\$1,199,202	\$839,456

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, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property and Other Local Taxes	\$1,045,028	\$1,043,185	\$1,069,681	\$26,496
Intergovernmental	165,300	153,695	169,611	15,916
Fines and Forfeitures	30,000	30,000	14,040	(15,960)
Contributions and Donations	0	10,595	10,595	0
Other	0	2,853	14,075	11,222
<i>Total Revenues</i>	1,240,328	1,240,328	1,278,002	37,674
Expenditures:				
Current:				
Security of Persons and Property	1,664,274	1,677,721	1,476,709	201,012
<i>Excess of Revenues Under Expenditures</i>	(423,946)	(437,393)	(198,707)	238,686
Other Financing Sources :				
Transfers-In	275,000	275,000	137,500	(137,500)
<i>Net Change in Fund Balance</i>	(148,946)	(162,393)	(61,207)	101,186
<i>Fund Balance Beginning of Year</i>	145,125	145,125	145,125	0
<i>Prior Year Encumbrances Appropriated</i>	89,521	89,521	89,521	0
<i>Fund Balance End of Year</i>	<u>\$85,700</u>	<u>\$72,253</u>	<u>\$173,439</u>	<u>\$101,186</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Fire Fund
For the Year Ended December 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property and Other Local Taxes	\$406,877	\$404,300	\$416,153	\$11,853
Intergovernmental	64,350	56,567	65,629	9,062
Other	0	10,360	11,974	1,614
<i>Total Revenues</i>	471,227	471,227	493,756	22,529
Expenditures:				
Current:				
Security of Persons and Property	465,366	475,727	421,734	53,993
<i>Excess of Revenues Over (Under) Expenditures</i>	5,861	(4,500)	72,022	76,522
Other Financing Uses:				
Advances-Out	0	(109,440)	(109,440)	0
<i>Net Change in Fund Balance</i>	5,861	(113,940)	(37,418)	76,522
<i>Fund Balance Beginning of Year</i>	110,402	110,402	110,402	0
<i>Prior Year Encumbrances Appropriated</i>	47,987	47,987	47,987	0
<i>Fund Balance End of Year</i>	<u>\$164,250</u>	<u>\$44,449</u>	<u>\$120,971</u>	<u>\$76,522</u>

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Fund Net Assets
Enterprise Fund
For the Year Ended December 31, 2004

	Water Department
Assets:	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$93,750
Receivables:	
Accounts	8,436
Special Assessments - Current	75,261
Special Assessments - Delinquent	29,882
<i>Total Current Assets</i>	207,329
Non-current Assets:	
Depreciable Capital Assets, Net	3,985,285
Total Assets	4,192,614
 Liabilities:	
Current:	
Due to Other Governments	12,824
Long-Term Liabilities:	
Loan Payable	4,087,472
Total Liabilities	4,100,296
 Net Assets:	
Invested in Capital Assets, Net of Related Debt	(102,187)
Unrestricted	194,505
Total Net Assets	\$92,318

See accompanying notes to the basic financial statements

City of Clayton, Ohio
*Statement of Revenues, Expenses and
 Changes in Fund Net Assets
 Enterprise Fund
 For the Year Ended December 31, 2004*

	Water Department
Operating Revenues:	
Charges for Services	\$9,904
Tap-In fees	51,281
<i>Total Operating Revenues</i>	61,185
Operating Expenses:	
Contractual Services	16,144
Depreciation	102,187
Total Operating Expenses	118,331
<i>Change in Net Assets</i>	(57,146)
<i>Net Assets Beginning of Year</i>	149,464
<i>Net Assets End of Year</i>	\$92,318

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Statement of Cash Flows
Enterprise Fund
For the Year Ended December 31, 2004

	Water Department
Increase (Decrease) in Cash and Cash Equivalents:	
Cash Flows from Operating Activities:	
Cash Received From Customers	\$49,730
Cash Payments to Suppliers	(9,056)
<i>Net Increase in Cash and Cash Equivalents</i>	40,674
<i>Cash and Cash Equivalents Beginning of Year</i>	53,076
<i>Cash and Cash Equivalents End of Year</i>	\$93,750
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating Loss	(\$57,146)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	102,187
Increase in Accounts Receivable	(51)
Increase in Special Assessments Receivable	(11,404)
Increase in Due to Other Governments	7,088
<i>Net Cash Provided by Operating Activities</i>	\$40,674

See accompanying notes to the basic financial statements

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

The City participates in one risk sharing pool, the Ohio Government Risk Management Plan (the “Plan”). This organization is presented in Note 18 to the Basic Financial Statements.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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 fund provided they do not conflict with or contradict GASB pronouncements. The City does not apply FASB Statements issued after November 30, 1989 to its business-type activities or enterprise fund. 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. 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.

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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 two categories of funds utilized by the City: governmental and proprietary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City typically 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 purpose 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 all financial resources except those required to be accounted for 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 revenue received from a City-wide property tax levy, fines and forfeitures, and interest that are expended for the cost of operating the police department.

Fire Fund – The Fire Fund is used to account for revenue received from a City-wide property tax levy that is expended for the cost of operating the fire department.

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

State Route 48 Improvement Fund – The State Route 48 Improvement Fund is used to account for debt proceeds used to finance major improvements to State Route 48, and the expenditures for the Main Street Increment Financing.

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

Proprietary Fund

The proprietary fund focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary fund is an enterprise fund.

Enterprise Fund – Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the City accounts for the provision of water service to certain residents and businesses within the City.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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 on 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 fund is accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund 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.

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 fund also uses 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 that 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 thirty-one days of year-end.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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, 2004, but were levied to finance 2005 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, including the enterprise fund, 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, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During 2004, investments were limited to the State Treasury Assets Reserve of Ohio (STAROhio) and a repurchase agreement. 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, 2004. Non-participating investment contracts, such as repurchase agreements, are reported at cost.

The City Council has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during 2004 amounted to \$2,622, which includes \$1,787 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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, 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

The City's only capital assets are general capital assets. General capital assets 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 fund are reported in both the Business-Type Activity 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 three thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

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

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Buildings	30-40 years
Improvements Other Than Buildings	10 years
Furniture and Fixtures	2-20 years
Vehicles	5-25 years
Equipment	7-20 years
Infrastructure	10-60 years

The City's infrastructure system consists of streets, curbs, gutters, sidewalks, street lights, and water lines. For 2004, the City reported infrastructure for the first time. The City only reports the amounts acquired after 2003. 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. The City plans to phase in the prior years' amounts in the future years.

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 fund 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, contractually required pension contributions, and 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. Loans 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 using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the City has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee 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 ten years of service with the City.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Net assets restricted for other purposes include funds for the operation of recreational activities, improving the living environment of the City, the operation of police, fire, and EMS programs, and the City's street repair/improvement programs.

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

Fund Balance Reserves

The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. As a result, encumbrances are recorded as a reservation of fund balance.

Interfund Transaction

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

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 nonoperating revenues/expenses in the enterprise fund. 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 fund. For the City, these revenues are charges for services for water services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of this fund. Revenues and expenses that do not meet these definitions are reported as nonoperating.

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.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Process

All 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 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 budgetary control has been established by Council at the fund level.

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 final amended certificate of estimated resources in effect at the time final appropriations were passed by Council.

The appropriation 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 appropriation 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.

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND BALANCE

For 2004, the City has implemented *GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"*, *GASB Statement No. 37, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus"*, *GASB Statement No. 38, "Certain Financial Statement Note Disclosures"*, *GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units"*, *GASB Statement No. 41, "Budgetary Comparison Schedules - Perspective Differences"*, *GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section"*, and *GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements."*

GASB Statement No. 34 creates new Basic Financial Statements for reporting on the City's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. The government-wide financial statements combine the governmental activities into one column.

GASB Statement No. 37 clarifies certain provisions of *GASB Statement No. 34*, including the required content of the Management's Discussion and Analysis, the classification of program revenues and the criteria for determining major funds.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND BALANCE (Continued)

GASB Statement No. 38 modifies, establishes, and rescinds certain financial statement note disclosures.

GASB Statement No. 39 further defines the guidelines of *GASB Statement No. 14*, “*The Financial Reporting Entity*”. The implementation of this new statement had no effect on the City’s financial statements for 2004.

GASB Statement No. 41 only applies when there are significant perspective differences that prevent an entity from associating the estimated revenues and appropriations from its legally adopted budget to the major revenue sources and functional expenditures that are reported in the general and major special revenue funds. The implementation of this statement had no effect on the presentation of the budgetary statements by the City for 2004.

GASB Statement No. 44 defines the requirements for the statistical tables in the Comprehensive Annual Financial Report.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where differences have arisen, or potentially could arise, in interpretation and practice.

The City has implemented a new capital assets policy which increases the capitalization threshold for capital assets from \$1,000 to \$3,000. The reason for the change was to reduce the cost of maintaining capital assets information by significantly reducing the number of items tracked. For general capital assets, the balance at December 31, 2003 changed by \$137,000, from \$3,855,091 to \$3,718,091, prior to depreciation.

The implementation of these changes had the following effects on fund balance of the major and nonmajor funds of the City as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF PRIOR YEAR FUND BALANCE (Continued)

	General	Police	Fire	State Route 48 Improvement	Funds	Total
Fund Balances, December 31, 2003	\$827,192	\$183,200	\$8,995	\$195,569	\$906,162	\$2,121,118
GASB Interpretation No. 6	114	6,829	809	0	548	8,300
Intergovernmental Payable	(10,538)	(38,846)	(9,535)		(15,206)	(74,125)
Adjusted Fund Balance, December 31, 2003	<u>\$816,768</u>	<u>\$151,183</u>	<u>\$269</u>	<u>\$195,569</u>	<u>\$891,504</u>	2,055,293
GASB Statement No. 34 Adjustments:						
Capital Assets						1,492,690
Accrued Interest Payable						(12,160)
Long-Term Liabilities:						
Notes						(1,600,000)
Capital Leases						(1,908)
Compensated Absences						(132,421)
Long-Term (Deferred) Assets:						
Delinquent Property Taxes						321,813
Accounts Receivable						90,363
Special Assessments Receivable						23,832
Due from Other Governments						505,822
Governmental Activities, Net Assets December 31, 2003						<u>\$2,743,324</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, 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 as a reservation of fund balance (GAAP basis).
4. 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, 2004

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (Continued)

Net Change in Fund Balance

	<u>General</u>	<u>Police</u>	<u>Fire</u>
GAAP Basis	\$583,701	(\$447)	\$109,366
Revenue Accruals	(37,292)	5,965	0
Expenditure Accruals	7,753	10,653	9,948
Encumbrances	(96,025)	(77,378)	(47,292)
Advances	109,440	0	(109,440)
Budget Basis	<u>\$567,577</u>	<u>(\$61,207)</u>	<u>(\$37,418)</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

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

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

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

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

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Finance Director by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies are permitted to 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, 2004

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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. 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. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

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

The following information classifies deposits and investments by categories of risk as defined in *GASB Statement No. 3 "Deposits with Financial Institutions, (including Repurchase Agreements) Investments and Reverse Repurchase Agreements"*.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Deposits

At year-end, the carrying amount of the City's deposits was \$1,330,258 and the bank balance was \$1,461,080. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized. Although the balance was collateralized by securities held by the financial institutions; trust departments in the City's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the City to a successful claim by the FDIC.

Investments

GASB Statement No. 3 "Deposits with Financial Institutions, Investments (including Repurchase Agreements)" requires that local governments disclose the carrying amounts and fair value of investments, classified by risks. The City's investments are categorized as either (1) insured or registered or for which the securities are held by the City or its agent in the City's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAROhio, an investment fund operated by the Ohio State Treasurer, is unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Unclassified	Category 3	Carrying/Fair Value
Repurchase Agreements	\$0	\$4,207,336	\$4,207,336
STAROhio	409,959	0	409,959
Total	\$409,959	\$4,207,336	\$4,617,295

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in *GASB Statement No. 9 "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting"*. A reconciliation between classifications of cash and cash equivalents and investments on the basic statements and the classifications of deposits and investments presented above per *GASB Statement No. 3* is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement No. 9	\$5,947,553	\$0
Investments:		
Repurchase Agreement	(4,207,336)	4,207,336
STAROhio	(409,959)	409,959
GASB Statement No. 3	\$1,330,258	\$4,617,295

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility and tangible personal property located in the City. Property tax revenue received during 2004 for real and public utilities property taxes represents collections of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) are for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

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. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value for capital assets and 23 percent of true value for inventory.

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

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 by 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, 2004, 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 2004 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, 2004, was \$23.37 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>	<u>Percent</u>
Real Property	\$237,111,590	96.28%
Public Utility Property	6,750,130	2.74%
Tangible Personal Property	2,422,986	0.98%
Totals	<u>\$246,284,706</u>	<u>100.00%</u>

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 7 – MUNICIPAL INCOME TAX

The City levies a municipal income tax of 1.5 percent on all salaries, wages, commissions, other compensation and on 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 the City resolution.

NOTE 8 – RECEIVABLES

Receivables at December 31, 2004, consisted of property and other local taxes, municipal income taxes, increment tax, accounts, special assessments, and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered fully collectible. In the business-type activity, the water line tape-in fees are assessed. Special assessments, resulting from governmental and business-type activities, expected to be collected in more than one year for the City amount to \$56,513. The City has \$32,237 delinquent special assessments at December 31, 2004.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government Assistance	\$27,858
Local Government	141,621
Estate Tax	111,614
Personal Property Tax Exemption	2,709
Homestead, Rollback, and Exemption	133,504
Gas Tax	198,339
Motor Vehicle Tax	54,475
Court Fines	770
FEMA Grant	24,613
Traffic Safety Grant	1,270
EMS Grant	3,917
Total Intergovernmental Receivable	<u>\$700,690</u>

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 8 – RECEIVABLES (Continued)

Increment Tax 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 thirty years, commencing with the 1999 tax year and ending no later than December 16, 2029. The City accrues a receivable for the amount owed to the City. The receivable represents amounts measurable at December 31, 2004. The City is not able to measure the receivable for all future payments because the payments are based upon projected tax collections were it not for the exemption.

NOTE 9 – CAPITAL ASSETS

Changes in general fixed assets during the year ended December 31, 2004, were as follows:

	Restated Balance at 12/31/03	Additions	Deletions	Balance at 12/31/04
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$227,357	\$0	\$0	\$227,357
Depreciable Capital Assets:				
Buildings	726,380	0	0	726,380
Improvements Other Than Buildings	10,418	21,970	0	32,388
Furniture and Fixtures	72,560	0	0	72,560
Vehicles	2,219,168	135,300	0	2,354,468
Equipment	462,208	63,883	0	526,091
Infrastructure	0	191,196	0	191,196
Total Depreciable Capital Assets	3,490,734	412,349	0	3,903,083
Less Accumulated Depreciation:				
Buildings	551,419	17,105	0	568,524
Improvements Other Than Buildings	10,418	1,099	0	11,517
Furniture and Fixtures	38,052	2,722	0	40,774
Vehicles	1,375,172	110,765	0	1,485,937
Equipment	250,340	43,541	0	293,881
Infrastructure	0	9,560	0	9,560
Total Accumulated Depreciation	2,225,401	184,792	0	2,410,193
Depreciable Capital Assets, Net	1,265,333	227,557	0	1,492,890
Governmental Activities Capital Assets, Net	\$1,492,690	\$227,557	\$0	\$1,720,247

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 9 – CAPITAL ASSETS (Continued)

	Restated Balance at 12/31/03	Additions	Deletions	Balance at 12/31/04
Business-Type Activity				
Depreciable Capital Assets:				
Infrastructure	\$0	\$4,087,472	\$0	\$4,087,472
Less Accumulated Depreciation:				
Infrastructure	0	102,187	0	102,187
Business-Type Activity Capital Assets, Net	<u>\$0</u>	<u>\$3,985,285</u>	<u>\$0</u>	<u>\$3,985,285</u>

Depreciation expense was charged to governmental programs as follows:

General Government	\$37,986
Security of Persons and Property	98,243
Transportation	<u>48,563</u>
Total Depreciation Expense	<u>\$184,792</u>

NOTE 10 – DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% 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 that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 10 – DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9.0 percent. The City's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the City's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The City's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$151,901, \$118,828, and \$125,265 respectively; 72.15 percent has been contributed for 2004 and 100 percent for 2003 and 2002. There were no contributions to the member-directed plan for 2004 made by the City nor by the plan members.

Ohio Police and Fire Pension Fund

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 the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Plan members are required to contribute 10 percent of their annual covered salary to fund pension obligations while the City is required to contribute 11.75 percent for police officers and 16.25 percent for firefighters. Contributions are authorized by State statute. The City's contributions to OP&F for the years ended December 31, 2004, 2003, and 2002 were \$59,923, \$60,530, and \$77,993, respectively, equal to the required contributions for each year. The full amount has been contributed for 2003 and 2002. 74.13 percent has been contributed for 2004 with the remainder being reported as a liability.

NOTE 11 – POSTEMPLOYMENT BENEFITS

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 percent of covered payroll was the portion that was used to fund health care.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 11 – POSTEMPLOYMENT BENEFITS (Continued)

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.00 percent annually.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$56,820. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

In December 2001, the Board adopted the Health Care “Choices” Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year “cliff” eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs.

Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 11 – POSTEMPLOYMENT BENEFITS (Continued)

Ohio Police and Fire Pension Fund

The Ohio Police and Fire Pension Fund (OP&F) provides postretirement health care coverage to 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. An eligible dependent child is any child under the age of 18 whether or not the child is attending school, or under the age of 22 if attending school full-time or on a 2/3 basis.

The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in *GASB Statement No. 12*. The Ohio Revised Code provides the authority allowing the Ohio Police and Fire Pension Fund's board of trustees to provide health care coverage and states that health care costs paid from the funds of OP&F shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis. The total police employer contribution rate is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.75 percent of covered payroll was applied to the postemployment health care program during 2004. In addition, since July 1, 1992, most retirees have been required to contribute a portion of the cost of their health care coverage through a deduction from their monthly benefit payment. Beginning in 2001, all retirees and survivors have monthly health care contributions.

The City's actual contributions for 2004 that were used to fund postemployment benefits were \$17,130 for police and \$16,192 for firefighters. The OP&F's total health care expense for the year ended December 31, 2003, (the latest information available) was \$150,853,148, which was net of member contributions of \$17,207,506. The number of OP&F participants eligible to receive health care benefits as of December 31, 2003, was 13,662 for police and 10,474 for firefighters.

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. 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 ten years of service with the City will be paid one hour of pay for each four hours of their accumulated sick leave up to 240 hours, based on the union agreements and the City's personnel policy.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 12 - OTHER EMPLOYEE BENEFITS (Continued)

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. The provider of these benefits is 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 premium. The Police and Sergeants 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 The Guardian.

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE

During 2004, the City entered into lease agreements for the purchase of 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 lease have been capitalized in the Statement of Net Assets for governmental activities in the amount of \$135,013, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Assets for governmental activities. Principal payments in fiscal year 2004 totaled \$16,253.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Truck and accessories	\$135,013
Less: Accumulated Depreciation	<u>(3,383)</u>
Total	<u><u>\$131,630</u></u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2004.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 13 - CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

December 31, 2005	Total Payments
2005	\$29,591
2006	29,591
2007	29,591
2008	29,591
2009	14,796
Total	133,160
Less: Amount Representing Interest	(12,492)
Present Value of Minimum Lease Payments	\$120,668

NOTE 14 - LONG-TERM OBLIGATIONS

Changes in long-term obligations during 2004 were as follows:

Types/Issues	Balance 12/31/03	Issued	Retired	Balance 12/31/04	Due Within One Year
Governmental Activities					
General Obligation Notes Payable:					
2004 State Route 48 Improvement					
Notes - 1.74%	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$0
2004 Land Acquisition Notes - 3.05%	0	2,900,000	0	2,900,000	0
Total General Obligation Notes	1,600,000	4,500,000	1,600,000	4,500,000	0
Other Long-Term Obligations:					
Capital Lease Payable	1,908	135,013	16,253	120,668	24,973
Compensated Absences Payable	132,421	120,378	126,650	126,149	82,202
Total Other Long-Term Obligations	134,329	255,391	142,903	246,817	107,175
Total Governmental Activities General Long-Term Obligations	\$1,734,329	\$4,755,391	\$1,742,903	\$4,746,817	\$107,175
Business-Type Activity					
2004 Water Line Loan Payable	\$0	\$4,087,472	\$0	\$4,087,472	\$0

The 2003 State Route 48 Improvement Notes were issued on August 8, 2004, in the amount of \$1,600,000 for the purpose of improving State Route 48. The notes were issued at a 1.74 percent interest rate and reached maturity on April 14, 2004. The notes were paid from the State Route 48 Improvement Fund.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 14 - LONG-TERM OBLIGATIONS (Continued)

The 2004 Land Acquisition Notes were issued on December 15, 2004, in the amount of \$2,900,000 for the purpose of acquiring land. The notes were issued at a 3.05 percent interest rate and will reach maturity on June 15, 2005. The notes will be paid from the Capital Improvement Fund. At year-end, none of the note proceeds had been spent by the City.

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

The 2004 Water Line Loan was a project through the City of Dayton that was completed in May of 2004. The terms and agreement for the repayment of this project has not been finalized with the City of Dayton.

The City's overall legal debt margin was \$22,959,894 at December 31, 2004, and the unvoted debt margin was \$10,645,659.

NOTE 15 - TRANSFERS

Transfers made during the year ended December 31, 2004, were as follows:

	Transfers From		
Transfers To	General Fund	Nonmajor Governmental Funds	Total
Police Fund	\$137,500	\$0	\$137,500
State Route 48 Improvement Fund	0	20,942	20,942
Nonmajor Governmental Funds	120,000	0	120,000
Total	<u>\$257,500</u>	<u>\$20,942</u>	<u>\$278,442</u>

Transfers are used to move General Fund revenues that are used to subsidize various programs in other funds. The transfer from the nonmajor governmental funds to the State Route 48 Improvement Fund was to move the debt activity to the fund that originally received the proceeds.

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.

For 2004, the City participated in the Ohio Government Risk Management Plan (the "Plan"), a risk sharing pool. (See Note 18) The City pays its annual premium to its agent, Swartzel/Affiliated Insurance Services. Coverage is as follows:

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 16 - RISK MANAGEMENT (Continued)

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
Municipal General Liability (per Occurrence/aggregate)	\$5,000,000/\$7,000,000	\$0
Public Official (per Occurrence/aggregate)	5,000,000/7,000,000	2,500
Police Professional (per Occurrence/aggregate)	5,000,000/7,000,000	5,000
Municipal Automobile Liability (per Occurrence)	5,000,000	0
Building and Contents	3,062,408	1,000
Inland Marine	1,223,702	500
Electronic Data Processing	90,291	500

Settled claims have not exceeded this coverage in any of the past three years and there have been no significant reductions in coverage from last 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 - JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission

The Miami Valley Regional Planning Commission (the "Commission") is a jointly governed organization between Preble, 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 2004. Financial information may be obtained by writing to Mike Robinette, Executive Director, One South Main Street, Suite 260, Dayton, Ohio 45402.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

Economic Development/Government Equity Program

The Economic Development/Government Equity Program ("ED/GE") was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that county economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships, and cities within Montgomery County, and Montgomery County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County.

The ED/GE Advisory Committee, made up of alternating member entities' representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. The City has agreed to be a member for ten 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 the General Fund. The City paid \$2,065 to ED/GE during 2004. Financial information may be obtained by writing to Linda Gum, Administrative Assistant, 451 West Third Street, Dayton, Ohio, 45422.

NOTE 18 – RISK SHARING POOL

The Government belongs to the Ohio Government Risk Management 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 5 percent portion retained by the Plan. After September 1, 2003, the Plan pays the lesser of 5 percent or \$25,000 for casualty losses up to the coverage limit and the lesser of 5 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.

The Pool's financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2004 and 2003 (the latest information available):

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 18 - INSURANCE PURCHASING POOL (Continued)

	<u>2004</u>	<u>2003</u>
Assets	\$6,685,522	\$5,402,167
Liabilities	<u>(2,227,808)</u>	<u>(1,871,123)</u>
Members' Equity	<u>\$4,457,714</u>	<u>\$3,531,044</u>

You can read the complete audited financial statements for The Ohio Government Risk Management Plan at the Plan's website, www.ohioplan.org.

NOTE 19 - CONTINGENT LIABILITIES

Federal and State Grants

For the period January 1, 2004, to December 31, 2004, 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 of Clayton is a party in legal proceedings. The City is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

NOTE 20 - CONTRACTUAL COMMITMENTS

As of December 31, 2004, the City had contractual purchase commitment to Jergens Beles for Crestway and Wenger Road sanitary sewer and waterline improvements in the amount of \$2,520,610.

NOTE 21 – SUBSEQUENT EVENTS

On February 23, 2005, the City was approved for a Ohio Water Development Authority loan for sewer expansion in the amount of \$3,050,000. The loan matures on July 1, 2035, and bears an interest rate of four percent.

In March of 2005, the City purchased land for the Commerce Park in the amount of \$2,500,000 from the land acquisition note proceeds received in 2004.

In April of 2005, the City opted to roll over the \$1,600,000 State Route 48 Improvement Note to June 15, 2005 at which time the City plans to combine and bond this note with the land acquisition note.

City of Clayton, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 21 – SUBSEQUENT EVENTS (Continued)

On June 14, 2005, The City was approved for a various purpose bond for the State Route 48 Improvement and the Land Acquisition in the amount of \$4,500,000. The bond matures on December 1, 2030, and bears a varying interest rate.

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 the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments, or major capital projects) that are legally restricted to expenditures for specified purposes.

Nonmajor Special Revenue Funds

Cops Fund

To account for federal grant money used to add additional 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 may be used in any drug law enforcement activity.

Law Enforcement Trust Fund

To account for fine and forfeiture revenue from law enforcement.

EMS Fund

To account for money received from a property tax levy and fees that are expended to pay for the cost of operating EMS services.

Street Department Fund

To account for that portion of the State gasoline tax and motor vehicle registration fees designated for maintenance and repair of streets within the City.

State Highway Fund

To account for gasoline tax and motor vehicle license fees used 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 Montgomery County for routine street maintenance and repairs.

Street Lights Fund

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

Cemetery Fund

To account for revenues received from the sale of lots, charges for burial service and foundations, and transfers to operate and maintain the City cemetery.

Tax Increment Fund

To account for real estate taxes received from various business owners to be used for City-owned infrastructure improvements that will benefit the business owners' property.

(continued)

City of Clayton, Ohio
Nonmajor Fund Descriptions
(continued)

Capital Projects Fund

Capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities.

Nonmajor Capital Projects Fund

Irvington Storm Water Fund

To account for a capital project for storm water management on Irvington Street.

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$998,081	\$18,352	\$1,016,433
Receivables:			
Property and Other Local Taxes	187,264	0	187,264
Increment Tax	66,925	0	66,925
Accounts	17,633	0	17,633
Special Assessments - Current	22,085	0	22,085
Special Assessments - Delinquent	2,355	0	2,355
Due from Other Governments	295,398	0	295,398
Prepaid Items	29,407	0	29,407
<i>Total Assets</i>	<u>\$1,619,148</u>	<u>\$18,352</u>	<u>\$1,637,500</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$40,982	\$0	\$40,982
Accrued Wages Payable	20,731	0	20,731
Due to Other Governments	29,506	0	29,506
Deferred Revenue	530,328	0	530,328
<i>Total Liabilities</i>	<u>621,547</u>	<u>0</u>	<u>621,547</u>
Fund Balances:			
Reserved for Encumbrances	68,627	0	68,627
Unreserved, Undesignated, Reported in:			
Special Revenue Funds	928,974	0	928,974
Capital Projects Funds	0	18,352	18,352
<i>Total Fund Balances</i>	<u>997,601</u>	<u>18,352</u>	<u>1,015,953</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,619,148</u>	<u>\$18,352</u>	<u>\$1,637,500</u>

City of Clayton, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues:			
Property and Other Local Taxes	\$399,435	\$0	\$399,435
Intergovernmental	495,423	0	495,423
Charges for Services	288,067	0	288,067
Fines and Forfeitures	8,308	0	8,308
Contributions and Donations	1,736	0	1,736
Investment Income	29,820	0	29,820
Special Assesments	22,128	0	22,128
Other	36,842	0	36,842
<i>Total Revenues</i>	<u>1,281,759</u>	<u>0</u>	<u>1,281,759</u>
Expenditures:			
Current:			
General Government	69,271	0	69,271
Security of Persons and Property	594,494	0	594,494
Leisure Time Activities	667	0	667
Public Health	5,376	0	5,376
Transportation	586,560	0	586,560
<i>Total Expenditures</i>	<u>1,256,368</u>	<u>0</u>	<u>1,256,368</u>
<i>Excess of Revenues Over Expenditures</i>	<u>25,391</u>	<u>0</u>	<u>25,391</u>
Other Financing Sources (Uses):			
Transfers - In	120,000	0	120,000
Transfers - Out	(20,942)	0	(20,942)
<i>Total Other Financing Sources (Uses)</i>	<u>99,058</u>	<u>0</u>	<u>99,058</u>
<i>Net Change in Fund Balances</i>	124,449	0	124,449
<i>Fund Balances Beginning of Year</i>	<u>873,152</u>	<u>18,352</u>	<u>891,504</u>
<i>Fund Balances End of Year</i>	<u><u>\$997,601</u></u>	<u><u>\$18,352</u></u>	<u><u>\$1,015,953</u></u>

City of Clayton, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Cops	Drug Law Enforcement	Law Enforcement Trust	EMS
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$31,390	\$9,445	\$9,926	\$292,636
Receivables:				
Property and Other Local Taxes	0	0	0	180,745
Increment Tax	0	0	0	0
Accounts	0	0	0	17,633
Special Assessments - Current	0	0	0	0
Special Assessments - Delinquent	0	0	0	0
Due from Other Governments	0	25	0	17,946
Prepaid Items	0	0	0	7,375
<i>Total Assets</i>	<u>\$31,390</u>	<u>\$9,470</u>	<u>\$9,926</u>	<u>\$516,335</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	0	0	0	2,912
Accrued Wages Payable	0	0	0	6,155
Due to Other Governments	0	0	0	5,916
Deferred Revenue	0	0	0	198,691
<i>Total Liabilities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>213,674</u>
Fund Balances:				
Reserved for Encumbrances	0	0	0	17,955
Unreserved, Undesignated	31,390	9,470	9,926	284,706
<i>Total Fund Balances</i>	<u>31,390</u>	<u>9,470</u>	<u>9,926</u>	<u>302,661</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$31,390</u>	<u>\$9,470</u>	<u>\$9,926</u>	<u>\$516,335</u>

Street Department	State Highway	Permissive Motor Vehicle License Tax	Street Lights	Cemetery	Tax Increment	Total Nonmajor Special Revenue Funds
\$196,459	\$66,550	\$58,260	\$4,579	\$13,293	\$315,543	\$998,081
0	0	6,519	0	0	0	187,264
0	0	0	0	0	66,925	66,925
0	0	0	0	0	0	17,633
0	0	0	22,085	0	0	22,085
0	0	0	2,355	0	0	2,355
260,005	17,422	0	0	0	0	295,398
22,032	0	0	0	0	0	29,407
<u>\$478,496</u>	<u>\$83,972</u>	<u>\$64,779</u>	<u>\$29,019</u>	<u>\$13,293</u>	<u>\$382,468</u>	<u>\$1,619,148</u>
13,984	132	1,984	0	0	21,970	40,982
14,576	0	0	0	0	0	20,731
23,590	0	0	0	0	0	29,506
225,636	14,636	0	24,440	0	66,925	530,328
<u>277,786</u>	<u>14,768</u>	<u>1,984</u>	<u>24,440</u>	<u>0</u>	<u>88,895</u>	<u>621,547</u>
38,437	2,747	7,488	0	0	2,000	68,627
162,273	66,457	55,307	4,579	13,293	291,573	928,974
200,710	69,204	62,795	4,579	13,293	293,573	997,601
<u>\$478,496</u>	<u>\$83,972</u>	<u>\$64,779</u>	<u>\$29,019</u>	<u>\$13,293</u>	<u>\$382,468</u>	<u>\$1,619,148</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, 2004

	Cops	Drug Law Enforcement	Law Enforcement Trust	EMS
Revenues:				
Property and Other Local Taxes	\$0	\$0	\$0	\$180,936
Intergovernmental	23,561	0	1,100	35,017
Charges for Services	0	0	0	287,267
Fines and Forfeitures	0	348	7,960	0
Contributions Donations	0	0	0	1,736
Investment Income	0	0	0	0
Special Assessments	0	0	0	0
Other	0	1,790	0	18,076
<i>Total Revenues</i>	<u>23,561</u>	<u>2,138</u>	<u>9,060</u>	<u>523,032</u>
Expenditures:				
Current:				
General Government	0	0	0	0
Security of Persons and Property	0	0	830	573,383
Leisure Time Activities	0	0	0	0
Public Health	0	0	0	0
Transportation	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>830</u>	<u>573,383</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>23,561</u>	<u>2,138</u>	<u>8,230</u>	<u>(50,351)</u>
Other Financing Sources (Uses):				
Transfers - In	0	0	0	0
Transfers - Out	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	23,561	2,138	8,230	(50,351)
<i>Fund Balances Beginning of Year</i>	<u>7,829</u>	<u>7,332</u>	<u>1,696</u>	<u>353,012</u>
<i>Fund Balances at End of Year</i>	<u>\$31,390</u>	<u>\$9,470</u>	<u>\$9,926</u>	<u>\$302,661</u>

Street Department	State Highway	Permissive Motor Vehicle License Tax	Street Lights	Cemetery	Tax Increment	Total Nonmajor Special Revenue Funds
\$0	\$0	\$87,448	\$0	\$0	\$131,051	\$399,435
403,040	32,705	0	0	0	0	495,423
0	0	0	0	800	0	288,067
0	0	0	0	0	0	8,308
0	0	0	0	0	0	1,736
1,202	297	201	0	0	28,120	29,820
0	0	0	22,128	0	0	22,128
16,976	0	0	0	0	0	36,842
<u>421,218</u>	<u>33,002</u>	<u>87,649</u>	<u>22,128</u>	<u>800</u>	<u>159,171</u>	<u>1,281,759</u>
0	0	0	0	0	69,271	69,271
0	0	0	20,281	0	0	594,494
667	0	0	0	0	0	667
0	0	0	0	5,376	0	5,376
539,101	8,736	38,723	0	0	0	586,560
<u>539,768</u>	<u>8,736</u>	<u>38,723</u>	<u>20,281</u>	<u>5,376</u>	<u>69,271</u>	<u>1,256,368</u>
(118,550)	24,266	48,926	1,847	(4,576)	89,900	25,391
120,000	0	0	0	0	0	120,000
0	0	0	0	0	(20,942)	(20,942)
<u>120,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(20,942)</u>	<u>99,058</u>
1,450	24,266	48,926	1,847	(4,576)	68,958	124,449
199,260	44,938	13,869	2,732	17,869	224,615	873,152
<u>\$200,710</u>	<u>\$69,204</u>	<u>\$62,795</u>	<u>\$4,579</u>	<u>\$13,293</u>	<u>\$293,573</u>	<u>\$997,601</u>

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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$415,900	\$456,199	\$40,299
Municipal Income Taxes	603,000	759,215	156,215
Intergovernmental	517,925	539,370	21,445
Charges for Services	11,750	15,591	3,841
Licenses and Permits	5,000	7,960	2,960
Investment Income	10,000	13,896	3,896
Other	34,685	40,191	5,506
<i>Total Revenues</i>	<u>1,598,260</u>	<u>1,832,422</u>	<u>234,162</u>
Expenditures:			
Current:			
General Government			
Personal Services	481,417	440,907	40,510
Contractual Services	636,717	471,499	165,218
Materials and Supplies	27,649	20,581	7,068
Capital Outlay	180,437	123,663	56,774
Other	72,559	60,135	12,424
<i>Total Expenditures</i>	<u>1,398,779</u>	<u>1,116,785</u>	<u>281,994</u>
<i>Excess of Revenues Over Expenditures</i>	<u>199,481</u>	<u>715,637</u>	<u>516,156</u>
Other Financing Sources (Uses):			
Advances - In	109,440	109,440	0
Transfers - Out	(580,800)	(257,500)	323,300
<i>Total Other Financing Sources (Uses)</i>	<u>(471,360)</u>	<u>(148,060)</u>	<u>323,300</u>
<i>Net Change in Fund Balance</i>	(271,879)	567,577	839,456
<i>Fund Balance Beginning of Year</i>	490,101	490,101	0
<i>Prior Year Encumbrances Appropriated</i>	141,524	141,524	0
<i>Fund Balance End of Year</i>	<u>\$359,746</u>	<u>\$1,199,202</u>	<u>\$839,456</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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property and Other Local Taxes	\$1,043,185	\$1,069,681	\$26,496
Intergovernmental	153,695	169,611	15,916
Fines and Forfeitures	30,000	14,040	(15,960)
Contributions and Donations	10,595	10,595	0
Other	2,853	14,075	11,222
<i>Total Revenues</i>	<u>1,240,328</u>	<u>1,278,002</u>	<u>37,674</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	1,394,555	1,241,571	152,984
Contractual Services	171,558	134,864	36,694
Materials and Supplies	46,188	40,005	6,183
Capital Outlay	29,513	26,917	2,596
Other	35,907	33,352	2,555
<i>Total Expenditures</i>	<u>1,677,721</u>	<u>1,476,709</u>	<u>201,012</u>
<i>Excess of Revenues Under Expenditures</i>	(437,393)	(198,707)	238,686
Other Financing Sources:			
Transfers-In	275,000	137,500	(137,500)
<i>Net Change in Fund Balance</i>	(162,393)	(61,207)	101,186
<i>Fund Balance at Beginning of Year</i>	145,125	145,125	0
<i>Prior Year Encumbrances Appropriated</i>	89,521	89,521	0
<i>Fund Balance at End of Year</i>	<u>\$72,253</u>	<u>\$173,439</u>	<u>\$101,186</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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$404,300	\$416,153	\$11,853
Intergovernmental	56,567	65,629	9,062
Other	10,360	11,974	1,614
<i>Total Revenues</i>	<u>471,227</u>	<u>493,756</u>	<u>22,529</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	246,565	232,157	14,408
Contractual Services	107,660	99,133	8,527
Materials and Supplies	31,885	17,386	14,499
Capital Outlay	8,638	4,590	4,048
Other	80,979	68,468	12,511
<i>Total Expenditures</i>	<u>475,727</u>	<u>421,734</u>	<u>53,993</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(4,500)	72,022	76,522
Other Financing Uses:			
Advances-Out	(109,440)	(109,440)	0
<i>Net Change in Fund Balance</i>	(113,940)	(37,418)	76,522
<i>Fund Balance at Beginning of Year</i>	110,402	110,402	0
<i>Prior Year Encumbrances Appropriated</i>	47,987	47,987	0
<i>Fund Balance at End of Year</i>	<u>\$44,449</u>	<u>\$120,971</u>	<u>\$76,522</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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Municipal Income Taxes	\$297,000	\$383,485	\$86,485
Expenditures:			
Current:			
General Government			
Contractual Services	422,000	227,071	194,929
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(125,000)</u>	<u>156,414</u>	<u>281,414</u>
Other Financing Sources:			
Notes Issued	0	2,900,000	2,900,000
Transfers-In	125,000	0	(125,000)
<i>Net Change in Fund Balance</i>	0	3,056,414	3,056,414
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$3,056,414</u></u>	<u><u>\$3,056,414</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
State Route 48 Improvement Fund
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures:			
Current:			
General Government			
Contractual Services	524,692	520,320	4,372
Debt Service:			
Principal Retirement	<u>1,600,000</u>	<u>1,600,000</u>	<u>0</u>
<i>Total Expenditures</i>	<u>2,124,692</u>	<u>2,120,320</u>	<u>4,372</u>
<i>Excess of Revenues Under Expenditures</i>	(2,124,692)	(2,120,320)	4,372
Other Financing Sources:			
Notes Issued	<u>1,600,000</u>	<u>1,600,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(524,692)	(520,320)	4,372
<i>Fund Balance at Beginning of Year</i>	77,895	77,895	0
<i>Prior Year Encumbrances Appropriated</i>	<u>446,797</u>	<u>446,797</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$4,372</u></u>	<u><u>\$4,372</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, 2004

	Final	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$18,807	\$18,289	(\$518)
Tap-In Fees	12,693	31,441	18,748
<i>Total Revenues</i>	31,500	49,730	18,230
Expenses:			
Contractual Services	82,870	35,736	47,134
<i>Net Change in Fund Equity</i>	(51,370)	13,994	65,364
<i>Fund Equity Beginning of Year</i>	25,207	25,207	0
<i>Prior Year Encumbrances Appropriated</i>	27,870	27,870	0
<i>Fund Equity End of Year</i>	\$1,707	\$67,071	\$65,364

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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$23,561	\$23,561
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	23,561	23,561
<i>Fund Balance at Beginning of Year</i>	<u>7,829</u>	<u>7,829</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$7,829</u></u>	<u><u>\$31,390</u></u>	<u><u>\$23,561</u></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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and Forfeitures	\$0	\$348	\$348
Other	0	1,790	1,790
<i>Total Revenues</i>	0	2,138	2,138
Expenditures:			
Current:			
Security of Persons and Property			
Capital Outlay	1,790	0	1,790
<i>Net Change in Fund Balance</i>	(1,790)	2,138	3,928
<i>Fund Balance at Beginning of Year</i>	7,307	7,307	0
<i>Fund Balance at End of Year</i>	\$5,517	\$9,445	\$3,928

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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$0	\$1,100	\$1,100
Fines and Forfeitures	7,960	7,960	0
<i>Total Revenues</i>	7,960	9,060	1,100
Expenditures:			
Current:			
Security of Persons and Property			
Capital Outlay	7,960	830	7,130
<i>Net Change in Fund Balance</i>	0	8,230	8,230
<i>Fund Balance at Beginning of Year</i>	1,696	1,696	0
<i>Fund Balance at End of Year</i>	\$1,696	\$9,926	\$8,230

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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$175,975	\$180,936	\$4,961
Intergovernmental	29,183	35,017	5,834
Charges for Services	248,714	269,634	20,920
Contributions and Donations	1,286	1,736	450
Other	1,286	18,076	16,790
<i>Total Revenues</i>	<u>456,444</u>	<u>505,399</u>	<u>48,955</u>
Expenditures:			
Current:			
Security of Persons and Property			
Personal Services	442,324	440,350	1,974
Contractual Services	109,617	104,908	4,709
Materials and Supplies	36,010	18,477	17,533
Capital Outlay	11,326	5,612	5,714
Other	43,600	39,234	4,366
<i>Total Expenditures</i>	<u>642,877</u>	<u>608,581</u>	<u>34,296</u>
<i>Net Change in Fund Balance</i>	(186,433)	(103,182)	83,251
<i>Fund Balance at Beginning of Year</i>	365,229	365,229	0
<i>Prior Year Encumbrances Appropriated</i>	<u>9,817</u>	<u>9,817</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$188,613</u></u>	<u><u>\$271,864</u></u>	<u><u>\$83,251</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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$367,300	\$397,147	\$29,847
Investment Income	750	1,202	452
Other	6,200	16,976	10,776
<i>Total Revenues</i>	<u>374,250</u>	<u>415,325</u>	<u>41,075</u>
Expenditures:			
Current:			
Leisure Time Activities			
Capital Outlay	326	326	0
Other	2,434	341	2,093
<i>Total Leisure Time Activities</i>	<u>2,760</u>	<u>667</u>	<u>2,093</u>
Transportation			
Personal Services	411,995	377,494	34,501
Contractual Services	100,102	83,937	16,165
Materials and Supplies	87,921	69,610	18,311
Capital Outlay	16,068	14,888	1,180
Other	31,235	25,651	5,584
<i>Total Transportation</i>	<u>647,321</u>	<u>571,580</u>	<u>75,741</u>
<i>Total Expenditures</i>	<u>650,081</u>	<u>572,247</u>	<u>77,834</u>
<i>Excess of Revenues Under Expenditures</i>	(275,831)	(156,922)	118,909
Other Financing Sources:			
Transfers-In	120,000	120,000	0
<i>Net Change in Fund Balance</i>	(155,831)	(36,922)	118,909
<i>Fund Balance at Beginning of Year</i>	138,543	138,543	0
<i>Prior Year Encumbrances Appropriated</i>	42,870	42,870	0
<i>Fund Balance at End of Year</i>	<u>\$25,582</u>	<u>\$144,491</u>	<u>\$118,909</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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$30,250	\$32,201	\$1,951
Investment Income	75	297	222
<i>Total Revenues</i>	<u>30,325</u>	<u>32,498</u>	<u>2,173</u>
Expenditures:			
Current:			
Transportation			
Contractual Services	5,927	5,892	35
Other	9,508	6,162	3,346
<i>Total Expenditures</i>	<u>15,435</u>	<u>12,054</u>	<u>3,381</u>
<i>Net Change in Fund Balance</i>	14,890	20,444	5,554
<i>Fund Balance at Beginning of Year</i>	40,793	40,793	0
<i>Prior Year Encumbrances Appropriated</i>	<u>2,435</u>	<u>2,435</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$58,118</u></u>	<u><u>\$63,672</u></u>	<u><u>\$5,554</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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$89,500	\$87,809	(\$1,691)
Investment Income	100	201	101
<i>Total Revenues</i>	<u>89,600</u>	<u>88,010</u>	<u>(1,590)</u>
Expenditures:			
Current:			
Transportation			
Contractual Services	10,000	6,500	3,500
Materials and Supplies	9,090	6,133	2,957
Other	36,400	36,010	390
<i>Total Expenditures</i>	<u>55,490</u>	<u>48,643</u>	<u>6,847</u>
<i>Net Change in Fund Balance</i>	34,110	39,367	5,257
<i>Fund Balance at Beginning of Year</i>	6,425	6,425	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,490</u>	<u>3,490</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$44,025</u></u>	<u><u>\$49,282</u></u>	<u><u>\$5,257</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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Special Assessments	\$20,994	\$22,128	\$1,134
Expenditures:			
Current:			
Security of Persons and Property			
Contractual Services	20,994	20,281	713
<i>Net Change in Fund Balance</i>	0	1,847	1,847
<i>Fund Balance at Beginning of Year</i>	2,732	2,732	0
<i>Fund Balance at End of Year</i>	\$2,732	\$4,579	\$1,847

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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services	\$5,500	\$800	(\$4,700)
Expenditures:			
Current:			
Public Health			
Contractual Services	2,000	0	2,000
Materials and Supplies	5,351	1,320	4,031
Other	5,000	1,834	3,166
<i>Total Expenditures</i>	12,351	3,154	9,197
<i>Net Change in Fund Balance</i>	(6,851)	(2,354)	4,497
<i>Fund Balance at Beginning of Year</i>	15,296	15,296	0
<i>Prior Year Encumbrances Appropriated</i>	351	351	0
<i>Fund Balance at End of Year</i>	\$8,796	\$13,293	\$4,497

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, 2004

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property and Other Local Taxes	\$70,000	\$131,051	\$61,051
Investment Income	2,000	28,120	26,120
<i>Total Revenues</i>	<u>72,000</u>	<u>159,171</u>	<u>87,171</u>
Expenditures:			
Current:			
General Government			
Contractual Services	58,100	47,301	10,799
Capital Outlay	35,000	23,970	11,030
<i>Total General Government</i>	<u>93,100</u>	<u>71,271</u>	<u>21,829</u>
Debt Service:			
Interest and Fiscal Charges	28,000	20,942	7,058
<i>Total Expenditures</i>	<u>121,100</u>	<u>92,213</u>	<u>28,887</u>
<i>Net Change in Fund Balance</i>	(49,100)	66,958	116,058
<i>Fund Balance at Beginning of Year</i>	<u>224,615</u>	<u>224,615</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$175,515</u></u>	<u><u>\$291,573</u></u>	<u><u>\$116,058</u></u>

City of Clayton, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual (Non-GAAP Basis)
Irvington Storm Water Fund
For the Year Ended December 31, 2004

	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>	18,352	18,352	0
<i>Fund Balance at End of Year</i>	<u>\$18,352</u>	<u>\$18,352</u>	<u>\$0</u>

STATISTICAL TABLES

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

CONTENTS PAGES

Financial Trends 80-86

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 87-91

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity 92-94

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 95-96

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 97-99

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report related 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 financial reports for the relevant year. The City implemented *GASB Statement No. 34* during the current year; schedules presenting government-wide information include information for the current year only.

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

	<u>2003</u>	<u>2004</u>
Governmental Activities:		
Invested in Capital Assets, Net of Related Debt	\$86,351	\$3,952
Restricted	1,465,798	1,937,007
Unrestricted	<u>1,191,175</u>	<u>1,835,685</u>
<i>Total Governmental Activities Net Assets</i>	<u>2,743,324</u>	<u>3,776,644</u>
Business-Type Activity:		
Invested in Capital Assets, Net of Related Debt	0	(102,187)
Unrestricted	<u>149,464</u>	<u>194,505</u>
<i>Total Business-Type Activity:</i>	149,464	92,318
Primary Government:		
Invested in Capital Assets, Net of Related Debt	86,351	(98,235)
Restricted	1,465,798	1,937,007
Unrestricted	<u>1,340,639</u>	<u>2,030,190</u>
<i>Total Primary Government Net Assets</i>	<u>\$2,892,788</u>	<u>\$3,868,962</u>

City of Clayton, Ohio
Changes in Net Assets
Current Year
(accrual basis of accounting)

	2004
Program Revenues:	
Governmental Activities:	
Charges for Services:	
General Government	\$26,772
Security of Persons and Property	314,897
Public Health	800
Operating Grants, Contributions, and Interest	552,811
<i>Total Governmental Activities Program Revenues</i>	895,280
Business-Type Activities:	
Charges for Services:	
Water Department	61,185
<i>Total Primary Government Program Revenues</i>	956,465
Expenses:	
Governmental Activities:	
Current:	
General Government	1,368,528
Security of Persons and Property	2,407,965
Leisure Time Activities	667
Public Health	5,376
Transportation	537,134
Interest and Fiscal Charges	34,215
<i>Total Governmental Activities Expenses</i>	4,353,885
Business-Type Activities:	
Water Department	118,331
<i>Total Primary Government Expenses</i>	\$4,472,216

City of Clayton, Ohio
Changes in Net Assets (Continued)
Current Year
(accrual basis of accounting)

	2004
Net (Expense) / Revenue:	
Governmental Activities	(\$3,458,605)
Business-Type Activities	(57,146)
<i>Total Primary Government Net Assets</i>	<i>(3,515,751)</i>
 General Revenues:	
Governmental Activities:	
Property Taxes Levied for General Purposes	342,712
Property Taxes Levied for Police	1,022,788
Property Taxes Levied for Fire	405,506
Property Taxes Levied for EMS	176,307
Other Local Taxes	336,326
Municipal Income Tax Levied for General Purposes	852,187
Municipal Income Tax Levied for Capital Outlay	429,971
Grants and Entitlements not Restricted to Specific Programs	820,270
Contributions	12,331
Investment Income	2,622
Other	90,905
<i>Total Governmental Activities</i>	<i>4,491,925</i>
 Change in Net Assets:	
Governmental Activities	1,033,320
Business-Type Activities	(57,146)
<i>Total Primary Government</i>	<i>\$976,174</i>

City of Clayton, Ohio
Fund Balances - Governmental Funds
Last Five Years (1)
(modified accrual basis of accounting)

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Fund					
Reserved	\$18,222	\$23,351	\$68,376	\$128,863	\$77,786
Unreserved	<u>651,466</u>	<u>966,509</u>	<u>1,081,776</u>	<u>687,905</u>	<u>1,322,683</u>
<i>Total General Fund</i>	<u>669,688</u>	<u>989,860</u>	<u>1,150,152</u>	<u>816,768</u>	<u>1,400,469</u>
All Other Governmental Funds					
Reserved	9,270	174,066	243,079	408,995	243,191
Unreserved, Reported in:					
Special Revenue Funds	796,231	856,525	669,164	733,282	1,077,057
Capital Projects Funds	<u>1,352</u>	<u>(208,968)</u>	<u>(541,180)</u>	<u>96,248</u>	<u>3,093,024</u>
<i>Total All Other Governmental Funds</i>	<u>806,853</u>	<u>821,623</u>	<u>371,063</u>	<u>1,238,525</u>	<u>4,413,272</u>
<i>Total Governmental Funds</i>	<u><u>\$1,476,541</u></u>	<u><u>\$1,811,483</u></u>	<u><u>\$1,521,215</u></u>	<u><u>\$2,055,293</u></u>	<u><u>\$5,813,741</u></u>

(1) The City of Clayton did not exist prior to January 1, 2000.

City of Clayton, Ohio
Changes in Fund Balances - Governmental Funds
Last Five Years (1)
(modified accrual basis of accounting)

	2000	2001	2002	2003	2004
Revenues:					
Property and Other Local Taxes	\$2,032,740	\$2,146,736	\$2,239,105	\$2,222,997	\$2,341,468
Municipal Income Taxes	0	0	0	0	1,184,355
Intergovernmental	1,225,596	2,063,731	1,696,953	1,648,301	1,294,237
Charges for Services	44,975	127,143	240,292	264,812	301,520
Licenses and Permits	58,613	22,229	31,918	27,589	7,960
Fines and Forfeitures	0	0	0	0	22,263
Contributions and Donations	0	66,370	77,712	400	12,331
Investment Income	107,223	97,840	81,178	28,500	32,442
Special Assessments	27,456	26,747	31,056	22,765	22,128
Other	57,338	65,766	38,011	43,869	95,932
<i>Total Revenues</i>	<u>3,553,941</u>	<u>4,616,562</u>	<u>4,436,225</u>	<u>4,259,233</u>	<u>5,314,636</u>
Expenditures:					
Current:					
General Government	818,027	861,745	788,044	762,008	1,572,028
Security of Persons and Property	1,892,324	2,033,113	2,127,539	2,296,272	2,388,868
Leisure Time Activities	51,599	0	0	0	667
Public Health	4,604	7,393	3,410	6,910	5,376
Community Environment	90,688	87,233	86,588	106,591	0
Transportation	648,650	538,912	785,432	663,815	586,560
Capital Outlay	157,611	661,085	805,690	1,370,997	0
Debt Service:					
Principal Retirement	48,579	77,606	83,493	33,255	1,616,253
Interest and Fiscal Charges	9,104	26,025	21,548	19,482	21,449
<i>Total Expenditures</i>	<u>3,721,186</u>	<u>4,293,112</u>	<u>4,701,744</u>	<u>5,259,330</u>	<u>6,191,201</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(167,245)</u>	<u>323,450</u>	<u>(265,519)</u>	<u>(1,000,097)</u>	<u>(876,565)</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Fixed Assets	3,689	5,981	4,074	0	0
Notes Issued	0	0	0	1,600,000	4,500,000
Inception of Capital Lease	157,611	5,512	0	0	135,013
Transfers - In	188,000	200,000	337,500	524,052	278,442
Transfers - Out	(188,000)	(200,000)	(337,500)	(524,052)	(278,442)
<i>Total Other Financing Sources (Uses)</i>	<u>161,300</u>	<u>11,493</u>	<u>4,074</u>	<u>1,600,000</u>	<u>4,635,013</u>
<i>Net Change in Fund Balances</i>	<u>(\$5,945)</u>	<u>\$334,943</u>	<u>(\$261,445)</u>	<u>\$599,903</u>	<u>\$3,758,448</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	1.6%	2.9%	2.8%	1.4%	36.0%

(1) The City of Clayton did not exist prior to January 1, 2000.

City of Clayton, Ohio
Program Revenues by Function/Program
Current Year
(accrual basis of accounting)

	2004
Function / Program:	
Governmental Activities	
General Government	\$54,892
Security of Persons and Property	353,681
Public Health	800
Transportation	485,907
<i>Total Governmental Activities Program Revenues</i>	895,280
Business-Type Activities:	
Water Department	61,185
<i>Total Primary Government</i>	\$956,465

City of Clayton, Ohio
Tax Revenues by Source - Governmental Funds
Last Five Years (1)
(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

(1) The City of Clayton did not exist prior to January 1, 2000.

* Beginning in 2004 the City started collecting on the 1.5% municipal income tax levy passed by the voters.

City of Clayton, Ohio
Assessed Value and Estimated Actual Value of Taxable Property
Last Five Years (1)

Collection Year	Real Property	Tangible Personal Property	Public Utility Personal Property	Total Taxable Assessed Value	Estimated Actual Value of Taxable Property
2000	\$205,435,070	\$1,664,171	\$10,162,410	\$217,261,651	619,712,943
2001	208,522,520	1,865,725	9,256,180	219,644,425	627,013,082
2002	210,338,900	2,144,783	6,811,490	219,295,173	627,040,562
2003	234,642,230	2,287,021	6,969,700	243,898,951	697,453,912
2004	237,111,590	2,422,986	6,750,130	246,284,706	704,489,191

Source: Montgomery County Auditor

- (1) The City of Clayton did not exist prior to January 1, 2000.

Assessed valuation for real property is based upon 35% of estimated true value set by county appraisal, and tangible personal property is valued at 25% of true value of capital assets and 23% of listed value for inventory. Public utility real property is assessed at 35% of true value and public utility tangible personal property is currently assessed at varying percentages of true value.

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

City Full Rate (2)(3)					
Tax Year	General	Police	Fire and EMS (4)	Emergency Medical Service (4)	Total Direct
2000	1.60	7.68	2.30	1.00	12.58
2001	1.60	7.68	2.30	1.00	12.58
2002	1.60	7.68	2.30	1.00	12.58
2003	1.60	7.68	2.30	1.00	12.58
2004	1.60	7.68	2.30	1.00	12.58

Source: Montgomery County Auditor

(1) The City of Clayton did not exist prior to January 1, 2000.

(2) Before application of tax reduction factors for voted real property taxes.

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

(4) Clayton Fire District.

Overlapping Rates

Northmont School District	Trotwood- Madison School District	Brookville School District	Sinclair Community College	Miami Valley Career Technology Center	Montgomery County
58.83	52.64	57.09	0.00	2.58	17.24
58.83	52.91	57.08	0.00	2.58	17.24
58.80	61.05	65.60	0.00	2.58	17.24
64.15	60.85	65.60	2.50	2.58	15.74
64.15	60.70	65.60	2.50	2.58	15.74

City of Clayton, Ohio
Principal Property Tax Payers
December 31, 2004 (1)

Taxpayer	2004	
	Total Assessed Valuation	Percentage of Total Assessed Valuation
Dayton Power and Light	\$3,737,900	1.52%
Stoneridge Associates	1,828,450	0.74
Verizon North	1,223,950	0.50
Clayton Realty Company	943,160	0.38
Garden Woods Apartments	921,960	0.37
Vectren Energy Delivery	464,680	0.19
Capstone Realty Advisors	602,480	0.25
Randolph Investments	601,470	0.25
Greenglen Apartments of Dayton	570,960	0.23
H/S Development	255,190	0.10
Total Real and Personal Property	11,150,200	4.53%
All Others	235,134,506	95.47%
Total Assessed Valuation	<u>\$246,284,706</u>	<u>100.00%</u>

Source: Montgomery County Auditor

(1) Information at December 31, 2000 is not available.

City of Clayton, Ohio
Property Tax Levies and Collections
Last Five Years (1)

Collection Year	Total Tax Levied (2)	Current Tax Collection (2)	Percent of Current Levy Collected	Delinquent Tax Collection (3)	Total Tax Collections	Percent of Total Collections To Total Levy
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%

Source: Montgomery County Auditor

- (1) The City of Clayton did not exist prior to January 1, 2000.
- (2) Current taxes levied and current tax collections do not include rollback and homestead amounts.
- (3) Delinquent tax collections include amounts collected from penalties, interest, and other delinquent collections. Allocations of delinquent collections to prior periods are unavailable.

City of Clayton, Ohio
Ratios of Outstanding Debt by Type
Governmental Activities
Last Five Years (1)

<u>Fiscal Year</u>	<u>Improvement Notes</u>	<u>Capital Leases</u>	<u>Total Outstanding Debt</u>	<u>Estimated Actual Value of Taxable Property</u>	<u>Population (2)</u>	<u>Ratio of Debt to Estimated Actual Value</u>	<u>Debt Per Capita</u>
2000	\$110,000	\$190,750	\$300,750	\$619,712,943	13,347	0.05%	\$22.53
2001	650,000	118,656	768,656	627,013,082	13,347	0.12%	57.59
2002	650,000	35,163	685,163	627,040,562	13,347	0.11%	51.33
2003	1,600,000	1,908	1,601,908	697,453,912	13,347	0.23%	120.02
2004	4,500,000	120,668	4,620,668	704,489,191	13,347	0.66%	346.20

(1) The City of Clayton did not exist prior to January 1, 2000.

(2) Source: 2000 Census

City of Clayton, Ohio
Direct and Overlapping Governmental Activities Debt
 December 31, 2004

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Clayton (1)	Amount Applicable to the City of Clayton
Direct Debt:			
City of Clayton	\$4,500,000	100.00%	\$4,500,000
Overlapping Debt:			
Montgomery County	31,741,600	2.46%	780,843
Northmont School District	110,000	38.21%	42,031
Trotwood-Madison School District	34,089,750	2.51%	855,653
Brookville School District	22,854,992	0.17%	38,853
Miami Valley Regional Transit Authority	10,210,000	2.46%	251,166
Total Overlapping Debt	99,006,342		1,968,546
Grand Total	\$103,506,342		\$6,468,546

Source: Montgomery County Auditor

(1) Percentages were determined by dividing each overlapping subdivision's assessed valuation within the City by its total assessed valuation.

City of Clayton, Ohio
Legal Debt Margin Information
Last Five Years (1)

	2004	2003	2002	2001	2000
Total Assessed Valuation	\$246,284,706	\$243,898,951	\$219,295,173	\$219,644,425	\$217,261,651
Overall debt limitation - 10.5% of assessed valuation	25,859,894	25,609,390	23,025,993	23,062,665	22,812,473
Gross indebtedness authorized by the City	8,587,472	1,600,000	650,000	650,000	0
Less Exempt Debt					
State Route 48 Improvement Note	1,600,000	1,600,000	650,000	650,000	0
Water Line Loan	4,087,472	0	0	0	0
Total Exempt Debt	5,687,472	1,600,000	650,000	650,000	0
Total Net Debt Subject to Limitation	2,900,000	0	0	0	0
Legal debt margin within 10.5% limitation	\$22,959,894	\$25,609,390	\$23,025,993	\$23,062,665	\$22,812,473
Legal Debt Margin as a Percentage of the Debt Limit	88.8%	100.0%	100.0%	100.0%	100.0%
Unvoted debt limitation 5.5% of assessed valuation	\$13,545,659	\$13,414,442	\$12,061,235	\$12,080,443	\$11,949,391
Gross indebtedness authorized by the City	8,587,472	1,600,000	650,000	650,000	0
Less Exempt Debt					
State Route 48 Improvement Note	1,600,000	1,600,000	650,000	650,000	0
Water Line Loan	4,087,472	0	0	0	0
Total Exempt Debt	5,687,472	1,600,000	650,000	650,000	0
Total Net Debt Subject to Limitation	2,900,000	0	0	0	0
Legal debt margin within 10% limitation	\$10,645,659	\$13,414,442	\$12,061,235	\$12,080,443	\$11,949,391
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	78.6%	100.0%	100.0%	100.0%	100.0%

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

(1) The City of Clayton did not exist prior to January 1, 2000.

City of Clayton, Ohio
Demographic and Economic Statistics
Last Five Years (1)

Year	Population (2)	Total Personal Income (3)	Per Capita Personal Income (2)	Median Household Income (2)	Median Age (2)	Percent of High School or Higher Graduates (2)	Unemployment Rate (4)	Total Assessed Property Value (5)
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

(1) The City did not exist prior to January 1, 2000

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

City of Clayton, Ohio
Principal Employers
 December 31, 2004 (1)

Employer	2004	
	Total Employees	Percentage of Total Employees
Northmont Board of Education	600	18.96%
Stillwater Center	113	3.57%
Studebaker Electric	45	1.42%
Anchor Fabricating	44	1.39%
Landes Fresh Meats	40	1.26%
City of Clayton	37	1.17%
Matrix Meadowbrook	30	0.95%
Caffe Anticoli	20	0.63%
United Dairy Farmers	19	0.60%
Deeter Nurseries	16	0.51%
Total Employees	964	30.46%
All Other Employers	2,200	69.54%
Total Employees	3,164	100.00%

(1) Information at December 31, 2000 is not available.

City of Clayton, Ohio
City Government Employees by Function/Program
Last Five Years (1)

	2000		2001		2002		2003		2004	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
<i>Governmental Activities:</i>										
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>

(1) The City of Clayton did not exist prior to January 1, 2000.

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

(1) Information prior to 2002 was not available.

City of Clayton, Ohio
Capital Assets Statistics by Function/Program
December 31, 2004 (1)

General Government	
Government Center	1
Community Center	1
Gazebo	1
Parks	3
Cemeteries	2
Vehicles	2
Police	
Stations	1
Patrol Vehicles	
Active	7
Auxilliary	8
Support Vehicles/Trailers	2
Fire	
Stations	3
Response Vehicles	12
Support	2
EMS	
Medics	5
Street	
Buildings	1
Trucks	14
Auxilliary Vehicles	9
Pickups	3
Mowers	7

(1) Information prior to 2004 was not available.

THIS PAGE INTENTIONALLY LEFT BLANK



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**CITY OF CLAYTON
MONTGOMERY COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 23, 2005**