

City of Dayton, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2000

Prepared by:
Department of Finance
Cheryl J. Garrett, Finance Director
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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Honorable Mayor and Members of City Commission
City of Dayton

We have reviewed the Independent Auditor's Report of the City of Dayton, Montgomery County, prepared by Foxx & Company for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

JIM PETRO
Auditor of State

October 9, 2001

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CITY OF DAYTON, OHIO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2000

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July 27, 2001

Ms. Valerie Lemmie
City Manager
Dayton, Ohio

Dear Ms. Lemmie:

With this letter, I transmit the City of Dayton's Comprehensive Annual Financial Report (CAFR) for 2000 to you, the Mayor and Commissioners, the citizens of this City, the investment community, and to all other interested parties. The CAFR was prepared using generally accepted accounting principles for governments and contains all disclosures necessary to enable the reader to understand the City's financial affairs. Responsibility for both the accuracy of the data and completeness and fairness of the presentation rests with management of the City.

HIGHLIGHTS, MAJOR INITIATIVES, AND FUTURE ENDEAVORS

On February 15, 2001, Mayor Michael R. Turner presented his State of the City Address. Excerpts from his address are included here as they relate to the City's major initiatives, local economic condition and outlook.

General - "As every one of you drove and walked to this Convention Center, from whatever direction you came, you passed many multi dollar projects underway in our City. The paths you took are not all the same, and neither were the projects that you passed. In our downtown, in our neighborhoods, and in our industrial parks, a new city is being built, a city that has new buildings, new roadways, new jobs, and new and rejuvenated existing neighborhoods.

If you came through downtown, you may have passed our new baseball stadium, performing arts center, riverfront development, or the site of the new Relizon headquarters. If you came through our neighborhoods, you may have passed Wright-Dunbar, the Hook Estate, the Huffman School, senior housing apartments, the Cannery, or the Salem and Grand development. These we can all see. But more than that, you can feel it."

Budget - "Our record of leadership and success is most evident when we look at the financial condition of our City. From 1988 through 1993, the City had not balanced its budget and had a projected budget deficit of over \$80 million. In 1994, the City Commission set as a goal that we would balance the budget every year. Our budget for 2001 is balanced and last year the residents of Dayton renewed our income tax, without an increase and with a voter approval rate of over 80 percent.

In 1995, the City Commission approved a new item for our budget, a development fund. We realized that if we were to plan for growth, to rebuild our City, we would have to look inward to our budget and find the dollars necessary to attract development and reclaim our neighborhoods. This year our development fund has reached \$6 million. These dollars are to be used to redevelop abandoned houses, attract jobs, and revitalize our downtown.

We expected a leveraging ratio of 4 to 1, that for every dollar we provided in grants for these important projects, we would attract four times that amount in private investment. Our success has been astounding and has exceeded our expectations.

We have achieved a ration of 9 to 1. So far we have made available \$11.7 million from this fund and have experienced \$111.2 million in private investment. This does not include the baseball stadium, riverfront development, or the performing arts center. These projects have resulted in 430 new housing units, 2,768 jobs, and have impacted over 130 acres of land in our City.”

Downtown - “Our downtown continues to be impacted by suburban migration. But today’s migration is different from our past. We are now seeing jobs migrating into our downtown. Businesses are once again seeing downtown as the vibrant center of our region and choosing to locate in an area that is rebounding.

Our baseball stadium has set a record for single “A” attendance, with over 580,000 people attending opening season. And it has set another record: 5/3 Field is the only major or minor league stadium undertaken by a community in this state that came in on budget.”

Neighborhoods - “Our greatest accomplishment has been the rebirth of our neighborhoods. This Commission has a record of leadership and success in rebuilding our neighborhoods that I believe exceeds all of our other accomplishments. Today, Dayton has claimed a record of new housing construction that exceeds the suburbs. Last year, Dayton built more new single-family housing units than any other area in Montgomery County.

Last year, 190 new single-family housing permits were issued to builders in Dayton. The value of these new homes totals over \$20 million of new investment in Dayton’s neighborhoods. In the last five years, 626 new single-family houses have been built in Dayton, totaling an investment of over \$55 million in new housing construction. This accomplishment is not a result of a trend in increased new construction in the region. While new housing construction increased in Dayton last year at a rate of 51 percent, the HomeBuilders Association reports that overall, new housing construction in the region decreased by 9 percent. The trend in new housing construction in Dayton is most startling when the last five-year period is compared to the previous five-year period. New single-family housing construction in Dayton over this period has increased almost 200 percent.”

Crime – “Our record of leadership and success includes safer neighborhoods. In 1996, the City Commission enlisted the support of a neighborhood-based crime task force that included neighborhood presidents and Priority Board members. Their efforts confirmed the need for adding police to our streets. The Commission responded by increasing the budget in our Police Department and establishing the goal of 54 additional police officers on our streets. The City Commission has maintained its commitment to these additional police in our budget for 2001. This year, new recruit classes are planned in order for the City to maintain this increased level of police presence in our neighborhoods.”

Education – “Our efforts to improve the quality of life in our neighborhoods include a partnership with our schools. We have worked in cooperation with our new charter schools and the Dayton Public School Board to ensure that our families have a choice of educational options for their children.

This Commission supports the School Board in its efforts to eliminate court-ordered busing, and we call upon the community to support our school system in this important transition. The return to neighborhood schools will increase the opportunities for success in our classrooms by refocusing our community’s efforts upon what our children learn, not where they will go to school.”

Economy – “We have a record of leadership and success in rebuilding the economic base of our City. Our economic development efforts are spurring new growth and more jobs throughout our community. Our business-friendly community has gained national attention.

Some of the more significant economic development activities that have occurred in Dayton in 2000 include: attracting Hormel food processing plant and Erb Lumber to our Northwest Industrial Park, the Relizon headquarters locating in downtown, the opening of our new Entrepreneur’s Center in Tool Town, the demolition of the old Dayton Press factory on McCall Street and the expansions of the O’Neal & Associates on Findlay Street and Gosiger, off of East Third Street.”

Diversity – “Our community also has a record of leadership and success in race relations and diversity. In our 20/20 Plan, this Commission assigned to our City Manager the task of achieving greater diversity in our safety forces. Our Firefighters Union and our City Manager, Valerie Lemmie, have shown leadership and insight in delivering to our community an implementable plan for enhancing the diversity of our Fire Department employees. Our Diversity Plan, adopted by the City Commission, after being approved by the Firefighters Union membership, provides an enhanced opportunity for individuals seeking to join our fire fighting forces by obtaining work experience and additional education. We have now undertaken discussions with our Police Union and have in place a model for our discussion and planning.”

DEPARTMENTAL ACCOMPLISHMENT

The Department of Parks, Recreation and Culture was established in 1998 to better serve the City of Dayton by providing high quality, cost efficient recreation programming and managing clean, safe and well maintained facilities. The Department consists of four divisions: Administration, Recreation, Cultural Affairs, and Golf. There are ten full-service community centers, two satellite centers, nine outdoor and four indoor pools and over 1,000 acres of green space. Since its inception, the accomplishments of the department have been widespread and varied. Those accomplishments include:

- ◆ 86% of all Dayton residents surveyed are satisfied with city parks according to the Wright State University public opinion pole
- ◆ The Dayton Bomberger Teen Center was recognized by the Ohio Parks and Recreation Association as the 1999 program of the year
- ◆ \$1.2 million of new playground equipment was installed throughout the city
- ◆ The City's Independence Day Celebration drew record crowds - the fireworks display was rated as one of the top ten in the country by the *Wall Street Journal*
- ◆ A collaboration with the City's labor unions and the department of Public Works renovated the Mallory Pool facility and grounds
- ◆ Community Golf Course received a \$4 million renovation including a new course design and complete clubhouse renovation
- ◆ Cultural Affairs spearheaded a multi-year self sufficiency agreement with Dayton Playhouse, Inc
- ◆ A department financial policy/procedure manual was developed
- ◆ The Master Planning process was initiated
- ◆ The City of Dayton Lifeguards won first place in the 2000 Ohio Lifeguarding Competition
- ◆ A department leadership team and budget committee was established
- ◆ A collaboration with the Police Athletic League and the NBL created a new BMX track at Gateway Sports Complex
- ◆ In 2000, the department received \$162,000 in grants and sponsorships

COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Comprehensive Annual Financial Report (CAFR) is presented in four sections:

- The introductory section includes this letter of transmittal, the City's organization chart, and the GFOA Certificate of Achievement.
- The financial section includes the general purpose financial statements and notes, the combining and individual fund and account group financial statements and schedules as well as the independent auditors' report on the combined general purpose financial statements.
- The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

- The single audit section includes the auditor’s reports on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards, report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the schedule of expenditures of federal awards, the schedule of expenditures of federal awards, notes to the schedule of expenditures of federal awards, schedule of findings and questioned costs, and a summary schedule of prior audit findings and questioned costs.

REPORTING ENTITY

The City has included in the CAFR all of the funds, account groups, and activities for which it is financially accountable. CityWide Development Corporation is shown as a separate discrete component unit. This is included as part of the reporting entity because the primary government appoints all members of its board of trustees and is able to impose its will on the organization. The City of Dayton Sister City Committee (DSCC) is shown as a blended component unit in a Special Revenue fund. The Dayton City Commission appoints all board members and provided all financial support or has solicited contributions on behalf of the DSCC. The DSCC provides services solely for the City. The City is associated with six jointly governed organizations. They include the Miami Valley Regional Planning Commission, the Miami Valley Fire/EMS Alliance, the Economic Development/Government Equity Program, the Montgomery County Family and Children First Council, the Hazardous Material Response Team and the Miami Valley Emergency Management Agency.

The City provides a full range of services that include water supply and treatment, sewer and storm water maintenance, wastewater treatment, airport services, fire and emergency medical services, police protection, convention center, building inspection, correctional facilities, neighborhood support, recreation and parks, golf, street and bridge maintenance, waste collection, and a municipal court system.

INTERNAL AND BUDGETARY CONTROL

The City’s accounting system provides reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgements by management.

FINANCIAL INFORMATION

General governmental fund balances The fund balances for the following governmental funds indicate that cash and other assets exceed liabilities as of year end. Fund balances represent the accumulation of revenues and other financing sources over expenditures and other financing uses.

General Governmental Fund Balances (In millions)
Years Ended December 31,

Fund Balances	2000	1999	% Increase (Decrease)
General	\$59.4	\$52.5	13.1%
Special Revenue	10.0	9.8	0.2
Debt Service	29.1	28.9	0.7
Capital Projects	15.5	24.1	(35.7)
Total	\$114.0	\$115.3	(1.1)%

The decrease in the Capital Projects funds was due to less net transfers from the General fund than in prior year.

These fund balances give the City flexibility in the event of unforeseen revenue downturns or expenditure increases and reflect the City's long-term strategy of maintaining a strong balance sheet.

General governmental revenues The following table shows the amounts generated in the City's major revenue sources in the General, Special Revenue, Debt Service, and Capital Projects Funds.

Revenues	2000	1999	% Increase (Decrease)
Municipal Income Taxes	\$112.7	\$109.2	3.2%
Property and Other Local Taxes	18.0	16.9	6.5
State Shared Taxes	22.7	21.2	7.1
Intergovernmental	29.2	28.0	4.3
Special Assessments	0.3	0.4	(25.0)
Charges for Services	22.3	24.3	(8.2)
Licenses and Permits	2.1	1.7	23.5
Fines and Forfeitures	1.7	1.2	41.7
Interest	9.8	6.2	58.1
Other	4.6	3.6	27.8
Total	\$223.4	\$212.7	5.0%

Municipal income tax revenues increased with continuing diversification among companies contributing income tax, thus making the City less reliant on cyclical business. This tax represents 50 percent of all general governmental revenue which is comparable with previous years. Licenses and permits increased this year due to an increase in building permits issued during the year. Fines and forfeitures increased due to better collection policies being enforced. Interest revenue increased this year due to a large gain on investments.

General governmental expenditures The next table presents the City of Dayton's major expenditures by function in the General, Special Revenue, Debt Service, and Capital Projects Funds.

Expenditures	2000
Downtown	\$4.9
Youth, Education, and Human Services	1.3
Community Development and Neighborhoods	3.3
Economic Development	21.8
Leadership and Quality of Life	43.6
Corporate Responsibility	20.8
Public Safety and Justice	96.2
Capital Outlay	24.5
Debt Service	8.6
	\$225.0

During 2000, the City of Dayton changed program expenditure codes. Therefore, no comparison to last year's expenditures can be made at the program level. However, total expenditures increased from \$218.3 million in 1999 to \$225.0 million in 2000.

Summary General governmental revenues increased \$10.7 million or 5.0 percent while expenditures increased \$6.7 million or 3.1 percent. Proceeds from the sale of bonds also slightly impacted fund balance.

Proprietary operations The following table presents summary information for the major Enterprise Funds.

Enterprise Operations (In millions)			
Years Ended December 31,			
Fund/Operation	2000	1999	% Increase (Decrease)
Dayton International Airport			
Assets	\$149.6	\$146.5	2.1%
Fund Equity	101.8	93.5	8.9
Operating Revenues	26.8	25.3	5.9
Operating Expenses	27.6	23.0	20.0
Operating Income(loss)	(0.8)	2.4	(133.3)
Water			
Assets	190.6	188.3	1.2%
Fund Equity	148.5	139.0	8.4
Operating Revenues	44.4	42.9	3.5
Operating Expenses	36.8	35.5	3.7
Operating Income	7.5	7.5	0.0
Sewer			
Assets	124.9	130.9	(4.6)%
Fund Equity	94.7	90.9	4.2
Operating Revenues	28.8	29.8	(3.4)
Operating Expenses	24.8	27.4	(9.5)
Operating Income	4.0	2.3	73.9

Fund equity for the Dayton International Airport fund increased due to an increase in contributed capital related to grant monies used to purchase fixed assets and passenger facility charges for capital improvements. Operating expenses increased and operating income decreased due to an increase in utility costs.

In the Sewer fund, operating income increased due to a large decrease in contractual services.

Internal service funds account for the financing of goods or services provided by one department or agency to other departments of the City of Dayton on a cost-reimbursement basis. Accounting for these funds is designed to accumulate all of the costs incurred by the internal service funds in providing goods and services to other departments. However, charges to the other departments is not intended to produce a significant profit in the long run but to recover the total costs of providing goods or services.

The Workers' Compensation and Plumbing Shop Internal Service Funds had retained earnings deficits at December 31, 2000, of \$652,288 and \$118,196, respectively. The deficits are due to revenues not covering operating costs. The City has made routine operating transfers in the past and plans to continue to do so in the future on an as-needed basis.

Fiduciary operations The City's agency funds account for assets held by the City in a trustee capacity as an agent for individuals, private organizations, or other governmental units. Total assets for agency funds at December 31, 2000, were \$10,644,734.

The Schantz Waldruhe Park Non-Expendable Trust fund accounts for the interest earned on Dayton Power & Light stock that is used for the improvement, care and maintenance of Waldruhe Park.

ECONOMIC CONDITION AND OUTLOOK

The City of Dayton's economy is diversified as evidenced by the major employers shown below that are located in Dayton.

<u>Company</u>	<u>Nature of Activity of Business</u>	<u>Approximate Employment</u>
Delphi Automotive Systems Corporation	Auto components, brakes, compressors	5,000
Montgomery County	Government	4,750
Miami Valley Hospital	Hospital	4,200
Dayton City School District	Education	3,750
AT&T/NCR	Computer technology	3,200
City of Dayton	Government	2,944
Good Samaritan Hospital	Hospital	2,700
University of Dayton	Education	2,600
Franciscan Medical Center	Hospital	2,200
DaimlerChrysler Corporation	Auto components, air conditioners, heaters	2,100
Sinclair Community College	College	1,940
Emery Air Freight Corporation	Air freight	1,800
Grandview Hospital	Hospital	1,800
State of Ohio	Government	1,540
Veterans Administration	Government	1,534
Childrens Medical Center	Hospital	1,350
Reynolds & Reynolds	Paper products and forms	1,300
United States Postal Service	Government	1,100

- General Motors employs nearly 22,000 people within Montgomery County.
- Mead employs more than 2,500 people in the Dayton/Springfield metropolitan area with about 525 of them in Dayton.
- Wright Patterson Air Force Base (WPAFB), adjacent to Dayton, employs in excess of 23,000 people along with an additional 6,000 people employed by contractors.

Unemployment for Dayton increased from 4.0 percent in 1999 to 6.0 percent in 2000. The number of building permits increased from 1,564 to 1,652 over the same time period.

CASH MANAGEMENT

Equity in Pooled Cash and Cash Equivalents totaled about \$225 million at December 31, 2000, an increase of approximately \$4 million from December 31, 1999, due to an increase in the fair value of investments. City of Dayton cash and cash equivalents with fiscal agents, including the restricted portion, increased this year by approximately \$1 million, from \$4.8 million last year to \$5.5 million at December 31, 2000.

Investments of cash are guided by City ordinance and Ohio Revised Code, which restricts the type and duration of investments. Interest earned is distributed to governmental, proprietary, and fiduciary funds based upon their weighted average cash balance. Cash investment practices by trustees are determined by bond indentures and various trust agreements. During 2000, the City of Dayton continued its policy of investing primarily in U.S. Treasury obligations with maturities of about five years, commercial paper, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Dayton special assessment debt, mutual fund investments, Dayton Power & Light stock, certificates of deposit, and STAR Ohio.

DEBT ADMINISTRATION

The City of Dayton maintains a low net direct debt per capita amount, and a low debt to estimated true valuation of property percentage.

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Net general bonded debt per capita, City of Dayton	\$201	\$164	\$250	\$55	\$83
Net general bonded debt to estimated true total value of property, City of Dayton	0.58%	0.53%	0.85%	0.19%	0.31%

Net general bonded debt per capita (bonded debt supported by taxes less the Debt Service fund balance) is a measure of the magnitude of debt on a basis comparable to other cities. The ratio of net general bonded debt to total estimated true value of property measures the burden of debt to the wealth and property value of a given jurisdiction. Net general bonded debt totaled \$33 million, \$28 million, \$43 million, \$9 million and \$15 million for the years ended December 31, 2000, 1999, 1998, 1997 and 1996 respectively.

The following are the latest bond ratings for general obligation tax supported debt:

Moody's Investor Service, Inc.	A2
Standard and Poor's Corporation	A+

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City contracts with various insurance companies and maintains comprehensive and catastrophic coverage as a focus of its risk management program. In addition, the City participates in the Ohio Bureau of Workers' Compensation retrospective rating program.

INDEPENDENT AUDIT

The City of Dayton Charter, Sections 44 and 78, prescribe the required accounting, audit and examination procedures for the City of Dayton. Foxx & Company, Certified Public Accountants, studies the City's system of internal control, conducts such tests as are necessary under the circumstances, and renders an opinion based upon the statements when taken as a whole. The City has again received an unqualified opinion from the independent auditor that the financial statements are presented fairly. This opinion letter is included in the Financial Section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dayton for its comprehensive annual financial report for the year ended December 31, 1999. This was the eighteenth consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report whose contents conformed to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

My appreciation is extended to the various elected officials, the City Manager, department heads, and employees responsible for contributing to the sound financial position of the City of Dayton. I would like to acknowledge the efforts of the accounting and treasury staff and other members of the Finance Department who contributed to the development of this report.

Respectively submitted,

Cheryl J. Garrett
Finance Director
Secretary of the Board of Sinking Fund Trustees



Foxx & Company
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The Honorable Members of the City Commission
City of Dayton, Ohio

We have audited the accompanying general-purpose financial statements of the City of Dayton, Ohio, as of and for the year ended December 31, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Dayton, Ohio's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the CityWide Development Corporation, a discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose 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 that our audit, and the report of other auditors, provides a reasonable basis for our opinion.

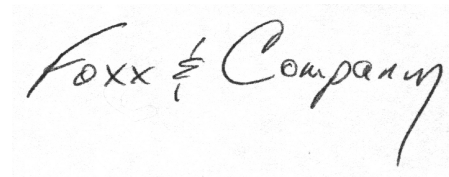
In our opinion, based on our audit and the report of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Dayton, Ohio as of December 31, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2001 on our consideration of the City of Dayton, Ohio's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional

analysis and are not a required part of the general-purpose financial statements of the City of Dayton, Ohio. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general-purpose financial statements of the City of Dayton, Ohio. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly presented, in all material respects in relation to the general-purpose financial statements taken as a whole.

The statistical data listed in the table of contents is presented for the purposes of additional analysis and is not a required part of the general-purpose financial statements of the City of Dayton, Ohio. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements, and accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Fox & Company". The signature is written in dark ink on a light-colored background.

Cincinnati, Ohio
July 27, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

The following general purpose financial statements, along with the notes to the general purpose financial statements, present an overview of the City's financial position at December 31, 2000, and the results of operations and cash flows of the proprietary funds and nonexpendable trust fund for the year then ended.

CITY OF DAYTON, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
 DECEMBER 31, 2000

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Assets and Other Debits						
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$49,920,042	\$3,272,974	\$17,962,914	\$12,970,136	\$110,941,076	\$23,698,918
Investments	0	0	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	14,810	0
Investments with Fiscal Agents	0	0	0	0	0	0
Cash and Cash Equivalents in Segregated Accounts	0	15,814	0	0	0	0
Receivables:						
Property and Other Local Taxes	9,474,625	2,535,436	6,855,067	11,316	0	0
Municipal Income Taxes	12,661,027	0	0	0	0	0
Accounts (net, where applicable)	1,203,435	24,518	0	9,640	24,400,119	19,617
Special Assessments (net, where applicable)	0	316,809	726,918	13,872	0	0
Accrued Interest	1,788,724	13,266	0	70,507	1,637,075	0
Notes and Contracts	0	0	0	0	0	0
Due from Other Funds	6,294,429	590,495	2,504	94,151	4,834,924	779,162
Due from Other Governments	1,908,744	2,448,996	0	2,743,147	895,678	0
Taxes Levied for Other Governments	0	0	0	0	0	0
Supplies Inventory	0	0	0	0	1,134,148	0
Inventory Held for Resale	0	0	0	0	0	553,921
Interfund Receivable	5,352,063	0	100,068	0	0	0
Loans Receivable	0	0	10,640,000	0	0	0
Unamortized Bond Issuance Costs	0	0	0	0	1,253,050	0
Restricted Assets:						
Cash and Cash Equivalents	0	0	0	0	22,500	0
Cash and Cash Equivalents with Fiscal Agents	0	0	441,986	0	2,920,431	0
Advances to Component Unit	0	5,462,250	0	1,403,600	2,971,674	0
Judgement Receivable	0	0	0	0	330,000	0
Long-Term Loan Receivable	0	0	0	0	0	0
Investment in Real Estate	0	0	0	0	0	0
Equity Investments	0	0	0	0	0	0
Other Asset	0	0	0	0	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0	0	325,899,994	633,922
Other Debits:						
Amount Available in Debt Service Fund for General Long-Term Obligations	0	0	0	0	0	0
Amount Available in Debt Service Fund for Special Assessment Bonds Payable	0	0	0	0	0	0
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0	0	0	0
Amount to be Provided for Retirement of Special Assessment Bonds Payable	0	0	0	0	0	0
Total Assets and Other Debits	\$88,603,089	\$14,680,558	\$36,729,457	\$17,316,369	\$477,255,479	\$25,685,540

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNIT	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS			
TRUST AND AGENCY					
\$5,950,451	\$0	\$0	\$224,716,511	\$0	\$224,716,511
112,010	0	0	112,010	0	112,010
1,033,708	0	0	1,048,518	0	1,048,518
1,063,206	0	0	1,063,206	0	1,063,206
0	0	0	15,814	3,245,018	3,260,832
0	0	0	18,876,444	0	18,876,444
0	0	0	12,661,027	0	12,661,027
2,634	0	0	25,659,963	0	25,659,963
0	0	0	1,057,599	0	1,057,599
0	0	0	3,509,572	2,017,102	5,526,674
0	0	0	0	193,431	193,431
0	0	0	12,595,665	0	12,595,665
0	0	0	7,996,565	0	7,996,565
2,604,800	0	0	2,604,800	0	2,604,800
0	0	0	1,134,148	0	1,134,148
0	0	0	553,921	0	553,921
0	0	0	5,452,131	0	5,452,131
0	0	0	10,640,000	0	10,640,000
0	0	0	1,253,050	186,942	1,439,992
0	0	0	22,500	0	22,500
0	0	0	3,362,417	0	3,362,417
0	0	0	9,837,524	0	9,837,524
0	0	0	330,000	0	330,000
0	0	0	0	20,669,678	20,669,678
0	0	0	0	16,382,201	16,382,201
0	0	0	0	1,241,495	1,241,495
0	0	0	0	550,172	550,172
0	145,710,447	0	472,244,363	177,342	472,421,705
0	0	18,356,028	18,356,028	0	18,356,028
0	0	126,535	126,535	0	126,535
0	0	56,311,979	56,311,979	0	56,311,979
0	0	458,034	458,034	0	458,034
<u>\$10,766,809</u>	<u>\$145,710,447</u>	<u>\$75,252,576</u>	<u>\$892,000,324</u>	<u>\$44,663,381</u>	<u>\$936,663,705</u>

(Continued)

CITY OF DAYTON, OHIO
 COMBINED BALANCE SHEET
 ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
 DECEMBER 31, 2000
 (Continued)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Liabilities, Fund Equity and Other Credits						
Liabilities:						
Accounts Payable	\$5,885,827	\$492,219	\$0	\$1,268,033	\$6,528,670	\$383,921
Contracts Payable	100,000	59,045	0	220,465	1,190,202	0
Contracts Payable Retainage	3,155	34,381	0	6,667	125,837	0
Accrued Wages and Benefits	4,251,149	405,658	2,992	12,797	1,135,599	135,071
Accrued Liabilities	0	0	0	0	0	0
Accrued Interest Payable on Bonds and Notes	0	0	0	0	47,996	0
Accrued Interest Payable on OWDA Loan	0	0	0	0	919,314	0
Due to Other Funds	5,397,579	131,584	0	86,212	3,537,820	3,290,003
Due to Other Governments	3,775,311	22,093	0	38,791	1,407,108	2,667,880
Interfund Payable	0	680,498	0	186,119	3,639,951	945,563
Claimants Payable	15,314	0	0	0	0	0
Withholdings and Deposits	0	0	0	0	0	0
Payable from Restricted Assets:						
Utility Deposits	0	0	0	0	22,500	0
Accrued Interest Payable	0	0	0	0	283,630	0
Current Portion of Revenue Bonds	0	0	0	0	6,482,296	0
Deferred Revenue	9,601,012	2,847,110	7,581,985	0	77,520	0
General Obligation Notes Payable	0	0	0	0	8,600,000	0
Loans Payable	0	0	0	0	0	0
Advance From Primary Government	0	0	0	0	0	0
OPWC Loan Payable	0	0	0	0	1,000,000	0
OWDA Loan Payable	0	0	0	0	22,920,149	0
General Obligation Bonds Payable	0	0	0	0	825,000	0
Revenue Bonds Payable	0	0	0	0	63,693,738	0
Special Assessment Note Payable With Governmental Commitment	0	0	0	1,400	0	0
Special Assessment Bonds With Governmental Commitment	0	0	0	0	0	0
Claims Payable	0	0	0	0	0	17,790,434
Compensated Absences Payable	220,237	0	0	0	2,358,530	296,706
Capital Leases Payable	0	0	0	0	282,680	158,691
Total Liabilities	29,249,584	4,672,588	7,584,977	1,820,484	125,078,540	25,668,269
Fund Equity and Other Credits:						
Investment in General Fixed Assets	0	0	0	0	0	0
Contributed Capital	0	0	0	0	142,368,604	86,010
Retained Earnings:						
Reserved for Revenue Bond						
Renewal and Replacement	0	0	0	0	2,671,545	0
Unreserved (Deficit)	0	0	0	0	207,136,790	(68,739)
Fund Balances:						
Reserved for Encumbrances	10,569,522	6,175,974	21,917	14,478,884	0	0
Reserved for Claimants	405,132	0	0	0	0	0
Reserved for Advances to Component Unit	0	5,462,250	0	1,403,600	0	0
Reserved for Contributions for Nonexpendable Trust	0	0	0	0	0	0
Reserved for Loan Receivable	0	0	10,640,000	0	0	0
Designated	9,728,322	0	0	0	0	0
Unreserved (Deficit)	38,650,529	(1,630,254)	18,482,563	(386,599)	0	0
Total Fund Equity and Other Credits	59,353,505	10,007,970	29,144,480	15,495,885	352,176,939	17,271
Total Liabilities, Fund Equity and Other Credits	\$88,603,089	\$14,680,558	\$36,729,457	\$17,316,369	\$477,255,479	\$25,685,540

See accompanying notes to the general purpose financial statements

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNIT	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS			
TRUST AND AGENCY					
\$0	\$0	\$0	\$14,558,670	\$2,854,506	\$17,413,176
0	0	0	1,569,712	0	1,569,712
0	0	0	170,040	0	170,040
0	0	0	5,943,266	0	5,943,266
0	0	0	0	355,385	355,385
0	0	0	47,996	0	47,996
0	0	0	919,314	0	919,314
152,467	0	0	12,595,665	0	12,595,665
4,001,507	0	0	11,912,690	120,206	12,032,896
0	0	0	5,452,131	0	5,452,131
0	0	0	15,314	0	15,314
6,490,760	0	0	6,490,760	0	6,490,760
0	0	0	22,500	0	22,500
0	0	0	283,630	0	283,630
0	0	0	6,482,296	0	6,482,296
0	0	0	20,107,627	2,677,662	22,785,289
0	0	0	8,600,000	719,106	9,319,106
0	0	0	0	2,437,263	2,437,263
0	0	0	0	9,837,524	9,837,524
0	0	0	1,000,000	0	1,000,000
0	0	0	22,920,149	0	22,920,149
0	0	51,805,000	52,630,000	4,150,000	56,780,000
0	0	11,870,000	75,563,738	0	75,563,738
0	0	0	1,400	0	1,400
0	0	584,569	584,569	0	584,569
0	0	0	17,790,434	0	17,790,434
0	0	10,993,007	13,868,480	0	13,868,480
0	0	0	441,371	0	441,371
10,644,734	0	75,252,576	279,971,752	23,151,652	303,123,404
0	145,710,447	0	145,710,447	0	145,710,447
0	0	0	142,454,614	0	142,454,614
0	0	0	2,671,545	0	2,671,545
0	0	0	207,068,051	0	207,068,051
0	0	0	31,246,297	0	31,246,297
0	0	0	405,132	0	405,132
0	0	0	6,865,850	0	6,865,850
112,010	0	0	112,010	0	112,010
0	0	0	10,640,000	0	10,640,000
0	0	0	9,728,322	0	9,728,322
10,065	0	0	55,126,304	21,511,729	76,638,033
122,075	145,710,447	0	612,028,572	21,511,729	633,540,301
\$10,766,809	\$145,710,447	\$75,252,576	\$892,000,324	\$44,663,381	\$936,663,705

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CITY OF DAYTON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 2000

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL (MEMORANDUM ONLY)
Revenues:					
Municipal Income Taxes	\$112,664,888	\$0	\$0	\$0	\$112,664,888
Property and Other Local Taxes	9,194,879	2,268,859	6,156,957	383,990	18,004,685
State Shared Taxes	18,427,417	4,289,507	0	0	22,716,924
Intergovernmental	982,771	18,021,281	698,393	9,510,505	29,212,950
Special Assessments	3,136	74,098	181,001	13,872	272,107
Charges for Services	21,233,604	738,875	120,478	220,114	22,313,071
Licenses and Permits	1,995,969	0	0	87,396	2,083,365
Fines and Forfeitures	1,194,272	560,041	0	0	1,754,313
Interest	8,993,436	40,251	429,348	347,159	9,810,194
Other	3,565,295	117,243	290,982	625,058	4,598,578
Total Revenues	<u>178,255,667</u>	<u>26,110,155</u>	<u>7,877,159</u>	<u>11,188,094</u>	<u>223,431,075</u>
Expenditures:					
Current:					
Downtown	4,309,311	0	560,000	0	4,869,311
Youth, Education, and Human Services	327,209	974,272	0	0	1,301,481
Community Development and Neighborhoods	393,486	2,887,746	0	0	3,281,232
Economic Development	12,790,917	9,047,541	0	0	21,838,458
Leadership and Quality of Life	31,043,454	12,537,791	0	0	43,581,245
Corporate Responsibility	19,696,528	716,221	348,520	0	20,761,269
Public Safety and Justice	93,925,533	2,259,905	0	0	96,185,438
Capital Outlay	733,153	69,208	0	23,721,616	24,523,977
Debt Service:					
Principal Retirement	0	0	4,926,770	0	4,926,770
Interest and Fiscal Charges	0	0	3,746,724	0	3,746,724
Total Expenditures	<u>163,219,591</u>	<u>28,492,684</u>	<u>9,582,014</u>	<u>23,721,616</u>	<u>225,015,905</u>
Excess of Revenues Over (Under) Expenditures	<u>15,036,076</u>	<u>(2,382,529)</u>	<u>(1,704,855)</u>	<u>(12,533,522)</u>	<u>(1,584,830)</u>
Other Financing Sources (Uses):					
Proceeds from Sale of Bonds	0	0	0	305,495	305,495
Proceeds from Sale of Fixed Assets	18,449	0	0	0	18,449
Operating Transfers - In	8,584,109	2,627,388	1,961,180	13,390,913	26,563,590
Operating Transfers - Out	<u>(16,794,120)</u>	<u>(9,210)</u>	<u>(13,043)</u>	<u>(9,748,117)</u>	<u>(26,564,490)</u>
Total Other Financing Sources (Uses)	<u>(8,191,562)</u>	<u>2,618,178</u>	<u>1,948,137</u>	<u>3,948,291</u>	<u>323,044</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,844,514	235,649	243,282	(8,585,231)	(1,261,786)
Fund Balances at Beginning of Year - Restated (Note 3)	<u>52,508,991</u>	<u>9,772,321</u>	<u>28,901,198</u>	<u>24,081,116</u>	<u>115,263,626</u>
Fund Balances at End of Year	<u>\$59,353,505</u>	<u>\$10,007,970</u>	<u>\$29,144,480</u>	<u>\$15,495,885</u>	<u>\$114,001,840</u>

See accompanying notes to the general purpose financial statements

CITY OF DAYTON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND, SPECIAL REVENUE FUNDS, AND DEBT SERVICE FUND
 BUDGET BASIS
 FOR THE YEAR ENDED DECEMBER 31, 2000

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:						
Municipal Income Taxes	\$109,679,600	\$112,664,888	\$2,985,288	\$0	\$0	\$0
Property and Other Local Taxes	10,444,610	9,194,879	(1,249,731)	2,510,398	2,268,859	(241,539)
State Shared Taxed	15,480,537	18,427,417	2,946,880	3,453,584	4,289,507	835,923
Intergovernmental	825,608	982,771	157,163	2,218,685	2,524,541	305,856
Special Assessments	2,634	3,136	502	0	0	0
Charges for Services	20,309,968	21,233,604	923,636	362,812	614,778	251,966
Licenses and Permits	1,676,777	1,995,969	319,192	0	0	0
Fines and Forfeitures	1,003,286	1,194,272	190,986	54,261	42,918	(11,343)
Interest	7,555,221	8,993,436	1,438,215	50,655	40,066	(10,589)
Other	538,635	3,565,295	3,026,660	34,166	69,084	34,918
Total Revenues	167,516,876	178,255,667	10,738,791	8,684,561	9,849,753	1,165,192
Expenditures:						
Current:						
Downtown	4,591,749	4,450,364	141,385	0	0	0
Youth, Education, and Human Services	348,654	337,919	10,735	124,933	125,693	(760)
Community Development and Neighborhoods	419,275	406,366	12,909	0	0	0
Economic Development	13,629,249	13,209,589	419,660	26,690	26,852	(162)
Leadership and Quality of Life	33,078,080	32,059,569	1,018,511	10,033,644	9,953,146	80,498
Corporate Responsibility	20,987,463	20,341,235	646,228	876,577	995,270	(118,693)
Public Safety and Justice	100,081,525	97,034,672	3,046,853	2,012,250	1,994,973	17,277
Capital Outlay	781,205	757,150	24,055	71,386	81,098	(9,712)
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	173,917,200	168,596,864	5,320,336	13,145,480	13,177,032	(31,552)
Excess of Revenues Over (Under) Expenditures	(6,400,324)	9,658,803	16,059,127	(4,460,919)	(3,327,279)	1,133,640
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	0	18,449	18,449	0	0	0
Operating Transfers - In	8,584,109	8,584,109	0	2,237,980	2,237,980	0
Operating Transfers - Out	(18,504,300)	(16,794,120)	1,710,180	(184,820)	(9,162)	175,658
Total Other Financing Sources (Uses)	(9,920,191)	(8,191,562)	1,728,629	2,053,160	2,228,818	175,658
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(16,320,515)	1,467,241	17,787,756	(2,407,759)	(1,098,461)	1,309,298
Fund Balances at Beginning of Year	43,561,104	43,561,104	0	3,019,367	3,019,367	0
Unexpended Prior Year Encumbrances	3,755,638	3,755,638	0	938,559	938,559	0
Fund Balances at End of Year	\$30,996,227	\$48,783,983	\$17,787,756	\$1,550,167	\$2,859,465	\$1,309,298

See accompanying notes to the general purpose financial statements

DEBT SERVICE FUND

REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$0	\$0	\$0
6,787,371	6,156,957	(630,414)
0	0	0
4,203,725	698,393	(3,505,332)
1,089,470	181,001	(908,469)
725,174	120,478	(604,696)
0	0	0
0	0	0
2,584,306	429,348	(2,154,958)
<u>1,751,462</u>	<u>290,982</u>	<u>(1,460,480)</u>
<u>17,141,508</u>	<u>7,877,159</u>	<u>(9,264,349)</u>
1,115,538	561,015	554,523
0	0	0
0	0	0
0	0	0
0	0	0
694,264	349,152	345,112
0	0	0
0	0	0
9,814,289	4,935,700	4,878,589
<u>7,463,597</u>	<u>3,753,515</u>	<u>3,710,082</u>
<u>19,087,688</u>	<u>9,599,382</u>	<u>9,488,306</u>
<u>(1,946,180)</u>	<u>(1,722,223)</u>	<u>223,957</u>
0	0	0
1,961,180	1,961,180	0
<u>(15,000)</u>	<u>(13,043)</u>	<u>1,957</u>
<u>1,946,180</u>	<u>1,948,137</u>	<u>1,957</u>
0	225,914	225,914
28,893,749	28,893,749	0
2,900	2,900	0
<u>\$28,896,649</u>	<u>\$29,122,563</u>	<u>\$225,914</u>

CITY OF DAYTON, OHIO
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
Operating Revenues:		
Charges for Services	\$104,818,312	\$4,146,942
Sales	0	7,611,405
Interest	0	0
Other	3,272,586	13,884
Total Operating Revenues	<u>108,090,898</u>	<u>11,772,231</u>
Operating Expenses:		
Personal Services	27,773,099	3,193,236
Benefit Payments	7,133,667	878,905
Contractual Services	22,034,243	3,448,590
Materials and Supplies	5,953,065	308,250
Utilities	10,228,128	601
Cost of Sales	0	2,884,346
Claims	0	8,101,337
Depreciation	18,401,114	158,334
Other	4,229,742	3,247,591
Total Operating Expenses	<u>95,753,058</u>	<u>22,221,190</u>
Operating Income (Loss)	<u>12,337,840</u>	<u>(10,448,959)</u>
Non-Operating Revenues (Expenses):		
Interest	8,807,041	0
Gain on Disposal of Fixed Assets	53,391	19,617
Interest and Fiscal Charges	(6,494,465)	(12,202)
Total Non-Operating Revenues (Expenses)	<u>2,365,967</u>	<u>7,415</u>
Income (Loss) Before Operating Transfers	14,703,807	(10,441,544)
Operating Transfers - In	60,363	97,000
Operating Transfers - Out	(156,463)	0
Net Income (Loss)	14,607,707	(10,344,544)
Retained Earnings/Fund Balance at Beginning of Year - Restated (Note 3)	<u>195,200,628</u>	<u>10,275,805</u>
Retained Earnings (Deficit) /Fund Balance at End of Year	<u>209,808,335</u>	<u>(68,739)</u>
Contributed Capital at Beginning of Year	131,789,377	55,499
Current Capital Contributions	10,579,227	30,511
Contributed Capital at End of Year	<u>142,368,604</u>	<u>86,010</u>
Total Fund Equity	<u>\$352,176,939</u>	<u>\$17,271</u>

See accompanying notes to the general purpose financial statements

FIDUCIARY FUND TYPE	
NONEXPENDABLE TRUST	TOTAL (MEMORANDUM ONLY)
\$0	\$108,965,254
0	7,611,405
56,751	56,751
0	3,286,470
<u>56,751</u>	<u>119,919,880</u>
0	30,966,335
0	8,012,572
2,506	25,485,339
0	6,261,315
0	10,228,729
0	2,884,346
0	8,101,337
0	18,559,448
0	7,477,333
<u>2,506</u>	<u>117,976,754</u>
54,245	1,943,126
0	8,807,041
0	73,008
0	(6,506,667)
<u>0</u>	<u>2,373,382</u>
54,245	4,316,508
0	157,363
0	(156,463)
<u>54,245</u>	<u>4,317,408</u>
<u>67,830</u>	<u>205,544,263</u>
<u>122,075</u>	<u>209,861,671</u>
0	131,844,876
0	10,609,738
<u>0</u>	<u>142,454,614</u>
<u>\$122,075</u>	<u>\$352,316,285</u>

CITY OF DAYTON, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Customers	\$98,422,467	\$0
Cash Received from Quasi-External Operating Transactions with Other Funds	764,639	13,751,082
Cash Payments for Employee Services and Benefits	(35,782,659)	(4,058,862)
Cash Payments to Suppliers for Goods and Services	(35,548,203)	(3,606,947)
Cash Payments for Quasi-External Operating Transactions with Other Funds	(3,026,607)	(97,079)
Cash Payments for Claims	0	(939,417)
Utility Deposits Received	34,546	0
Utility Deposits Returned	(171,286)	0
Cash Received from Other Operating Revenues	6,316,952	42,838
Cash Payments for Other Operating Expenses	(5,626,904)	(66,709)
Net Cash Provided By (Used for) Operating Activities	<u>25,382,945</u>	<u>5,024,906</u>
Cash Flows from Noncapital Financing Activities:		
Proceeds from Advances	4,196,320	70,563
Repayment of Interfund Loan	(1,819,984)	(3,480,206)
Advance to Component Unit	399,539	0
Operating Transfers - In	55,413	97,000
Operating Transfers - Out	(156,463)	0
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>2,674,825</u>	<u>(3,312,643)</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Fixed Assets	(19,931,591)	(80,684)
Passenger Facility Charges	3,209,787	0
Capital Contributed by Grants	6,733,617	0
Proceeds from Sale of General Obligation Bonds and Notes	18,700,000	0
Principal Paid on OWDA Loan Payable	(2,962,994)	0
Interest Paid on OWDA Loan Payable	(2,060,629)	0
Principal Paid on General Obligation Bonds and Notes	(22,795,000)	0
Interest Paid on General Obligation Bonds and Notes	(785,694)	0
Principal Paid on Revenue Bonds Payable	(6,425,000)	0
Interest Paid on Revenue Bonds Payable	(3,672,639)	0
Principal Paid on Capital Leases	(175,184)	(80,484)
Interest Paid on Capital Leases	(16,050)	(12,202)
Net Cash Used For Capital and Related Financing Activities	<u>(30,181,377)</u>	<u>(173,370)</u>
Cash Flows from Investing Activities:		
Interest	6,335,326	0
Change in Fair Value of Cash Equivalents	1,949,802	0
Net Cash Provided By Investing Activities	<u>8,285,128</u>	<u>0</u>
Net Increase in Cash and Cash Equivalents	6,161,521	1,538,893
Cash and Cash Equivalents Beginning of Year	<u>107,737,296</u>	<u>22,160,025</u>
Cash and Cash Equivalents End of Year	<u>\$113,898,817</u>	<u>\$23,698,918</u>

FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
NONEXPENDABLE TRUST	
\$0	\$98,422,467
0	14,515,721
0	(39,841,521)
(2,506)	(39,157,656)
0	(3,123,686)
0	(939,417)
0	34,546
0	(171,286)
0	6,359,790
0	(5,693,613)
(2,506)	30,405,345
0	4,266,883
0	(5,300,190)
0	399,539
0	152,413
0	(156,463)
0	(637,818)
0	(20,012,275)
0	3,209,787
0	6,733,617
0	18,700,000
0	(2,962,994)
0	(2,060,629)
0	(22,795,000)
0	(785,694)
0	(6,425,000)
0	(3,672,639)
0	(255,668)
0	(28,252)
0	(30,354,747)
3,172	6,338,498
0	1,949,802
3,172	8,288,300
666	7,701,080
9,399	129,906,720
\$10,065	\$137,607,800

(Continued)

CITY OF DAYTON, OHIO
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000
 (Continued)

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities:		
Operating Income (Loss)	\$12,337,840	(\$10,448,959)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used for) Operating Activities:		
Depreciation	18,401,114	158,334
Interest - Nonexpendable Trust Fund	0	0
Changes in Assets and Liabilities:		
(Increase) in Accounts Receivable	(7,740,401)	0
(Increase) Decrease in Due from Other Funds	(419,915)	2,576,931
Decrease in Due from Other Governments	71,774	0
Decrease in Supplies Inventory	15,149	0
Decrease in Inventory Held for Resale	0	15,670
Decrease in Judgment Receivable	60,000	0
Increase in Accounts Payable	3,675,272	170,826
(Decrease) in Contracts Payable	(295,736)	0
Increase (Decrease) in Contracts Payable Retainage	(614,804)	0
Increase in Accrued Wages and Benefits	85,689	19,845
Increase in Due to Other Funds	28,452	3,282,736
Increase in Due to Other Governments	76,782	2,091,885
(Decrease) in Deferred Revenue	(150,680)	0
(Decrease) in Utility Deposits	(136,740)	0
(Decrease) in Compensated Absences Payable	(10,851)	(4,282)
Increase in Claims Payable	0	7,161,920
Net Cash Provided By (Used for) Operating Activities	\$25,382,945	\$5,024,906

Non-Cash Transactions:

The Schantz Waldruhe Park Trust nonexpendable trust fund's fair value of investments increased by \$53,579

The Dayton International Airport received \$818,381 in capital grants. \$767,375 is recognized as a receivable for 2000. \$51,006 was recognized as a receivable in 1999.

The Dayton International Airport received \$357,062 in passenger facility charges used for capital improvements which has been recognized as a receivable for 2000.

Reconciliation of Cash and Cash Equivalents of Nonexpendable Trust Fund to Balance Sheet:

Cash and Cash Equivalents - All Fiduciary Funds	\$6,984,159
Cash and Cash Equivalents - Agency Funds	(6,974,094)
Cash and Cash Equivalents - Nonexpendable Trust Fund	\$10,065

See accompanying notes to the general purpose financial statements

FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
NONEXPENDABLE TRUST	
\$54,245	\$1,943,126
0	18,559,448
(56,751)	(56,751)
0	(7,740,401)
0	2,157,016
0	71,774
0	15,149
0	15,670
0	60,000
0	3,846,098
0	(295,736)
0	(614,804)
0	105,534
0	3,311,188
0	2,168,667
0	(150,680)
0	(136,740)
0	(15,133)
0	7,161,920
<u>(\$2,506)</u>	<u>\$30,405,345</u>

CITY OF DAYTON, OHIO
STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>CITYWIDE DEVELOPMENT CORPORATION</u>
Operating Revenues:	
Rental Income	\$1,388,152
SBA Service Fees	148,654
Contract Revenue	758,516
Other	<u>240,608</u>
Total Operating Revenues	<u>2,535,930</u>
Operating Expenses:	
Salaries, Wages and Related Benefits	1,308,782
Office and Equipment Rent	82,890
Legal Fees	64,482
Professional Fees	378,120
Real Estate Costs	321,032
Advertising and Printing	147,877
Travel and Training	36,997
Insurance	21,440
Other	<u>173,788</u>
Total Operating Expenses	<u>2,535,408</u>
Net Operating Income	<u>522</u>
Non-Operating Revenues (Expenses):	
Loss on Investments	(389,908)
Interest on Loans	635,962
Investment Income	361,923
Depreciation and Amortization	(530,803)
Interest Expense	(362,535)
Provision for Loan Losses	(26,127)
Gain on Sale of Real Estate Held for Investment	<u>9,204</u>
Net Non-Operating Revenues (Expenses)	<u>(302,284)</u>
Net Loss Before Capital Additions	(301,762)
Capital Additions	<u>1,190,878</u>
Net Income After Capital Additions	889,116
Fund Balance at Beginning of Year	<u>20,622,613</u>
Fund Balance at End of Year	<u><u>\$21,511,729</u></u>

See accompanying notes to the general purpose financial statements

CITY OF DAYTON, OHIO
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>CITYWIDE DEVELOPMENT CORPORATION</u>
Cash Flows from Operating Activities:	
Cash Received from Tenants	\$1,310,336
Cash Received on Contracts	1,162,463
Cash Received from Other Operating Revenues	284,662
Cash Payments for Employee Services and Benefits	(1,274,515)
Cash Payments for Other Operating Expenses	(1,112,170)
Net Cash Provided By Operating Activities	<u>370,776</u>
Cash Flows from Investing Activities:	
Principal Payments Received on Loans to Other Borrowers	1,899,435
Loan Disbursements to Other Borrowers	(3,381,416)
Interest Earned on Loans	456,296
Purchase of Equity Investments	(389,768)
Interest Earned on Cash and Cash Equivalents	397,777
Net Cash Used in Investing Activities	<u>(1,017,676)</u>
Cash Flows from Noncapital Financing Activities:	
Proceeds from Notes Payable	700,000
Repayment of Notes Payable	(412,412)
Net Cash Provided By Noncapital Financing Activities	<u>287,588</u>
Cash Flows from Capital and Related Financing Activities:	
Capital Additions	1,190,878
Repayment of Bonds Payable	(200,000)
Interest Paid on Bonds Payable	(190,331)
Proceeds from Loan Payable	456,000
Repayment of Loan Payable	(53,361)
Interest Paid on Loans Payable	(171,080)
Purchase of Furniture and Equipment	(143,609)
Purchase of Real Estate Held for Investment	(1,846,901)
Proceeds from Sale of Real Estate Held for Investment	20,000
Net Cash Used in Capital and Related Financing Activities	<u>(938,404)</u>
Net Decrease in Cash and Cash Equivalents	(1,297,716)
Cash and Cash Equivalents Beginning of Year	<u>4,542,734</u>
Cash and Cash Equivalents End of Year	<u><u>\$3,245,018</u></u>

(Continued)

CITY OF DAYTON, OHIO
STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2000
(Continued)

	<u>CITYWIDE DEVELOPMENT CORPORATION</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$522
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Change in Assets and Liabilities	
Decrease in Contracts and Other Receivables	403,947
Increase in Other Assets	(182,416)
Increase in Accounts Payable	425,587
Decrease in Grants Payable	(315,805)
Increase in Accrued Liabilities	38,941
Net Cash Provided By Operating Activities	<u>\$370,776</u>

Non-Cash Transactions:

During 2000, CityWide Development Corporation received real estate paid for by the City in the amount of \$2,694,175.

During 2000, Citywide Development Corporation sold property, paid by Genesis Project, with proceeds recorded to agent liabilities in the amount of \$38,972.

See accompanying notes to the general purpose financial statements

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY

The City of Dayton ("The City") is located in Montgomery County in southwestern Ohio approximately seventy-six miles west of Columbus and fifty-four miles north of Cincinnati. The City charter was approved in 1913 and the City became the first large community in the United States to adopt the Commission-Manager Plan form of government. Subsequent amendments to the charter have been made. Legislative power is vested in a five-member commission, one of the members being the Mayor. The City Manager is the chief executive officer and the head of the administrative agencies of the City. The City Manager appoints all department heads, except the Secretary of the Civil Service Board and the Director of the Human Relations Council, who are appointed by the City Commission.

A 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, departments and agencies that are not legally separate from the City. For the City, this includes providing water supply and treatment, sewer and storm water maintenance, wastewater treatment, airport services, fire and emergency medical services, police protection, a convention center, building inspection, correctional facilities, neighborhood support, recreation and parks, golf, street and bridge maintenance, waste collection, and a municipal court.

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 their budget, the issuance of their debt or the levying of their taxes for the organization.

The City has included one discretely presented component unit, the CityWide Development Corporation (CWDC), as part of this report. CWDC was established in 1972 as a private, non-profit development organization which supports the City in a number of ways - primarily as its development financing arm. CWDC's relationship with the City is established via its stated mission: fostering economic development through creating and retaining jobs for City residents, providing administrative support to assist in neighborhood development, increasing tax revenues, and improving the Dayton area economy. Because the City appoints all members of CWDC's board of trustees and is empowered to remove them at will, CWDC is a component unit of the City. CWDC issues separately audited financial statements with a December 31 year end. Its most recently audited financial statements may be obtained from CityWide Development Corporation, 8 North Main Street, Dayton, Ohio 45402-1916. Further disclosures for the discretely presented component unit can be found in Note 23.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 1 - DESCRIPTION OF THE CITY AND REPORTING ENTITY (Continued)

The City of Dayton Sister City Committee (DSCC) is a blended component unit shown as a Special Revenue fund of the City of Dayton. The DSCC was created as a not for profit organization under Ohio Revised Code Section 1702.01 in 1966. The DSCC is governed by twenty six committee members, four of which are City of Dayton employees. The Dayton City Commission appoints all board members and provides all financial support or has solicited contributions on behalf of the DSCC. The DSCC provides services solely for the City. Financial information can be obtained for the DSCC by contacting Ms. Marion Sweeney at P.O. Box 97, Dayton, Ohio, 45402-0097.

The City is also associated with six jointly governed organizations. These organizations are discussed in Note 22 to the general purpose financial statements. These organizations are:

Miami Valley Regional Planning Commission
Miami Valley Fire/EMS Alliance
Economic Development/Government Equity Program
Montgomery County Family and Children First Council
Hazardous Material Response Team
Miami Valley Emergency Management Agency

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Dayton 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 proprietary activities provided they do not conflict with or contradict GASB pronouncements.

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.

The more significant of the City's accounting policies are described below. Separate information for the discretely presented component unit can be found in Note 23.

A. Basis of Presentation - Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the City are grouped into the following generic fund types under the broad fund categories: governmental, proprietary, and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions typically are financed. The acquisition, use and balances of the City's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The following are the City's governmental fund types:

General Fund The general fund is the operating fund of the City and is used to account 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.

Special Revenue Funds The special revenue funds are established to account for the proceeds of specific revenue sources (other than amounts relating to major capital projects) that are legally restricted to expenditure for specific purposes.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal, interest and related costs.

Capital Projects Funds The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary and nonexpendable trust funds).

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Fund Types The proprietary funds are used to account for the City's ongoing activities that are similar to those found in the private sector. The following are the City's proprietary fund types:

Enterprise Funds The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be recovered or financed primarily through user charges, or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds The internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

Fiduciary Funds The fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. The following are the City's fiduciary fund types:

Nonexpendable Trust Fund The nonexpendable trust fund is used to account for financial resources of which only the interest earnings may be used for specific purposes as stated in the trust agreement. This fund is accounted for in essentially the same manner as proprietary funds.

Agency Funds The agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group is used to account for all general fixed assets of the City other than those accounted for in proprietary and nonexpendable trust funds.

General Long-Term Obligations Account Group This account group is used to account for all long-term obligations of the City except those accounted for in the proprietary and nonexpendable trust funds.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types and the nonexpendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Operating statements of these funds present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to the time when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the City is thirty-one days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: state-levied locally shared taxes (including gasoline tax), grants, fines and forfeitures, income tax withheld by employers, charges for services, earnings on investments, and special assessments received during the available period.

The City reports deferred revenues in its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Current and delinquent property taxes measurable as of December 31, 2000, whose availability is indeterminate and which are not intended to finance current period obligations, have been recorded as a receivable and deferred revenue. Accounts receivable, in some instances, are recorded as deferred revenue because they do not meet the availability criteria. Levied special assessments are measurable, and have been recorded as a receivable.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special assessments are deferred except the amount received within the available period.

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. Principal and interest on general obligation and special assessment long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year, and costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period employees earn them. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary funds and non-expendable trust funds. Revenues are recognized when they are earned and become measurable, and expenses are recognized when they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation ordinance, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds except agency funds are legally required to be budgeted. Capital Projects funds and the HUD Programs Special Revenue fund, pursuant to the City's charter, are not required to be budgeted annually. These funds' appropriations, after their initial appropriations by Council at the time capital monies/grants are received (bond proceeds, etc.), remain intact until they are expended or modified by Council. Such monies are appropriated on a project level with specific identification of each project being budgeted. In addition, the Dayton Sister Cities Special Revenue fund is not budgeted because it is not included in the entity for which the "appropriated budget" is adopted and does not maintain separate budgetary information. Budget basis financial statements for these funds are not, therefore, presented in this report because such statements would not be meaningful, nor are they required. The legal level of budgetary control is at the department level. Budgetary modifications at this level may only be made by resolution of the City Commission.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tax Budget

A tax budget of estimated revenues and expenditures for all budgeted funds is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources

The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Budget Commission certifies its actions to the City by October 1. As part of this certification, the City receives the official certificate of estimated resources, which states the projected revenues of each fund. Prior to December 31, the City must revise its budget so that the total contemplated expenditures from any fund during the ensuing year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation ordinance. On or about January 1, the certificate of estimated resources is amended to include unencumbered fund balances at December 31 of the preceding year. The certificate may be further amended during the year if the fiscal officer determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2000.

Appropriations

A temporary appropriation measure to control expenditures may be passed on or about January 1 of each year for the period from January 1 to March 31. The annual appropriation ordinance must be passed by April 1 of each year for the period January 1 to December 31. The appropriation ordinance fixes spending authority at the fund and department level. The appropriation ordinance may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified. The allocation of appropriations between line items within a department may be modified with approval of the City Manager. All other modifications may only be made by ordinance of City Commission. During the year, several supplemental appropriation measures were passed, however none of them were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for the enterprise funds.

Lapsing of Appropriations

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding calendar year.

D. Cash and Cash Equivalents

Cash balances of the City's funds, except cash and cash equivalents and investments held by fiscal agents and cash and cash equivalents and investments in segregated accounts, are pooled and invested in order to provide improved cash management. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet. Some funds had expended amounts greater than their share of pooled cash and cash equivalents. These funds had negative cash balances at fiscal year end that were eliminated by a short-term loan from the general fund. These loans are classified as "interfund receivables" and "interfund payables."

During 2000, investments were limited to commercial paper, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, U.S. Treasury Notes, City owned debt, mutual funds, Dayton Power and Light stock, certificates of deposit, and STAR Ohio. Except for non-participating investment contracts, investments are stated at fair value which is based on quoted market prices. For open-end mutual funds, fair value is determined by the fund's share price at December 31, 2000. Non-participating investment contracts such as non negotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's office which allows governments within the State to pool their funds for investment purposes. STAR Ohio 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 STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2000.

For purposes of the statement of cash flows and for presentation on the combined balance sheet, the City's cash management pool and investments with original maturities of three months or less are considered to be cash and cash equivalents. Investments not part of the cash management pool, with an initial maturity of more than three months, are reported as investments.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City utilizes a financial institution to service bonded debt as principal and interest payments become due. The balance in these accounts along with reserves held for replacement and improvement for enterprise funds, money held by the municipal court and money in the executive savings plan are shown as “cash and cash equivalents with fiscal agents” and “investments with fiscal agents.”

Cash and cash equivalents that are held separately by CityWide Development Corporation, the discretely presented component unit, and the City of Dayton Sister Cities Committee, the blended component unit, are recorded on the balance sheet as “cash and cash equivalents in segregated accounts.”

Interest income is distributed to the funds according to City Ordinance and statutory requirements. Interest revenue earned during 2000 was \$8,993,436 in the General fund, which includes \$7,057,806 assigned from other City funds. The Special Revenue funds, the Debt Service fund, Capital Projects funds, Enterprise funds, and the Nonexpendable Trust fund also received interest revenue of \$40,251 \$429,348, \$347,159, \$8,807,041, and \$56,751, respectively.

E. Inventory of Supplies

Inventories of proprietary funds are valued using a weighted average method (cost of purchases added to current inventory value divided by the number of items in stock.) The cost of inventory items are recorded as expenses when used. As other departments purchase supplies from the internal services funds, they are charged an amount equal to the weighted average plus an average of fifteen percent markup. Inventory reported by the internal service funds consist of supplies held for use by other City departments. Inventory reported by the enterprise fund consists of fuel and pipes, valves, and clamps that have not yet been put into service.

F. Restricted Assets

Restricted assets are those which are legally restricted in their use by bond indentures, or other legal instruments. Restricted assets in the enterprise funds include “cash and cash equivalents” and “investments with fiscal agents.” “Cash and cash equivalents” represent utility deposits held by the City. “Investments with fiscal agents” are the proceeds from revenue bond issues that are required by the bond indenture to be held by a financial services corporation. Restricted assets in the debt service fund include “cash and cash equivalents with fiscal agents.” This represents the residual proceeds from baseball bonds issued during 2000 after the loan was made to Riverfront Area Redevelopment Enterprises, Inc., that are being held in a money market account. This money is restricted for the interest payments on the new baseball revenue bonds.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are valued at their estimated fair market value on the date received. The City's capitalization threshold is ten thousand dollars.

Improvements are capitalized. Improvements to fixed assets are depreciated over the remaining useful lives of the related fixed assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs, gutters, sidewalks, and drainage systems are not capitalized, as these assets are immovable and of value only to the City.

Depreciation of all fixed assets is computed using the straight-line method over the following useful lives:

Buildings and Building Improvements	10 to 40 years
Improvements other than Buildings	10 to 25 years
Equipment	3 to 15 years
Motorized Vehicles	3 to 10 years

H. Capitalization of Interest

The City's policy is to capitalize net interest on revenue bond construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. When a project is substantially complete (over ninety percent or when the asset is placed in service) the asset is moved from construction-in-progress to its appropriate fixed asset account. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset. For 2000, interest costs incurred on construction projects in proprietary funds were not material.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, entitlements and shared revenues are recorded as receivables and revenues when measurable and available. Reimbursable grants are recorded as intergovernmental receivables and revenues when the related expenditures are incurred. Grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable. Such resources restricted for the construction of capital assets are recorded as contributed capital.

J. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

K. Compensated Absences

The City follows the provisions of Governmental Accounting Standards Board Statement No. 16 “Accounting for 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 time and compensatory time when earned for all employees with more than one year of service.

Sick leave benefits are accrued using the termination method. An accrual for earned sick leave is made to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the City’s past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. The amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Obligations Account Group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences that will be paid from governmental funds are reported as a liability in the General Long-Term Obligations Account Group to the extent that they will not be paid with current expendable available financial resources. Payments made more than thirty-one days after year-end are considered not to have been paid using current available financial resources. Bonds are recognized as a liability of the General Long-Term Obligations Account Group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

M. Bond Premiums and Discounts

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight line method since the results are not significantly different from the effective interest method. Bond discounts are presented as a reduction of the face amount of the bonds payable whereas issuance costs are recorded as deferred charges.

The accounting loss on the refunded bonds (difference between the reacquisition price and the net carrying amount of the old debt) is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All remaining interfund transfers are reported as operating transfers.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Reservations of Fund Equity

The City reserves fund balance for amounts that are legally segregated for a specific purpose or which are not available for appropriation. Unreserved fund balance indicates a portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, claimants, advances to component unit, amounts reserved for contributions for the nonexpendable trust fund in accordance with the trust agreement, and reserved for loan receivable from Riverfront Area Redevelopment Enterprises, Inc. The reserve for claimants represents unclaimed monies that the City must hold for five years before the money can be used for general fund expenditures. The City loaned the Riverfront Area Redevelopment Enterprises, Inc. \$10,640,000 (See Note 9), which is recorded as a reserve of fund balance in the Debt Service Fund as of December 31, 2000.

Retained earnings have been reserved for revenue bond renewal and replacement in accordance with the terms of the revenue bond indentures, for amounts that should be accumulated for the repair and replacement of assets acquired or constructed with revenue bond proceeds.

P. Fund Designations

Fund balance designations may be established to indicate tentative planned expenditures of financial resources. The designations reflect the City's intentions and are subject to change. Designations are reported as part of unreserved fund balance. The City Commission has designated the following amounts within the General fund:

Project	Amount Designated
Carryover for Capital Investments	\$1,428,762
Judgements	2,251,678
Technology	924,789
Termination Pay	1,284,023
Unemployment	2,013,780
West Dayton Development	1,825,290
Total	<u>\$9,728,322</u>

Q. Contributed Capital

Contributed capital represents resources from other funds, other governments, passenger facility charges, and private sources provided to the proprietary funds that are not subject to repayment.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

Because the City did not prepare financial statements in accordance with generally accepted accounting principles prior to 1980, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

R. Total Columns on General Purpose Financial Statements

Total columns on the General Purpose Financial Statements are captioned Total “(Memorandum Only),” to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

When the title of a statement indicates that the component unit is included, two columns are presented. The first is captioned “Total Primary Government (Memorandum Only)” to indicate that only those activities that comprise the City’s legal entity have been included. The second is captioned “Total Reporting Entity (Memorandum Only)” and includes the activities and operations of the City’s legally separate discretely presented component unit. The total column on the statements which do not include component units have no additional caption.

NOTE 3 - RESTATEMENT OF FUND EQUITY

Due to errors that occurred in 1999, the City restated beginning fund balance/retained earnings for cash and cash equivalents in segregated accounts, inventory, unamortized bond issuance costs, accounts receivable, opwc loan payable, intergovernmental receivable, claims payable, and intergovernmental payable. The effect of these changes on the excess of revenues and other financing sources over expenditures and other financing uses/net income (loss) and the effect on opening fund balance/retained earnings follows:

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 3 - RESTATEMENT OF FUND EQUITY (Continued)

	<u>Proprietary Fund Types</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Income (Loss) as previously reported	\$6,385,493	(\$7,056,368)
Restatements:		
Cash and Cash Equivalents in Segregated Accounts	0	0
Inventory	14,529	63,000
Unamortized Bond Issuance Costs	(421,791)	0
Accounts Receivable	(10,659,187)	0
OPWC Loans Payable	(1,000,000)	0
Intergovernmental Receivable	(676,541)	0
Claims Payable	0	13,354,989
Intergovernmental Payable	0	1,727,986
Restated Amounts for the year ended December 31, 1999	<u>(\$6,357,497)</u>	<u>\$8,089,607</u>

	<u>Governmental</u>	<u>Proprietary Fund Types</u>	
	<u>Fund Type</u>	<u>Enterprise</u>	<u>Internal Service</u>
	<u>Special Revenue</u>	<u>Enterprise</u>	<u>Internal Service</u>
Fund Balance/Retained Earnings at December 31, 1999	\$9,737,554	\$207,943,618	(\$4,870,170)
Restatements:			
Cash and Cash Equivalents in Segregated Accounts	34,767	0	0
Inventory	0	14,529	63,000
Unamortized Bond Issuance Costs	0	(421,791)	0
Accounts Receivable	0	(10,659,187)	0
OPWC Loans Payable	0	(1,000,000)	0
Intergovernmental Receivable	0	(676,541)	0
Claims Payable	0	0	13,354,989
Intergovernmental Payable	0	0	1,727,986
Fund Balance/Retained Earnings at January 1, 2000	<u>\$9,772,321</u>	<u>\$195,200,628</u>	<u>\$10,275,805</u>

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY

Compliance

The Street and Miscellaneous Grants Special Revenue funds had appropriations in excess of estimated resources plus available balances in the amount of \$145,942 and \$288,161, respectively.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 4 - COMPLIANCE AND ACCOUNTABILITY (Continued)

The Law Enforcement fund, Police Department, Miscellaneous Grants fund, Other Grants, and Other Special Revenue funds, Municipal Court, Special Revenue funds had excesses of expenditures plus encumbrances over appropriations of \$207,414, \$12,162 and \$8,250, respectively, for the year ended December 31, 2000.

Accountability

The Economic Development/Government Equity Improvement Capital Projects fund, the Workers' Compensation and the Plumbing Shop Internal Service funds had fund balance/retained earnings deficits at December 31, 2000, of \$213,761, \$652,288 and \$118,196, respectively. The deficit in the capital projects fund was caused by the application of generally accepted accounting principles to the financial reporting of this fund. The General fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The retained earnings deficits are the results of revenues not covering operating costs. The City has made routine operating transfers to the internal service funds in the past and plan to continue to do so in the future on an as-needed basis.

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING

The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund, Special Revenue Funds, and Debt Service Fund - Budget Basis is presented on a modified accrual basis with some adjustments. The adjustments between the budget basis and the GAAP basis are:

1. Encumbrance balances at year end are added to expenditures.
2. Expenditures against prior year encumbrances which are not reappropriated are deducted from expenditures.

The HUD Programs Special Revenue fund is not budgeted annually and is not included in the Special Revenue fund (Budget Basis) statements. In addition, the capital projects funds are not budgeted annually. These funds are budgeted when capital monies/grants are received. The Dayton Sister Cities Special Revenue fund is also not budgeted.

The adjustments necessary to convert the results of operations for the year ended December 31, 2000, on the GAAP basis to the budget basis are as follows:

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (Continued)

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
GAAP Basis	\$6,844,514	\$235,649	\$243,282
Less:			
Reserve for Encumbrances (Adjusted for Nonbudgeted Funds)	(10,569,522)	(757,030)	(21,917)
Add:			
Expenditures Against Prior Year Budgets	5,192,249	216,152	4,549
Nonbudgeted Activity	<u>0</u>	<u>(793,232)</u>	<u>0</u>
Budget Basis	<u>\$1,467,241</u>	<u>(\$1,098,461)</u>	<u>\$225,914</u>

NOTE 6 - DEPOSITS AND INVESTMENTS

The investment and deposit of City monies are governed by City Ordinance and the Ohio Revised Code. 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 Commission has identified as not required for use within the current two 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 City's deposits is provided by the Federal Deposit Insurance Corporation, 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.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

According to City Ordinance, interim monies can be invested in the following obligations which mature within five years from the date the investments were completed:

1. U. S. Treasury bills, notes, and bonds;
2. U.S. government agency and instrumentality coupon and discount securities;
3. Certificates of Deposit;
4. Repurchase agreements with institutions having a signed master repurchase agreement on file with the Director of Finance;
5. Securities lending agreements with institutions having a signed securities lending agreement on file with the Director of Finance;
6. Bankers' Acceptances;
7. NOW accounts;
8. Money Market Mutual Funds (open ended investment companies) registered with the Securities and Exchange Commission;
9. State of Ohio Treasurer's investment pool (STAR Ohio);
10. Securities of any of the states of the United States or any of their political sub-divisions rated "A" or better by Moody's or S&P;
11. Prime commercial paper; and
12. Corporate notes rated at least AA (not to exceed 15% of the portfolio).

The City may also invest in the following instruments within the indicated maturities:

1. Repurchase agreements that do not exceed ninety days;
2. Money Market Mutual Funds with an average portfolio maturity which does not exceed 120 days;
3. Investments matched to a specific cash flow requirement; and
4. City of Dayton notes or bonds up to twenty years maturity.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits At year end, the carrying amount of the City's deposits was \$267,124 and the related bank balance was \$4,296,888. Of the bank balance, \$415,814 was covered by federal deposit insurance and \$3,881,074 was considered uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the City to a successful claim by the Federal Deposit Insurance Corporation.

Investments Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. STAR Ohio, an investment fund operated by the Ohio State Treasurer, and Mutual Fund Investments are unclassified since they are not evidenced by securities that exist in physical or book entry form.

	Primary Government			Fair Value
	Category 1	Category 2	Category 3	
Commercial Paper	\$19,758,800	\$0	\$0	\$19,758,800
FHLMC Notes	17,987,100	0	104,063	18,091,163
FNMA Notes	17,852,200	0	102,594	17,954,794
FHLB Notes	3,941,200	0	50,688	3,991,888
U.S. Treasury Notes	126,214,845	28,354,690	805,860	155,375,395
Dayton Special Assessment Debt	585,970	0	0	585,970
Mutual Fund Investments	0	0	0	3,013,548
Dayton Power and Light Stock	112,010	0	0	112,010
STAR Ohio	0	0	0	11,190,284
Total	\$186,452,125	\$28,354,690	\$1,063,205	\$230,073,852

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 6 - DEPOSITS AND INVESTMENTS (Continued)

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. The reconciliation between classifications of cash and investments on the general purpose financial statements and the classifications per GASB Statement No. 3 is as follows:

	Primary Government	
	Cash and Cash Equivalents	Investments
GASB Statement No. 9	\$229,165,760	\$1,175,216
Investments:		
Commercial Paper	(19,758,800)	19,758,800
FHLMC Notes	(17,987,100)	17,987,100
FNMA Notes	(17,852,200)	17,852,200
FHLB Notes	(3,941,200)	3,941,200
U.S. Treasury Notes	(154,569,534)	154,569,534
Mutual Funds	(3,013,548)	3,013,548
Dayton Special Assessment Debt	(585,970)	585,970
STAR Ohio	(11,190,284)	11,190,284
GASB Statement No. 3	\$267,124	\$230,073,852

NOTE 7 - 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 2000 for real and public utility property taxes represents collections of 1999 taxes. Property tax payments received during 2000 for tangible personal property (other than public utility property) is for 2000 taxes.

2000 real property taxes are levied after October 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2000 real property taxes are collected in and intended to finance 2001.

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. 2000 public utility property taxes became a lien December 31, 1999, are levied after October 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after October 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are 25 percent of true value.

The full tax rate for all City operations for the year ended December 31, 2000, was \$10.00 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2000 property tax receipts were based are as follows:

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 7 - PROPERTY TAXES (Continued)

	Amount	Percent
Real Property	\$1,308,366,160	70.54%
Public Utility Real Personal Property	142,951,440	7.71
Tangible Personal Property	403,346,103	21.75
Total	\$1,854,663,703	100.00%

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City of Dayton. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2000. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, nor are they intended to finance 2000 operations. The receivable is therefore offset by a credit to deferred revenue.

NOTE 8 - INCOME TAX

On March 27, 1984, the City Commission levied a municipal income tax of 1.75 percent on substantially all income earned within the City. In addition, during 2000, the City renewed their additional .50 percent levy through December 31, 2006. The City income tax also applies to the net income of businesses located or doing business within the City. The residents of the City are required to pay income tax on income earned outside of 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 of Dayton at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually. The City of Dayton administers the collection of income taxes and the assessment of interest and penalties. Income tax proceeds are to be used to pay the cost of administering the tax and are recorded in the General Fund. Income tax revenue for 2000 was \$112,664,888.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 8 - INCOME TAX (Continued)

The City acts as the income tax collecting agent for the following communities:

Brookville	Trotwood
Farmersville	Englewood
Yellow Springs	Phillipsburg
Cedarville	West Milton
Huber Heights	

For this collection service, the City charges a fee ranging from approximately two percent to five percent of gross collections. Undistributed taxes collected for these cities are shown as due to other governments in the agency funds.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2000, consisted of property and other local taxes, municipal income taxes, accounts, special assessments, accrued interest, due from other funds, interfund, loans, and intergovernmental receivables arising from grants and entitlements. Utility accounts receivable at December 31, 2000, were \$21,617,978. Receivables are considered fully collectible except emergency medical services and utility accounts. Fifteen percent of emergency medical services are considered uncollectible and one percent of utility receivables are considered uncollectible. Seventy five percent of weed control and eighty six percent of nuisance abatement special assessments are uncollectible also.

A. Intergovernmental Receivables

A summary of intergovernmental receivables follows:

<u>GENERAL FUND</u>	
Local Government and Local Government Revenue Assistance	\$1,085,330
Estate Tax	515,226
Convention Center Events Reimbursements	49,225
Sinclair Community College	5,000
Prisoner Boarding Fees	92,625
MVRTA Police Services	81,059
Court Charges	44,120
Miscellaneous	1,818
State of Ohio Reimbursement	2,828
Victim Offender Mediation Project	<u>31,513</u>
Total General Fund	<u>\$1,908,744</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 9 - RECEIVABLES (Continued)

SPECIAL REVENUE FUNDS

<u>Street</u>	
Motor Vehicle License	\$25,257
State Gasoline Excise Tax	77,315
Gasoline Tax	<u>150,966</u>
 Total Street	 <u>253,538</u>
 <u>Highway Maintenance</u>	
Motor Vehicle License	2,048
State Gasoline Excise Tax	6,269
Gasoline Tax	<u>12,241</u>
 Total Highway Maintenance	 <u>20,558</u>
 <u>HUD Programs</u>	
Emergency Shelter Grant	19,249
Shelter Plus Care	218,554
Community Development Block Grant	831,437
HOME Grant	<u>737,177</u>
 Total HUD Programs	 <u>1,806,417</u>
 <u>Miscellaneous Grants</u>	
Community Justice Collaboration	1,984
Domestic Violence Against Women	151,993
Brownfield Project	92,427
MCBAP Grant	1,725
MCAP Grant	86,807
Shelter Victim Assistance	2,386
Safe Estates	6,161
MVRTA Police Services	<u>25,000</u>
 Total Miscellaneous Grants	 <u>368,483</u>
 Total Special Revenue	 <u>\$2,448,996</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 9 - RECEIVABLES (Continued)

CAPITAL PROJECTS FUNDS

Capital Improvement	
Dayton Business Incubator Project	\$1,164,500
Baseball Stadium - Roadway Improvement Project	131,083
Baseball Stadium - Plaza Improvement	76,555
Signal Upgrade - Phase II Project	<u>400,181</u>
 Total Capital Improvement	 <u>1,772,319</u>
 Economic Development/Government Equity Improvement	
Economic Development/Government Equity Improvement Grants	<u>150,000</u>
 Issue II	
Airport Road Project	217,416
Vance Road Project	278,861
Patterson Boulevard Reconstruction	<u>324,551</u>
 Total Issue II	 <u>820,828</u>
 Total Capital Projects	 <u>2,743,147</u>
 ENTERPRISE FUNDS	
<hr/>	
Dayton International Airport	
FAA - Land Acquisition and Rehabilitation of Taxiway and Runways	767,375
 Water	
Montgomery County Reimbursement	35,545
 Sewer	
Sludge Disposal/Montgomery County	<u>92,758</u>
 Total Enterprise	 <u>895,678</u>
 Total All Funds	 <u><u>\$7,996,565</u></u>

B. Loans Receivable

During 1999, the City issued taxable economic development revenue bonds payable from nontax revenues of the City, in the amount of \$12,190,000 (See Note 17) and loaned \$11,200,000 of the proceeds to Riverfront Area Redevelopment Enterprises, Inc (Stadium Owner) to assist in financing the costs of constructing a baseball stadium. In consideration of the repayment of the loan, the Stadium Owner shall make loan payments in the amount of \$560,000 on April 1 of each year for twenty years, commencing April 1, 2000. All loan payments received will be credited against the outstanding principal amount of the loan, there being no interest payable on the loan.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 9 - RECEIVABLES (Continued)

The obligations of the stadium owner to make a loan payment on any loan payment date shall be forgiven if neither the stadium owner nor the team owner has materially breached, violated, or failed to fully perform any provision contained in the ground lease, the stadium lease, or the plaza lease (See Note 16) and the team owner has committed to play all club home games at the stadium during the then current calendar year. At December 31, 2000, the amount owed to the City was \$10,640,000.

NOTE 10 - FIXED ASSETS

Changes in general fixed assets during the year ended December 31, 2000, were as follows:

<u>Asset Category</u>	<u>Balance at January 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at December 31, 2000</u>
Land	\$42,205,026	\$5,917,923	\$608,094	\$47,514,855
Buildings	41,054,006	287,000	0	41,341,006
Building Improvements	45,344,134	62,090	1,073	45,405,151
Improvements other than Buildings	49,693,399	1,813,983	39,080	51,468,302
Equipment	14,149,406	4,580,977	1,110,083	17,620,300
Motorized Vehicles	37,015,194	2,462,539	1,113,733	38,364,000
Construction-In- Progress	<u>10,281,388</u>	<u>11,818,609</u>	<u>5,195,879</u>	<u>16,904,118</u>
Totals	239,742,553	<u>\$26,943,121</u>	<u>\$8,067,942</u>	258,617,732
Less: Accumulated Depreciation	<u>(107,790,493)</u>			<u>(112,907,285)</u>
Net Fixed Assets	<u>\$131,952,060</u>			<u>\$145,710,447</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 10 - FIXED ASSETS (Continued)

Construction-in-progress reported for general fixed assets is composed of the following:

	Project Authorization	Expended at 12/31/00	Committed
Facility Improvement	\$2,173,675	\$1,167,028	\$1,006,647
Technology Improvements	0	5,600	(5,600)
Rehabilitation Center	123,907	41,843	82,064
Fire Facility Improvement	183,635	11,457	172,178
Convention Center Improvements	578,762	385,889	192,873
Recreation and Parks Improvements	132,807	56,662	76,145
Fire Facility Improvements II	156,337	35,012	121,325
Convention Center Improvements II	156,310	4,200	152,110
Recreation and Parks Improvements II	1,172,132	461,775	710,357
Technology Improvements II	140,000	0	140,000
Baseball Stadium	6,180,630	2,351,239	3,829,391
A/R Financial System	55,944	23,236	32,708
Public Faculty Improvement	154,538	0	154,538
Signal Upgrade	719,000	600,670	118,330
ODD Dayton Supply	500,000	330,514	169,486
Underground Storage	1,005,512	388,309	617,203
ITS Enterprise Solutions	3,903,310	4,832,439	(929,129)
One Stop Shop	1,767,200	974,825	792,375
Issue II Projects	584,273	37,280	546,993
TIP Project Funds	100,000	45,389	54,611
Signal Rebuild	100,000	7,223	92,777
Roadwork 1999	4,779,573	1,518,879	3,260,694
Facilities	821,000	5,802	815,198
Recreation and Parks Improvements III	941,000	298,048	642,952
Convention Center Improvements III	163,374	46,942	116,432
Helena Street Culvert	560,000	3,261	556,739
Sidewalk & Curb Repavement	2,436,966	1,432,099	1,004,867
St. Clair Street Phase I	477,164	413,388	63,776
Clemmer Avenue Reconstruction	148,207	5,798	142,409
City Avenues Sidewalk & Curbs	181,061	96,171	84,890
Recreation and Parks Improvements IV	964,700	812,356	152,344
Valley Street Greenway Phase II	356,500	293,128	63,372
Demolition Program	399,830	172,176	227,654
Fitch Mallory House Stabilization	220,250	7,950	212,300
Brown Warren Shared Parking	60,000	37,530	22,470
	<u>\$32,397,597</u>	<u>\$16,904,118</u>	<u>\$15,493,479</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 10 - FIXED ASSETS (Continued)

A summary of the enterprise funds' fixed assets at December 31, 2000, follows:

Asset Category	Dayton International			Storm		Total
	Airport	Water	Sewer	Water	Golf	
Land	\$20,850,100	\$7,362,648	\$2,103,937	\$0	\$594,927	\$30,911,612
Buildings	26,870,125	11,798,634	3,629,246	0	1,844,551	44,142,556
Building Improvements	24,489,753	34,085,589	408,016	0	980,290	59,963,648
Improvements other than Buildings	138,599,042	103,113,248	161,509,713	0	4,216,261	407,438,264
Equipment	1,218,488	3,488,095	2,526,430	0	275,286	7,508,299
Motorized Vehicles	7,848,208	9,938,424	4,341,938	293,285	3,322,758	25,744,613
Construction-In-Progress	4,508,025	4,592,210	3,487,188	0	123,386	12,710,809
Totals	224,383,741	174,378,848	178,006,468	293,285	11,357,459	588,419,801
Less: Accumulated Depreciation	(99,295,877)	(72,510,801)	(85,455,874)	(48,952)	(5,208,303)	(262,519,807)
Net Fixed Assets	\$125,087,864	\$101,868,047	\$92,550,594	\$244,333	\$6,149,156	\$325,899,994

Construction-in-progress reported in the enterprise funds is composed of the following:

	Project Authorization	Expended at 12/31/00	Committed
Dayton International Airport			
Terminal Infrastructure	\$1,325,000	\$123,890	\$1,201,110
Taxiway W Design	1,000,199	610,451	389,748
Emery Warehouse	2,104,484	252,780	1,851,704
DWBA Runway	125,000	89,450	35,550
Dayton International Airport Inn Development/Design Partnership	650,000	0	650,000
Parking Garage Concept Design	42,000	28,615	13,385
Rehabilitation T/W A&Z/Cargo Apro	195,000	106,986	88,014
Construction Airport Fuel Farm	246,036	70,987	175,049
DWBA Maintenance Building	455,380	59,648	395,732
Cargo /Concourse Dr. Construction	492,269	414,213	78,056
Concourse CD Rehabilitation	1,000,000	10,704	989,296
Cargo Apron Expansion	150,000	80,177	69,823
Bag Claim Rehabilitation	504,310	370,851	133,459
Cargo Master Plan	329,415	242,220	87,195
NE Deicing Apron Extension	584,000	0	584,000
Terminal Apron Expansion	325,000	0	325,000
Perimeter RD	200,000	48,924	151,076
Rehab RW	65,000	47,750	17,250
Taxiway W Phase II	50,000	0	50,000
Taxiway W Phase II Construction	3,390,227	0	3,390,227
Taxiway W Phase III	360,774	305,023	55,751
Taxiway W Reconstruction	2,278,983	1,645,356	633,627
	6,438,125	0	6,438,125
	\$22,311,202	\$4,508,025	\$17,803,177

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 10 - FIXED ASSETS (Continued)

	Project Authorization	Expended at 12/31/00	Committed
<u>Water</u>			
Wellfield	\$4,135,000	\$0	\$4,135,000
Water Storage Facility Improvements	973,963	0	973,963
Ottawa Yard Complex I	2,500,000	814,707	1,685,293
Lime Kiln Field System	714,936	0	714,936
Water Revenue Hard/Software	621,658	133,373	488,285
Water Main Extension Improvement	2,215,000	243,831	1,971,169
Strand Avenue Elevated Tank	600,000	467,107	132,893
Burkhard Water Tower	500,000	81,064	418,936
Well Rehabilitation	700,000	411,237	288,763
Initialization of Infrastructure	1,305,480	0	1,305,480
Wellfield Improvement II	1,988,090	414,639	1,573,451
Wellfield Metering Project	275,000	0	275,000
Wellfield Improvement Miami/Mad	1,189,386	225,057	964,329
Power Optimization	250,000	0	250,000
Miami Treatment Plant Controls	250,000	165,305	84,695
Miscellaneous Water Mains	750,000	484,528	265,472
Treatment Plant I	500,000	0	500,000
Miami WTP Lab HVAC Improvements	250,000	0	250,000
Burkhart Reservoir	160,000	1,145	158,855
Electrical Maintenance Facility	150,000	117,386	32,614
Wellfield Improvement I	10,050,000	66,657	9,983,343
Well Rehabilitation/Replacement	250,000	97,987	152,013
Miami Treatment Plant Improvement	500,000	0	500,000
Wellfield Development	971,279	43,973	927,306
Miscellaneous Water Main Improvements	200,000	4,469	195,531
Miami/Ottawa TP Improvement	250,000	213,663	36,337
Ottawa SCADA Treatment System	500,000	32,316	467,684
Miami TP Filter Improvement	1,250,000	133,266	1,116,734
Miami TP/PS Improvement Phase II	1,500,000	310,500	1,189,500
Miami/Ottawa WTP Improvements	2,497,642	130,000	2,367,642
	<u>\$37,997,434</u>	<u>\$4,592,210</u>	<u>\$33,405,224</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 10 - FIXED ASSETS (Continued)

	Project Authorization	Expended at 12/31/00	Committed
<u>Sewer</u>			
Sludge Disposal Program	\$2,728,527	\$614,965	\$2,113,562
Rickling Filter	500,000	88,848	411,152
Edison Avenue Sanitary Sewer	172,000	0	172,000
Wastewater Treatment Plant Laboratory	2,800,000	2,238,247	561,753
Salem Avenue I2	43,665	0	43,665
Alleys Near Sherman I2	177,520	0	177,520
Vogel Lane I2	81,765	0	81,765
Bowen Avenue I2	160,820	0	160,820
Prescott Avenue I2	57,220	0	57,220
Garfield Street I2	54,865	0	54,865
West Side Trunk Sanitary Sewer	1,500,000	28,180	1,471,820
Sewer Maintenance Stockroom	177,232	60,590	116,642
AWT Facilities Improvement	1,000,000	0	1,000,000
Hunter Avenue Sanitary Sewer	40,000	681	39,319
Carillon Part Sanitary Sewer	75,000	51,000	24,000
Broadway PS & FM Improvements	1,340,096	0	1,340,096
WWT-WWTP SCADA System	300,000	6,662	293,338
WWTP SCADA System Update	1,000,000	372,683	627,317
South East Sewer Phase 3	248,051	22,692	225,359
Sewer Maintenance Vehicle Shelter	80,000	2,640	77,360
	<u>\$12,536,761</u>	<u>\$3,487,188</u>	<u>\$9,049,573</u>
<u>Golf</u>			
Golf Cart Storage Building	<u>\$210,000</u>	<u>\$123,386</u>	<u>\$86,614</u>

A summary of the internal service funds' fixed assets at December 31, 2000, follows:

Asset Category	Fleet Management	Central Stores and Reproduction	Workers' Compensation	Plumbing Shop	Total
Buildings	\$719,196	\$0	\$0	\$0	\$719,196
Building Improvements	43,907	0	0	0	43,907
Equipment	709,170	557,044	37,270	0	1,303,484
Motorized Vehicles	998,077	0	0	100,359	1,098,436
Totals	2,470,350	557,044	37,270	100,359	3,165,023
Less: Accumulated Depreciation	(2,138,642)	(280,850)	(34,869)	(76,740)	(2,531,101)
Net Fixed Assets	<u>\$331,708</u>	<u>\$276,194</u>	<u>\$2,401</u>	<u>\$23,619</u>	<u>\$633,922</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 11 - RISK MANAGEMENT

A. Property and Liability

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. In 2000, the City contracted with various insurance companies to provide the following coverages:

<u>Type of Coverage</u>	<u>Coverage</u>
Primary and Excess Airport Liability	\$100,000,000
Per Occurrence	25,000,000
Property	521,821,274
General Liability	
(NorthWest Railway)	5,000,000
Commercial Liability	
(Convention Center)	1,000,000
Errors and Omissions	
(Ambulance Attendants)	500,000
Garagekeepers/Operators Liability	3,000,000
Comprehensive/Catastrophic Fleet	20,000,000
Air Show Liability	95,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

B. Workers' Compensation

The City has elected to take advantage of the workers' compensation plan being offered by the State of Ohio. This plan, called retrospective rating, allows the City to pay a fraction of the premium it would pay as an experience-rated risk.

Retrospective rating constitutes a step closer to self-insurance. In the retrospective rating plan, the City agrees to assume a portion of the risk in return for a possible reduction in premiums. The greater the percentage of the risk the City assumes, the greater the potential reduction in the premium. If the City's loss experience is better than predicted by the experience-rating system, its premium obligation will be less than what it would have paid under experience rating. If its experience is worse than predicted, its premium obligation will be more than it would have been assessed under experience rating, limited to a maximum premium. The City has assumed the risk for individual claims up to a maximum of \$300,000.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 11 - RISK MANAGEMENT (Continued)

The City has agreed to pay all claims up to a maximum of 200% of what the City would have paid had the City remained an experience-rated risk. Claims exceeding these limits will be paid by the State. Each year, the City pays the State a “minimum premium” for retaining the risk of having to pay claims which exceeds the City’s maximum claim limits. Ten years after each year the City elected the retrospective plan for workers’ compensation, the City settles up for the reserve on any claims that are still open. The City has established a Workers’ Compensation Internal Service Fund to account for and finance its uninsured risks of loss in this program.

The claims liability of \$17,790,434 reported at December 31, 2000, as estimated by the third party administrator, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims cost be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the funds' claims liability amount in 1999 and 2000 were:

	Balance at <u>Beginning of Year</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>End of Year</u>
1999	\$21,432,985	\$6,198,129	\$3,647,611	\$23,983,503
2000 (Restated)	10,628,514	8,101,337	939,417	17,790,434

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System

All City full-time employees, other than non-administrative full-time police officers and firefighters, participate in the Public Employees Retirement System of Ohio (PERS), a cost-sharing multiple employer public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations. For calendar year 2000, PERS instituted a temporary employer rate rollback for state and local governments. The 2000 employer pension contribution rate for the City was 6.54 percent of covered payroll, reduced from 9.35 percent in 1999. Contributions are authorized by State statute. The contribution rates are determined actuarially.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 12 - DEFINED BENEFIT PENSION PLANS (Continued)

The City's required contributions to PERS for the years ended December 31, 2000, 1999, and 1998 were \$5,339,039, \$7,515,575, and \$7,321,621, respectively; 99.16 percent has been contributed for 2000 and 100 percent has been contributed for 1999 and 1998. The unpaid contribution for 2000 is recorded as a fund liability in the General fund.

B. Ohio Police and Fire Pension Fund

The City contributes to the Ohio Police and Fire Pension Fund (OP&F), a cost-sharing multiple employer public employee retirement system administered by the OP&F's Board of Trustees. 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 by Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information. That report may be obtained by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Police and firefighters are required to contribute 10 percent of their annual covered salary to fund pension obligations and the City is required to contribute 12.25 percent for police and 16.75 percent for firefighters. For 1999, the City contributions were 12.5 percent for police and 17 percent for firefighters. Contributions are authorized by State statute. The City's contributions to the OP&F for police and firefighters were \$2,669,670 and \$3,453,223 for the year ended December 31, 2000, \$3,075,488 and \$3,172,684 for 1999, and \$3,237,703 and \$3,255,695 for 1998. The full amount has been contributed for 1999 and 1998. A total of 78.4 percent and 87.3 percent has been contributed for 2000 for police and firefighters, respectively, with the remainder being reported as a fund liability in the General Fund.

NOTE 13 - POSTEMPLOYMENT BENEFITS

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12. A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2000 employer contribution rate was 10.84 percent of covered payroll; 4.3 percent was the portion that was used to fund health care for 2000. For 1999, the contribution rate was 13.55 percent of covered payroll; 4.20 percent was the portion that was used to fund health care.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 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.

The number of active contributing participants was 401,339. The City's actual contributions for 2000 which were used to fund postemployment benefits were \$3,510,377. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 1999, (the latest information available) were \$10,805.5 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$12,473.6 million and \$1,668.1 million, respectively.

For 2000, PERS elected to return to an actuarially pre-funded type of disclosure because it is a better presentation of PERS's actual funding methodology. Since 1997, disclosures had been based on a pay-as-you-go funding basis.

B. 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 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 Ohio Police and Fire Pension Fund shall be included in the employer's contribution rate. Health care funding and accounting is on a pay-as-you-go basis.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 13 - POSTEMPLOYMENT BENEFITS (Continued)

The total police employer contribution is 19.5 percent of covered payroll and the total firefighter employer contribution rate is 24 percent of covered payroll, of which 7.25 percent of covered payroll was applied to the postemployment health care program during 2000. For 1999 the percent used to fund healthcare was 7 percent. 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.

The City's actual contributions for 2000 that were used to fund postemployment benefits were \$1,580,009 for police and \$1,494,679 for fire. The OP&F's total health care expenses for the year ended December 31, 1999, (the latest information available) were \$95,004,633, which was net of member contributions of \$5,518,098. The number of OP&F participants eligible to receive health care benefits as of December 31, 1999, was 12,467 for police and 9,807 for firefighters.

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation, compensatory time and sick leave components are derived from negotiated agreements and State laws. Vacation time is accrued at the rate of one day per month, plus one to nine additional days per year for all employees except police, who receive up to 12 additional days per year, depending upon the length of service. The maximum accrual which can be carried forward into January is thirty days. Accumulated unused vacation time is paid to employees upon termination or retirement.

Compensatory time off in lieu of overtime pay is an option given to uniformed Police under union contract. It is given on the basis of time and one-half for actual hours worked. Police officers, sergeants, and lieutenants may accumulate up to 136 hours. Currently, overtime pay is paid as overtime hours worked by those uniformed employees who have already accumulated the maximum hours allowed.

All uniformed employees of the Fire Department also have the option to choose compensatory time in lieu of overtime pay, and they may accumulate up to one hundred twenty hours of compensatory time. Employees who have accumulated the maximum hours are paid overtime as overtime hours are worked.

Sick leave is accrued at the rate of one and one-fourth days per month. The maximum sick leave accrual which can be carried forward into January is 125 days. Accrued sick leave in excess of 125 days must be converted to vacation days in January at the rate of two sick leave days for one vacation day. Upon retirement, payment is made for one-half of the total sick leave accumulation, up to a maximum of 140 days.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 14 - OTHER EMPLOYEE BENEFITS (Continued)

B. Insurance Benefits

Medical insurance is provided to employees through United Health Care or Anthem Blue Cross/Blue Shield Health Maintenance insurance plans. Dental insurance is provided to employees through Superior Dental Care and Ohio AFSCME Care. Group Life and Accidental Death and Dismemberment insurance is provided to employees through Provident Life Insurance. Life insurance coverage amounts range from \$12,000 to \$300,000 according to employee position.

C. Deferred Compensation Plans

City employees and elected officials participate in either the International City Managers Association (ICMA) Deferred Compensation Plan, or the Ohio Public Employees Deferred Compensation Plan. These plans are created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plans permit deferral of compensation until future years. According to the plans, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

In May 2000, the City entered into an agreement for the lease of 100 golf carts. The lease provides for one payment annually for five years. The lease is a financing arrangement that transfers the ownership of the golf carts to the City of Dayton at the end of the lease period. This lease agreement is classified as a capital lease and is accounted for in the Golf fund.

In prior years, the City entered into capitalized leases for copiers. The leases meet the criteria of capital leases as defined by Statement of Financial Accounting Standard No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Fund fixed assets acquired by capital lease and the related liability and interest expense have been reported in the Golf Enterprise fund and Stores and Reproduction Internal Service fund. Principal payments in 2000 totaled \$175,184 for the Golf Enterprise fund and \$80,484 for the Stores and Reproduction Internal Service fund.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

The following is an analysis of assets leased under capital leases as of December 31, 2000:

	<u>Enterprise</u>	<u>Internal Service</u>
	<u>Golf Fund</u>	<u>Stores and Reproduction Fund</u>
Equipment	\$0	\$399,327
Motorized Vehicles	347,500	0
Accumulated Depreciation	(69,500)	(239,595)
Carrying Value	<u>\$278,000</u>	<u>\$159,732</u>

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2000:

	<u>Enterprise</u>	<u>Internal Service</u>
<u>Year Ending December 31,</u>	<u>Golf Fund</u>	<u>Stores and Reproduction Fund</u>
2001	\$76,934	\$92,685
2002	76,934	75,222
2003	76,934	0
2004	76,934	0
Total	<u>307,736</u>	<u>167,907</u>
Less: Amount Representing Interest	<u>(25,056)</u>	<u>(9,216)</u>
Present Value of Minimum Lease Payments	<u>\$282,680</u>	<u>\$158,691</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - OPERATING LEASE - LESSEE AND LESSOR DISCLOSURE

The City leases office space under noncancelable leases. Total costs for such leases were \$415,905 for the year ended December 31, 2000. The future minimum lease payments as of December 31, 2000, are as follows:

Year Ending December 31,	Minimum Lease Payments
2001	\$432,584
2002	223,846
2003	148,707
2004	74,354
Totals	<u>\$879,491</u>

The City is the lessor of land and space (mostly through Dayton International Airport and Golf Enterprise funds) under noncancelable leases. Leases have varying terms from three to sixty five years. The future minimum rentals as of December 31, 2000, are as follows:

Year Ending December 31,	Minimum Lease Payments
2001	\$544,660
2002	550,003
2003	545,860
2004	449,461
2005	443,333
2006-2042	<u>5,426,801</u>
Totals	<u>\$7,960,118</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 16 - OPERATING LEASE - LESSEE AND LESSOR DISCLOSURE (Continued)

The City is also the lessor of land and space to the Riverfront Area Redevelopment Enterprises, Inc. The ground lease is \$9,000 per year and the plaza lease is \$1,000 per year, both payable in annual installments before or on April 1 each year for the next 20 years. Both of these payments must be made each year for the \$560,000 loan payment to be forgiven each year (Note 9). The future minimum rentals as of December 31, 2000, are as follows:

Year Ending December 31,	Minimum Lease Payments
2001	\$10,000
2002	10,000
2003	10,000
2004	10,000
2005	10,000
2006-2019	140,000
Totals	\$190,000

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17- LONG-TERM OBLIGATIONS

Changes in the City's general long-term obligations during 2000 were as follows:

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
General Obligation Bonds:								
Courthouse Square Parking Garage	04/01/81	10/01/01	10.50%	\$3,200,000	\$320,000	\$0	\$160,000	\$160,000
Western Avenue Improvement	06/01/86	12/01/06	7.625	9,000,000	3,150,000	0	450,000	2,700,000
Wegerzyn Center Improvement	06/01/86	12/01/06	7.625	1,000,000	350,000	0	50,000	300,000
Exhibition Center Improvement	06/01/86	12/01/06	7.625	6,200,000	2,170,000	0	310,000	1,860,000
Road Improvements	06/01/89	12/01/09	7.000	5,200,000	2,600,000	0	260,000	2,340,000
Human Rehabilitation Center	06/01/89	12/01/09	7.000	2,425,000	1,225,000	0	120,000	1,105,000
Police District Facilities	06/01/89	12/01/09	7.000	1,815,000	915,000	0	90,000	825,000
Capital Facilities	10/01/93	11/01/13	4.5 to 4.75	7,465,000	5,010,000	0	355,000	4,655,000
Taxable Housing Improvements	10/01/93	11/01/13	5.35 to 6.5	3,035,000	2,135,000	0	150,000	1,985,000
Capital Facilities	10/01/94	11/01/14	4.5 to 8.0	3,280,000	2,360,000	0	190,000	2,170,000
Capital Facilities	05/01/98	12/01/08	4.6 to 5.0	15,630,000	14,855,000	0	780,000	14,075,000
Various Purpose Bonds	12/01/98	12/01/20	3.1 to 5.125	22,200,000	21,180,000	0	1,550,000	19,630,000
Total General Obligation Bonds					56,270,000	0	4,465,000	51,805,000
Revenue Bonds:								
Baseball Revenue Bonds	03/01/99	12/01/19	5.69 to 6.85	\$12,190,000	\$12,190,000	\$0	\$320,000	\$11,870,000

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17- LONG-TERM OBLIGATIONS (Continued)

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
Special Assessment Bonds:								
Sidewalk Construction	06/01/91	06/01/01	6.000	\$58,149	\$12,000	\$0	\$6,000	\$6,000
Sidewalk Construction	06/01/91	06/01/01	6.000	47,568	10,000	0	5,000	5,000
Sidewalk Construction	12/01/91	12/01/01	6.000	13,704	2,744	0	1,370	1,374
Ornamental Lighting	11/23/92	11/23/02	6.000	479,762	144,000	0	48,000	96,000
Sidewalk Construction	12/01/92	12/01/02	6.000	19,976	6,000	0	2,000	4,000
Sidewalk Construction	12/01/93	12/01/03	6.000	28,479	11,600	0	2,900	8,700
Sidewalk Construction	11/01/94	11/01/04	6.000	15,219	7,500	0	1,500	6,000
Sidewalk Construction	11/01/95	11/01/00	6.000	73,052	14,600	0	14,600	0
Sidewalk Construction	11/01/95	11/01/05	6.000	30,459	18,000	0	3,000	15,000
Sidewalk Construction	11/01/96	11/01/06	6.000	29,566	21,000	0	3,000	18,000
Sidewalk Construction	11/01/96	11/01/01	6.000	61,709	24,600	0	12,300	12,300
Ornamental Lighting	11/01/97	11/01/07	6.000	71,270	56,800	0	7,100	49,700
Sidewalk Construction	11/01/97	11/01/07	6.000	10,141	8,000	0	1,000	7,000
Sidewalk Construction	11/01/97	11/01/02	6.000	22,036	13,200	0	4,400	8,800
Sidewalk Construction	11/01/97	11/01/00	6.000	32,161	10,700	0	10,700	0
Sidewalk Construction	11/01/98	11/01/03	6.000	41,384	32,000	0	8,000	24,000
Sidewalk Construction	11/01/98	11/01/01	6.000	30,543	20,000	0	10,000	10,000
Sidewalk Construction	11/01/98	11/01/08	6.000	9,098	8,100	0	900	7,200
Sidewalk Construction	11/01/00	11/01/03	6.000	65,838	0	65,838	0	65,838
Sidewalk Construction	11/01/00	11/01/05	6.000	112,082	0	112,082	0	112,082
Sidewalk Construction	11/01/00	11/01/10	6.000	127,575	0	127,575	0	127,575
Total Special Assessment Bonds					420,844	305,495	141,770	584,569
Compensated Absences					10,228,006	765,001	0	10,993,007
Total GLTDAG					\$79,108,850	\$1,070,496	\$4,926,770	\$75,252,576

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17- LONG-TERM OBLIGATIONS (Continued)

General obligation bonds are unvoted and were used to construct street improvements and government construction projects or to pay off the police and fire pension liability. All general obligation bonds will be paid through the Debt Service fund from property tax revenues.

Special assessment bond issues represent assessments for sidewalk, curb and gutter reconstruction, and lighting. They are payable from tax assessments against the property owner whose benefits from the improvements exceed that of the general public. The special assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. These bonds will be paid from the Debt Service fund.

Compensated absences will be paid from the fund from which the employees' salaries are paid.

Changes during 2000 in the City's long-term proprietary fund obligations were as follows:

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount	Restated Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
General Obligation Bonds:								
Waterworks	04/01/81	10/01/01	10.50%	\$1,600,000	\$160,000	\$0	\$80,000	\$80,000
Dayton International Airport	04/01/81	10/01/01	10.50%	5,700,000	570,000	0	285,000	285,000
Dayton International Airport	06/01/82	12/01/02	12.63%	4,770,000	690,000	0	230,000	460,000
Total General Obligation Bonds					<u>1,420,000</u>	<u>0</u>	<u>595,000</u>	<u>825,000</u>
Revenue Bonds:								
Dayton International Airport	10/01/92	12/01/11	3.25 to 5.8	15,175,000	11,190,000	0	680,000	10,510,000
Dayton International Airport	10/15/95	12/15/15	3.85 to 5.5	30,510,000	26,460,000	0	1,120,000	25,340,000
Refunding Waterworks	03/01/99	12/01/07	variable	46,690,000	41,690,000	0	4,625,000	37,065,000
Total Revenue Bonds					<u>\$79,340,000</u>	<u>\$0</u>	<u>\$6,425,000</u>	<u>\$72,915,000</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17- LONG-TERM OBLIGATIONS (Continued)

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount	Restated Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
Other Proprietary Fund Long-Term								
Obligations:								
Ohio Water Development Authority								
Loan	12/20/88	12/01/13	6.85 to 8.3	\$59,259,894	\$25,883,143	\$0	\$2,962,994	\$22,920,149
Ohio Public Works Commission Loan	07/01/97	07/01/20	0.00	1,000,000	1,000,000	0	0	1,000,000
Advances from Other Funds					193,500	0	193,500	0
Compensated Absences Payable					2,670,369	0	15,133	2,655,236
Capital Leases Payable					349,539	347,500	255,668	441,371
Claims Payable					10,628,514	8,101,337	939,417	17,790,434
Total Proprietary Fund Long-Term Obligations					<u>\$121,485,065</u>	<u>\$8,448,837</u>	<u>\$11,386,712</u>	<u>\$118,547,190</u>

Enterprise fund general obligation bonds were used for the Water System and the Dayton International Airport improvements. The bonds will be paid from the respective enterprise fund.

Revenues bonds were issued for the Dayton International Airport and water system improvements. The revenue bonds are pledged against the revenue generated by the specific enterprise fund, and will be paid from the respective enterprise fund.

The revenue bonds in the Dayton International Airport Enterprise fund are reported at carrying value. Face value of the bond was \$35,850,000. The unamortized bond discount was \$350,250 and the unamortized deferred charge on the 1995 refunding was \$1,993,566. The deferred charge is being amortized as part of interest expense over the life of the new debt.

The revenue bonds in the Water Enterprise fund are reported at carrying value. Face value of the bond was \$37,065,000. The unamortized deferred charge on the 1999 refunding was \$395,150. The deferred charge is being amortized as part of interest expense over the life of the new debt.

The City of Dayton's Wastewater Treatment Plant capital improvement project is funded through the joint efforts of the United States Environmental Protection Agency (EPA) and the Ohio Water Development Authority (OWDA). Repayment amounts include capital expenses, administration fees, and accrued interest. The Ohio Water Development Authority Loan will be paid from the Sewer Enterprise fund.

During 1997, the City of Dayton was granted a \$1,000,000 loan from the Ohio Public Works Commission. The purpose of the loan is to finance and reimburse the costs of replacing a wastewater treatment laboratory facility to meet Ohio Environmental Protection Agency and the Occupational Safety and Health Association requirements. The loan is being paid out of the Sewer fund over 20 years, with semi-annual payments of \$25,000. There is no interest on this loan.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17- LONG-TERM OBLIGATIONS (Continued)

The advance from other funds was paid from the Dayton International Airport Enterprise fund. Compensated absences will be paid from the fund from which the employees' salaries are paid. Capital leases will be paid from the Golf Enterprise fund and Stores and Reproduction Internal Service fund. The claims payable liability will be paid from the Workers' Compensation Internal Service fund.

As of December 31, 2000, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$194,739,689 and unvoted legal debt margin was \$102,006,504. Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2000, were as follows:

General Long-Term Obligations Account Group

Year	Special Assessment Bonds	General Obligation Bonds	Baseball Revenue Bonds	Totals
2001	\$207,913	\$7,196,833	\$786,482	\$8,191,228
2002	163,684	6,821,247	766,660	7,751,591
2003	100,944	6,661,937	745,204	7,508,085
2004	62,968	6,512,630	722,290	7,297,888
2005	58,366	6,353,288	697,666	7,109,320
2006-2010	99,382	18,831,867	3,050,732	21,981,981
2011-2015	0	12,539,488	2,072,128	14,611,616
2016-2020	0	7,665,270	676,780	8,342,050
Totals	<u>\$693,257</u>	<u>\$72,582,560</u>	<u>\$9,517,942</u>	<u>\$82,793,759</u>

Proprietary Funds

Year	General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loan	Totals
2001	\$691,400	\$10,098,557	\$4,785,974	\$50,000	\$15,625,931
2002	259,038	10,096,133	4,548,323	50,000	14,953,494
2003	0	10,094,852	4,310,673	50,000	14,455,525
2004	0	10,093,765	4,073,023	50,000	14,216,788
2005	0	10,097,100	3,835,372	50,000	13,982,472
2006-2010	0	30,697,746	9,358,985	250,000	40,306,731
2011-2015	0	13,712,599	0	250,000	13,962,599
2016-2020	0	0	0	250,000	250,000
Totals	<u>\$950,438</u>	<u>\$94,890,752</u>	<u>\$30,912,350</u>	<u>\$1,000,000</u>	<u>\$127,753,540</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 17- LONG-TERM OBLIGATIONS (Continued)

The City has the following conduit debt obligations at December 31, 2000:

	Original Issue Amount	Amount Outstanding
Emery Revenue Refunding - 1988	\$46,000,000	\$46,000,000
Emery Revenue Refunding - 1988	17,000,000	17,000,000
Emery Revenue Refunding - 1988	13,000,000	13,000,000
Emery Revenue Refunding - 1993	16,000,000	16,000,000
Emery Revenue Refunding - 1993	16,000,000	16,000,000
Good Samaritan Hospital Revenue - 1973	35,500,000	10,960,000
Good Samaritan Hospital Revenue - 1978	3,950,000	900,000
Ohio Special Facilities Revenue - 1999	7,015,000	6,915,000

These bonds do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment, and therefore they have been excluded entirely from the City's debt presentation. There has not been and is not any condition of default under the bond or the related financing documents.

NOTE 18 - SHORT-TERM OBLIGATIONS

A summary of the short-term note transactions for the year ended December 31, 2000, follows:

	Issue Date	Maturity Date	Interest Rate	Original Issue Amount	Balance at December 31, 1999	Increases	Decreases	Balance at December 31, 2000
General Obligation Notes:								
Airport Improvement Notes	06/03/99	03/03/00	3.65%	\$12,100,000	\$12,100,000	\$0	\$12,100,000	\$0
Airport Improvement Notes	03/03/00	12/01/00	4.60	10,100,000	0	10,100,000	10,100,000	0
Airport Improvement Notes	12/01/00	8/30/01	4.75	8,600,000	0	8,600,000	0	8,600,000
Total General Obligation Notes					12,100,000	18,700,000	22,200,000	8,600,000
Special Assessment Notes:								
Sidewalk Construction	11/01/00	11/01/01	6.00	1,400	0	1,400	0	1,400
Total Notes Payable					\$12,100,000	\$18,701,400	\$22,200,000	\$8,601,400

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 18 - SHORT-TERM OBLIGATIONS (Continued)

The general obligation airport improvement note payable outstanding is a bond anticipation note and will be paid from Dayton International Airport Enterprise fund. It is backed by the full faith and credit of the City and matures within one year.

The special assessment note represents an assessment for sidewalk improvements. It is payable from tax assessments against the property owner whose benefits from the improvements exceed that of the general public. The special assessment note is backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt. This note will be repaid from the Capital Improvement Capital Projects fund.

NOTE 19 - INTERFUND ASSETS/LIABILITIES

Individual interfund receivables and payables balances at December 31, 2000, were as follows:

	Receivables (Due from Other funds)	Payables (Due to Other funds)
General	\$6,294,429	\$5,397,579
Special Revenue		
Street	299,552	112,527
HUD Programs	274,964	14,146
Law Enforcement	65	4,503
Miscellaneous Grants	15,914	408
Total Special Revenue	590,495	131,584
Debt Service Fund	2,504	0
Capital Projects		
Capital Improvement	91,788	86,212
Issue II	2,363	0
Total Capital Projects	94,151	86,212
Enterprise		
Dayton International Airport	389,799	13,086
Water	3,637,106	747,446
Sewer	710,806	2,344,602
Storm Water	33,515	399,818
Golf	63,698	32,868
Total Enterprise	\$4,834,924	\$3,537,820

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 19 - INTERFUND ASSETS/LIABILITIES (Continued)

	<u>Receivables</u> (Due from Other funds)	<u>Payables</u> (Due to Other funds)
Internal Service		
Fleet Management	\$718,657	\$380,839
Stores and Reproduction	50,936	6,518
Workers' Compensation	9,569	2,901,155
Plumbing Shop	<u>0</u>	<u>1,491</u>
Total Internal Service	<u>779,162</u>	<u>3,290,003</u>
Agency Funds	<u>0</u>	<u>152,467</u>
Total	<u>\$12,595,665</u>	<u>\$12,595,665</u>
Interfund Payables / Receivables:		
	<u>Interfund</u> <u>Receivables</u>	<u>Interfund</u> <u>Payables</u>
General	<u>\$5,352,063</u>	<u>\$0</u>
Special Revenue		
HUD Programs	<u>0</u>	<u>680,498</u>
Debt Service Fund	<u>100,068</u>	<u>0</u>
Capital Projects Fund		
ED/GE	<u>0</u>	<u>186,119</u>
Enterprise		
Dayton International Airport	0	100,068
Golf	<u>0</u>	<u>3,539,883</u>
Total Enterprise	<u>0</u>	<u>3,639,951</u>
Internal Service		
Fleet Management	0	875,000
Plumbing Shop	<u>0</u>	<u>70,563</u>
Total Internal Service	<u>0</u>	<u>945,563</u>
Total	<u>\$5,452,131</u>	<u>\$5,452,131</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 19 - INTERFUND ASSETS/LIABILITIES (Continued)

Advances:	Advances to Component Unit	Advances from Primary Government
	<u> </u>	<u> </u>
Primary Government Funds:		
Special Revenue		
HUD Programs	\$5,462,250	\$0
Capital Projects		
Capital Improvement	1,403,600	0
Enterprise		
Water	<u>2,971,674</u>	<u>0</u>
 Total Primary Government	 <u>9,837,524</u>	 <u>0</u>
 Component Unit:		
CityWide Development	<u>0</u>	<u>9,837,524</u>
 Total Advances	 <u>\$9,837,524</u>	 <u>\$9,837,524</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 19 - INTERFUND ASSETS/LIABILITIES (Continued)

Operating Transfers:

	<u>Operating Transfer - In</u>	<u>Operating Transfer - Out</u>
Funds:		
General	<u>\$8,584,109</u>	<u>\$16,794,120</u>
Special Revenue		
Street	2,147,748	0
HUD Programs	389,408	48
Miscellaneous Grants	90,232	342
Other Special Revenue	<u>0</u>	<u>8,820</u>
Total Special Revenue	<u>2,627,388</u>	<u>9,210</u>
Debt Service	<u>1,961,180</u>	<u>13,043</u>
Capital Projects		
Capital Improvement	12,645,574	9,520,783
Economic Development/Government		
Equity Improvement	361,799	134,900
Issue II	<u>383,540</u>	<u>92,434</u>
Total Capital Projects	<u>13,390,913</u>	<u>9,748,117</u>
Enterprise		
Dayton International Airport	50,001	156,000
Water	9,899	0
Sewer	463	0
Storm Water	<u>0</u>	<u>463</u>
Total Enterprise	<u>60,363</u>	<u>156,463</u>
Internal Service		
Fleet Management	<u>97,000</u>	<u>0</u>
Total Operating Transfers	<u>\$26,720,953</u>	<u>\$26,720,953</u>

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 20 - SEGMENT INFORMATION

The City's maintains five enterprise funds to account for the Dayton International Airport, Water, Sewer, Storm Water and Golf activities. Key financial information as of and for the year ended December 31, 2000, for each enterprise fund is as follows:

	Dayton			Storm		Total
	International Airport	Water	Sewer	Water	Golf	
Operating Revenues	\$26,788,152	\$44,357,980	\$28,814,562	\$5,404,642	\$2,725,562	\$108,090,898
Depreciation Expense	6,511,288	5,123,831	6,430,419	25,598	309,978	18,401,114
Operating Income (Loss)	(806,055)	7,512,101	4,040,633	2,332,330	(741,169)	12,337,840
Interest Income	1,322,035	5,655,686	1,719,706	109,614	0	8,807,041
Gain on Disposal of Fixed Assets	1,089	31,606	8,714	0	11,982	53,391
Interest and Fiscal Charges	(2,748,554)	(1,788,055)	(1,941,806)	0	(16,050)	(6,494,465)
Operating Transfers - In	50,001	9,899	463	0	0	60,363
Operating Transfers - Out	(156,000)	0	0	(463)	0	(156,463)
Net Income (Loss)	(2,337,484)	11,421,237	3,827,710	2,441,481	(745,237)	14,607,707
Current Contributed Capital	10,579,227	0	0	0	0	10,579,227
Fixed Assets:						
Additions	6,031,620	9,207,844	4,375,188	0	1,704,947	21,319,599
Deletions	837,672	1,039,688	303,489	0	124,601	2,305,450
Net Working Capital (Deficit)	5,540,210	75,630,219	25,190,365	5,146,540	(3,749,444)	107,757,890
Total Assets	149,562,597	190,594,132	124,896,688	5,974,556	6,227,506	477,255,479
Long-Term Obligations:						
General Obligation Bonds Payable	230,000	0	0	0	0	230,000
Revenue Bonds Payable	31,772,438	31,921,300	0	0	0	63,693,738
OWDA Loan Payable	0	0	21,438,652	0	0	21,438,652
OPWC Loan Payable	0	0	975,000	0	0	975,000
Other Long-Term Obligations						
Payable from Revenues	487,369	984,860	618,083	72,604	478,294	2,641,210
Total Equity	101,776,115	148,451,913	94,709,224	5,318,269	1,921,418	352,176,939
Total Encumbrances	\$12,727,293	\$14,439,141	\$8,313,502	\$293,395	\$778,767	\$36,552,098

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 21 - CONTRIBUTED CAPITAL

During the year, contributed capital increased by the following amounts:

Source	Dayton					Total
	International Airport	Water	Sewer	Storm Water	Golf	
Intergovernmental	\$7,012,378	\$0	\$0	\$0	\$0	\$7,012,378
Passenger Facility Charges	3,566,849	0	0	0	0	3,566,849
Contributed Capital at December 31, 1999	83,629,711	61,997	46,469,914	5,000	1,622,755	131,789,377
Contributed Capital at December 31, 2000	<u>\$94,208,938</u>	<u>\$61,997</u>	<u>\$46,469,914</u>	<u>\$5,000</u>	<u>\$1,622,755</u>	<u>\$142,368,604</u>

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS

A. 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 Dayton, City of Riverside, City of New Carlisle, and the City of Huber Heights. 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 \$83,740 for the operation of the Commission during 2000. Financial information can be obtained from Nora Lake, Executive Director, at 40 West Fourth Street, Dayton, Ohio 45402.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

B. Miami Valley Fire/EMS Alliance

The Miami Valley Fire/EMS Alliance (the Alliance) is a jointly governed organization between municipal corporations and townships in Montgomery, Greene and Warren Counties. The purpose of the Alliance is to foster cooperation among the political subdivisions by promoting programs and recommending matters which will result in more efficient methods of delivering fire and emergency medical services in the region. The Board of the Alliance is made up of a representative appointed by the City of Dayton, a representative appointed by the members who are provided Fire/EMS Services by volunteers, two representatives appointed by the members who are provided Fire/EMS Services by a combination of full time employees and volunteers, and a representative appointed by the members who are provided Fire/EMS Services by full time employees. Payments to the Alliance are made from the General Fund. The City contributed \$43,090 for the operation of the Alliance during 2000. Financial information can be obtained from Mike Hoverland, Director, at 444 W. Third Street, Suite 13-204, Dayton, Ohio 45402.

C. 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, township, 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 nine years, ending December 31, 2001. 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 did not contribute to the operation of ED/GE during 2000. Financial information can be obtained from Linda Gum, Administrative Assistant, at 451 West Third Street, Dayton, Ohio 45402.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

D. Montgomery County Family and Children First Council

The City participates in the Montgomery County Family and Children First Council. The Council coordinates and integrates those services within Montgomery County which are available for families and children and establishes a comprehensive, coordinated, multi-disciplinary, interagency system for the delivery of such services in order to more effectively meet the needs of families and children. The Council is governed by a board of nineteen trustees, one of which is the Mayor of the City of Dayton. During 2000, the City contributed \$26,500 to the Council. Financial information can be obtained from Sue Daily, Executive Director, at 451 West Third Street, P.O. Box 972, Dayton, Ohio 4522-3100.

E. Hazardous Material Response Team

The City is a member of a Hazardous Material Response Team (“HAZ MAT”) which is a jointly governed organization with other local governments. The organization was created to provide hazardous material response protection and mutual assistance in the event of a hazardous material incident.

The HAZ MAT Advisory Board oversees the operation of HAZ MAT and consists of representatives from sixteen organizations. The City’s ability to affect operations is limited to its representation on the board.

The Board established hazardous materials incident response guidelines to provide for response procedures in the event of an incident. In the event of a hazardous material incident within any local government that is a member of this organization, the other members will respond to render assistance. The funding for the operation of the response team is through contributions from each entity. In addition, the persons or company responsible for any hazardous materials emergency is required by state law to reimburse the team any costs associated with clean up. There is no explicit and measurable equity interest in HAZ MAT. During 2000, the City contributed \$14,560 to HAZ MAT. Financial information can be obtained from Edwin Kovar, Executive Director at 4200 Lake Center Drive, Trotwood, Ohio 45426.

F. Miami Valley Emergency Management Agency

The Miami Valley Emergency Management Agency (the Agency) is a jointly governed organization between various political subdivisions in Montgomery and Greene Counties. The purpose of the Agency is to help provide emergency management preparedness which includes training and incident mitigation. The fourteen member Board of the Agency is made up of a representative appointed by the City of Dayton.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

The funding for the operation of the Agency is through contributions from each participating entity. Payments to the Agency are made from the General Fund. The City contributed \$16,380 for the operation of the Agency during 2000. Financial information can be obtained from Edwin Kovar, Executive Director at 4200 Lake Center Drive, Trotwood, Ohio 45426.

NOTE 23 - DISCRETELY PRESENTED COMPONENT UNIT

A. Basis of Accounting

CityWide prepares its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement Number 29, "The Use of Not-for-Profit Accounting and Financial Accounting Principles by Governmental Entities." CityWide elected to use the not-for-profit model, which includes the accounting and financial reporting principles contained in Statement of Position 78-10 as modified by all applicable Financial Accounting Standards Board pronouncements issued through November 30, 1989, and as modified by all GASB pronouncements issued after GASB Statement Number 1, "Authoritative Status of NCGA Pronouncements and AICPA Industry Audit Guide."

B. Deposits and Investments

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits:

The carrying amount of CityWide Development Corporation deposits was \$138,867 and the related bank balance was \$268,757. The entire bank balance \$268,757 was covered by federal deposit insurance.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 23 - DISCRETELY PRESENTED COMPONENT UNIT (Continued)

Investments:

Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the City's name. Mutual funds and money markets are unclassified since they are not evidenced by securities that exist in physical or book entry form. The following is a schedule of CityWide's investments according to GASB 3 Categorization:

	Category 1	Fair Value
Mutual Funds	\$0	\$638,048
Money Markets	0	868
Commercial Paper	2,467,234	2,467,234
Total Investments	\$2,467,234	\$3,106,150

C. Notes Payable/Advance from Primary Government

Notes payable/advance from primary government at December 31, 2000, consisted of the following:

Note	Payable to	Amount
Noninterest-bearing Note for Landing Project	City of Dayton	\$5,433,600
Noninterest-bearing Note for Wellfield Project	City of Dayton	2,971,674
Note for Renovation of Western Manor	City of Dayton and the Dayton Montgomery County Housing Authority	199,252
Note for Redevelopment of Hawthorn School Building	City of Dayton	732,998
Note for Webster Street Project	City of Dayton	200,000
Note for Renovation of Ice Avenue Units	City of Dayton	150,000
Note for Renovation of 119 North Main Street	City of Dayton	150,000
Total Advance from Primary Government		9,837,524
Note for Redevelopment of Hawthorne School Building	McPherson Town Neighborhood Development Corporation, Inc.	250,000
Note for Renovation of Genesis Project Area	Affordable Housing Fund	350,000
Other Notes Payable	Not Disclosed	119,106
Total Notes Payable		719,106
Total Advance from Primary Government/Notes Payable		\$10,556,630

The amounts payable to the City are shown on the combined balance sheet as "advance from primary government."

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 23 - DISCRETELY PRESENTED COMPONENT UNIT (Continued)

D. Bonds Payable

During 1996, CityWide issued \$2,560,000 County of Montgomery Ohio, Adjustable Rate Industrial Development Revenue Bonds, Series 1996. Also during 1996, CityWide issued \$2,420,000 in Montgomery County Series, 1996A Industrial Development Revenue Bonds. The Series 1996A Indenture refunded a Trust Indenture dated as of December 1, 1988. Proceeds of the bonds were used to construct a building and an addition to an existing building to be rented to Advanced Assembly Automation, Inc.

Principal maturities due under these agreements are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2001	\$210,000
2002	225,000
2003	235,000
2004	250,000
2005	270,000
Thereafter	<u>2,960,000</u>
Total	<u><u>\$4,150,000</u></u>

NOTE 24 - CONTINGENT LIABILITIES

A. Litigation

The City is party to legal proceedings. The City is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the City.

B. State Grants

For the period January 1, 2000, to December 31, 2000, the City received federal and state grants for specific purposes that are subject to review and audit by grantor agencies or their designee. 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.

CITY OF DAYTON, OHIO
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000

NOTE 25 - SUBSEQUENT EVENTS

On February 1, 2001, the City of Dayton issued \$28,740,000 in general obligation capital facilities bonds. The bonds have a variable interest rate between 3.30% and 4.56% over 15 years. The bonds were issued to finance permanent improvements throughout the City. The bonds will be paid from the proceeds of the City's levy of ad valorem property taxes.

FINANCIAL STATEMENTS AND SCHEDULES
OF INDIVIDUAL
FUNDS AND ACCOUNT GROUPS

GENERAL FUND

To account for government resources which are not required to be accounted for in any other fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the charter and/or the general laws of Ohio.

CITY OF DAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET BASIS
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Municipal Income Taxes	\$109,679,600	\$112,664,888	\$2,985,288
Property and Other Local Taxes	10,444,610	9,194,879	(1,249,731)
Other	47,392,666	56,395,900	9,003,234
Total Revenues	167,516,876	178,255,667	10,738,791
Expenditures:			
General Operating:			
Clerk of Commission	1,191,700	1,106,737	84,963
Civil Service Board	1,195,700	1,147,648	48,052
Human Relations Council	793,900	722,630	71,270
City Manager's Office	940,300	882,950	57,350
Department of Public Affairs	967,000	892,959	74,041
Department of Planning	2,986,700	2,841,321	145,379
Department of Building Services	2,857,900	2,543,352	314,548
Clerk of Courts	2,832,400	2,778,663	53,737
Municipal Court	3,196,000	3,063,568	132,432
Office of Economic Development	1,002,200	819,080	183,120
Department of Management and Budget	1,030,700	949,987	80,713
Department of Water	55,500	54,361	1,139
Department of Law	1,931,000	1,862,236	68,764
Department of Finance	4,359,800	4,256,064	103,736
Department of Human Resources	1,520,500	1,491,375	29,125
Department of Information and Technology Services	8,999,800	8,596,658	403,142
Department of Police	53,278,000	52,289,989	988,011
Department of Fire	37,427,900	36,931,987	495,913
Department of Public Works	25,124,700	24,192,874	931,826
Department of Parks, Recreation, and Culture	5,988,200	5,918,833	69,367
Non-Departmental	2,026,600	1,611,125	415,475
Convention Center Operating	2,818,800	2,703,386	115,414
Special Assessments	391,900	309,486	82,414
Special Projects	11,000,000	10,629,595	370,405
Total Expenditures	173,917,200	168,596,864	5,320,336
Excess of Revenues Over (Under) Expenditures	(6,400,324)	9,658,803	16,059,127
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	0	18,449	18,449
Operating Transfers - In	8,584,109	8,584,109	0
Operating Transfers - Out	(18,504,300)	(16,794,120)	1,710,180
Total Other Financing Sources (Uses)	(9,920,191)	(8,191,562)	1,728,629
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(16,320,515)	1,467,241	17,787,756
Fund Balance at Beginning of Year	43,561,104	43,561,104	0
Unexpended Prior Year Encumbrances	3,755,638	3,755,638	0
Fund Balance at End of Year	\$30,996,227	\$48,783,983	\$17,787,756

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

Street

To account for monies for all street and road repairs and general upkeep to ensure safe, smooth transportation for all users of Dayton roadways. Funds are provided by shared tax revenues and registration fees from the State of Ohio and Montgomery County, respectively.

Highway Maintenance

To account for lighting the freeways through Dayton. Funds are provided by shared tax revenues and registration fees from the State of Ohio and Montgomery County, respectively.

HUD Programs

To account for various program funds administered by the Department of Housing and Urban Development. Such monies are appropriated on a project level with specific identification of each project being budgeted. Budget basis financial statements for these funds are not, therefore, presented in this report because such statements would not be meaningful. The first three programs listed below are entitlement grants. Funds are granted annually using a statutory formula.

The Community Development Block Grant Program (CDBG) was established in 1974 to assist in the development of viable urban communities, to conserve and renew older urban areas, to improve the living environment of low and moderate income families, and to develop opportunities for economic growth.

Emergency Shelter Grant Program (EMRG) was established in 1987 to provide for the creation and operations of emergency shelters for the homeless.

HOME Program was established in 1990 to expand the supply of decent and affordable housing for low income families.

Urban Development Action Grants (UDAG) are granted on a project basis. The City has used these funds for projects such as the renovation of the Arcade and The Landing rental housing downtown.

Law Enforcement

To account for the fines generated from the prosecution of those in possession of contraband and the proceeds gained from the sale of confiscated contraband. This money may be spent for any law enforcement activity.

(Continued)

SPECIAL REVENUE FUNDS
(Continued)

Miscellaneous Grants

To account for miscellaneous grant projects. These projects include food service for children at child care and recreation centers, additional police patrol in high density traffic areas, juvenile court mediation services, and drug rehabilitation programs. Funding sources include the United States Departments of Justice, Housing and Urban Development, Agriculture, Education, Interior, and Transportation, and the Ohio Departments of Education, Development, Highway Safety, and Natural Resources.

Other Special Revenue

To account for probation fees and municipal court fees that are used for victim witness assistance and operation of the probation department.

Dayton Sister Cities

To account for financial activity of the City of Dayton's blended component unit.

CITY OF DAYTON, OHIO
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 DECEMBER 31, 2000

	<u>STREET</u>	<u>HIGHWAY MAINTENANCE</u>	<u>HUD PROGRAMS</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$894,510	\$375,135	\$0
Cash and Cash Equivalents			
In Segregated Accounts	0	0	0
Receivables:			
Property and Other Local Taxes	2,535,436	0	0
Accounts	6,536	0	10,632
Special Assessments, net	0	0	316,809
Accrued Interest	0	0	0
Due from Other Funds	299,552	0	274,964
Due from Other Governments	253,538	20,558	1,806,417
Interfund Receivable	0	0	0
Advances to Component Unit	0	0	5,462,250
	<u>\$3,989,572</u>	<u>\$395,693</u>	<u>\$7,871,072</u>
Total Assets			
	<u>\$3,989,572</u>	<u>\$395,693</u>	<u>\$7,871,072</u>
Liabilities:			
Accounts Payable	\$134,234	\$0	\$280,366
Contracts Payable	0	0	59,045
Contracts Payable Retainage	0	0	34,381
Accrued Wages and Benefits	264,706	0	116,215
Due to Other Funds	112,527	0	14,146
Due to Other Governments	0	0	12,972
Interfund Payable	0	0	680,498
Deferred Revenue	2,541,972	0	297,788
	<u>3,053,439</u>	<u>0</u>	<u>1,495,411</u>
Total Liabilities			
	<u>3,053,439</u>	<u>0</u>	<u>1,495,411</u>
Fund Equity:			
Fund Balances:			
Reserved for Encumbrances	179,448	0	5,418,944
Reserved for Advances to Component Unit	0	0	5,462,250
Unreserved (Deficit)	756,685	395,693	(4,505,533)
	<u>936,133</u>	<u>395,693</u>	<u>6,375,661</u>
Total Fund Equity			
	<u>936,133</u>	<u>395,693</u>	<u>6,375,661</u>
Total Liabilities and Fund Equity			
	<u>\$3,989,572</u>	<u>\$395,693</u>	<u>\$7,871,072</u>

<u>LAW ENFORCEMENT</u>	<u>MISCELLANEOUS GRANTS</u>	<u>OTHER SPECIAL REVENUE</u>	<u>DAYTON SISTER CITIES</u>	<u>TOTAL</u>
\$1,328,497	\$593,680	\$81,152	\$0	\$3,272,974
0	0	0	15,814	15,814
0	0	0	0	2,535,436
7,350	0	0	0	24,518
0	0	0	0	316,809
13,266	0	0	0	13,266
65	15,914	0	0	590,495
0	368,483	0	0	2,448,996
0	0	0	0	0
0	0	0	0	5,462,250
<u>\$1,349,178</u>	<u>\$978,077</u>	<u>\$81,152</u>	<u>\$15,814</u>	<u>\$14,680,558</u>
\$30,097	\$45,414	\$2,108	\$0	\$492,219
0	0	0	0	59,045
0	0	0	0	34,381
0	24,737	0	0	405,658
4,503	408	0	0	131,584
9,121	0	0	0	22,093
0	0	0	0	680,498
7,350	0	0	0	2,847,110
<u>51,071</u>	<u>70,559</u>	<u>2,108</u>	<u>0</u>	<u>4,672,588</u>
253,922	323,660	0	0	6,175,974
0	0	0	0	5,462,250
1,044,185	583,858	79,044	15,814	(1,630,254)
<u>1,298,107</u>	<u>907,518</u>	<u>79,044</u>	<u>15,814</u>	<u>10,007,970</u>
<u>\$1,349,178</u>	<u>\$978,077</u>	<u>\$81,152</u>	<u>\$15,814</u>	<u>\$14,680,558</u>

CITY OF DAYTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>STREET</u>	<u>HIGHWAY MAINTENANCE</u>	<u>HUD PROGRAMS</u>
Revenues:			
Property and Other Local Taxes	\$2,268,859	\$0	\$0
State Shared Taxes	3,963,481	326,026	0
Intergovernmental	315,804	0	15,979,106
Special Assessments	0	0	74,098
Charges for Services	198,874	0	158,854
Fines and Forfeitures	0	0	0
Interest	0	0	0
Other	6,143	0	27,395
Total Revenues	<u>6,753,161</u>	<u>326,026</u>	<u>16,239,453</u>
Expenditures:			
Current:			
Youth, Education, and Human Services	0	0	868,797
Community Development and Neighborhoods	0	0	2,887,746
Economic Development	0	0	8,985,106
Leadership and Quality of Life	8,996,633	325,000	2,940,739
Corporate Responsibility	0	0	134,240
Public Safety and Justice	121,597	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>9,118,230</u>	<u>325,000</u>	<u>15,816,628</u>
Excess of Revenues Over (Under) Expenditures	<u>(2,365,069)</u>	<u>1,026</u>	<u>422,825</u>
Other Financing Sources (Uses):			
Operating Transfers - In	2,147,748	0	389,408
Operating Transfers - Out	0	0	(48)
Total Other Financing Sources (Uses)	<u>2,147,748</u>	<u>0</u>	<u>389,360</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(217,321)	1,026	812,185
Fund Balances at Beginning of Year	<u>1,153,454</u>	<u>394,667</u>	<u>5,563,476</u>
Fund Balances at Year End	<u>\$936,133</u>	<u>\$395,693</u>	<u>\$6,375,661</u>

<u>LAW ENFORCEMENT</u>	<u>MISCELLANEOUS GRANTS</u>	<u>OTHER SPECIAL REVENUE</u>	<u>DAYTON SISTER CITIES</u>	<u>TOTAL</u>
\$0	\$0	\$0	\$0	\$2,268,859
0	0	0	0	4,289,507
697,283	1,029,088	0	0	18,021,281
0	0	0	0	74,098
2,900	378,247	0	0	738,875
525,284	0	34,757	0	560,041
40,066	0	0	185	40,251
0	62,941	0	20,764	117,243
<u>1,265,533</u>	<u>1,470,276</u>	<u>34,757</u>	<u>20,949</u>	<u>26,110,155</u>
0	105,475	0	0	974,272
0	0	0	0	2,887,746
0	22,533	0	39,902	9,047,541
0	254,296	21,123	0	12,537,791
570,543	8,239	3,199	0	716,221
838,241	1,297,959	2,108	0	2,259,905
69,208	0	0	0	69,208
<u>1,477,992</u>	<u>1,688,502</u>	<u>26,430</u>	<u>39,902</u>	<u>28,492,684</u>
<u>(212,459)</u>	<u>(218,226)</u>	<u>8,327</u>	<u>(18,953)</u>	<u>(2,382,529)</u>
0	90,232	0	0	2,627,388
0	(342)	(8,820)	0	(9,210)
<u>0</u>	<u>89,890</u>	<u>(8,820)</u>	<u>0</u>	<u>2,618,178</u>
(212,459)	(128,336)	(493)	(18,953)	235,649
1,510,566	1,035,854	79,537	34,767	9,772,321
<u>\$1,298,107</u>	<u>\$907,518</u>	<u>\$79,044</u>	<u>\$15,814</u>	<u>\$10,007,970</u>

CITY OF DAYTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 BUDGET BASIS
 STREET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Property and Other Local Taxes	\$2,510,398	\$2,268,859	(\$241,539)
Other	<u>3,511,410</u>	<u>4,484,302</u>	<u>972,892</u>
Total Revenues	<u>6,021,808</u>	<u>6,753,161</u>	<u>731,353</u>
Expenditures:			
Department of Public Works	<u>9,252,800</u>	<u>9,081,526</u>	<u>171,274</u>
Total Expenditures	<u>9,252,800</u>	<u>9,081,526</u>	<u>171,274</u>
Excess of Revenues Under Expenditures	<u>(3,230,992)</u>	<u>(2,328,365)</u>	<u>902,627</u>
Other Financing Sources:			
Operating Transfers - In	<u>2,147,748</u>	<u>2,147,748</u>	<u>0</u>
Total Other Financing Sources	<u>2,147,748</u>	<u>2,147,748</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Under Expenditures	(1,083,244)	(180,617)	902,627
Fund Balance at Beginning of Year	838,520	838,520	0
Unexpended Prior Year Encumbrances	<u>98,782</u>	<u>98,782</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$145,942)</u></u>	<u><u>\$756,685</u></u>	<u><u>\$902,627</u></u>

CITY OF DAYTON, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 BUDGET BASIS
 HIGHWAY MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Other	<u>\$350,000</u>	<u>\$326,026</u>	<u>(\$23,974)</u>
Total Revenues	<u>350,000</u>	<u>326,026</u>	<u>(23,974)</u>
Expenditures:			
Department of Public Works	<u>350,000</u>	<u>325,000</u>	<u>25,000</u>
Total Expenditures	<u>350,000</u>	<u>325,000</u>	<u>25,000</u>
Excess of Revenues Over Expenditures	0	1,026	1,026
Fund Balance at Beginning of Year	<u>394,667</u>	<u>394,667</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$394,667</u></u>	<u><u>\$395,693</u></u>	<u><u>\$1,026</u></u>

CITY OF DAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET BASIS
LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Other	<u>\$1,600,000</u>	<u>\$1,265,533</u>	<u>(\$334,467)</u>
Total Revenues	<u>1,600,000</u>	<u>1,265,533</u>	<u>(334,467)</u>
Expenditures:			
Department of Police	<u>1,524,500</u>	<u>1,731,914</u>	<u>(207,414)</u>
Total Expenditures	<u>1,524,500</u>	<u>1,731,914</u>	<u>(207,414)</u>
Excess of Revenues Over (Under) Expenditures	<u>75,500</u>	<u>(466,381)</u>	<u>(541,881)</u>
Other Financing Uses:			
Operating Transfers - Out	<u>(75,500)</u>	<u>0</u>	<u>74,449</u>
Total Other Financing Uses	<u>(75,500)</u>	<u>0</u>	<u>74,449</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	0	(466,381)	(466,381)
Fund Balance at Beginning of Year	1,218,484	1,218,484	0
Unexpended Prior Year Encumbrances	<u>292,082</u>	<u>292,082</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,510,566</u></u>	<u><u>\$1,044,185</u></u>	<u><u>(\$466,381)</u></u>

CITY OF DAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET BASIS
MISCELLANEOUS GRANTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Other	\$685,753	\$1,470,276	\$784,523
Total Revenues	<u>685,753</u>	<u>1,470,276</u>	<u>784,523</u>
Expenditures:			
Other Grants	2,000,000	2,012,162	(12,162)
Total Expenditures	<u>2,000,000</u>	<u>2,012,162</u>	<u>(12,162)</u>
Excess of Revenues Under Expenditures	<u>(1,314,247)</u>	<u>(541,886)</u>	<u>772,361</u>
Other Financing Sources (Uses):			
Operating Transfers - In	90,232	90,232	0
Operating Transfers - Out	(100,000)	(342)	99,658
Total Other Financing Sources (Uses)	<u>(9,768)</u>	<u>89,890</u>	<u>99,658</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(1,324,015)	(451,996)	872,019
Fund Balance at Beginning of Year	488,159	488,159	0
Unexpended Prior Year Encumbrances	547,695	547,695	0
Fund Balance (Deficit) at End of Year	<u>(\$288,161)</u>	<u>\$583,858</u>	<u>\$872,019</u>

CITY OF DAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGET BASIS
OTHER SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Other	<u>\$27,000</u>	<u>\$34,757</u>	<u>\$7,757</u>
Total Revenues	<u>27,000</u>	<u>34,757</u>	<u>7,757</u>
Expenditures:			
Municipal Court	<u>18,180</u>	<u>26,430</u>	<u>(8,250)</u>
Total Expenditures	<u>18,180</u>	<u>26,430</u>	<u>(8,250)</u>
Excess of Revenues Over Expenditures	<u>8,820</u>	<u>8,327</u>	<u>(493)</u>
Other Financing Uses:			
Operating Transfers - Out	<u>(8,820)</u>	<u>(8,820)</u>	<u>0</u>
Total Other Financing Uses	<u>(8,820)</u>	<u>(8,820)</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures and Other Financing Uses	<u>0</u>	<u>(493)</u>	<u>(493)</u>
Fund Balances at Beginning of Year	<u>79,537</u>	<u>79,537</u>	<u>0</u>
Fund Balances at End of Year	<u><u>\$79,537</u></u>	<u><u>\$79,044</u></u>	<u><u>(\$493)</u></u>

CITY OF DAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUDGET BASIS
ALL BUDGETED SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Property and Other Local Taxes	\$2,510,398	\$2,268,859	(\$241,539)
Other	6,174,163	7,580,894	1,406,731
Total Revenues	<u>8,684,561</u>	<u>9,849,753</u>	<u>1,165,192</u>
Expenditures:			
Department of Public Works	9,602,800	9,406,526	196,274
Department of Police	1,524,500	1,731,914	(207,414)
Municipal Court	18,180	26,430	(8,250)
Other Grants	2,000,000	2,012,162	(12,162)
Total Expenditures	<u>13,145,480</u>	<u>13,177,032</u>	<u>(31,552)</u>
Excess of Revenues Under Expenditures	<u>(4,460,919)</u>	<u>(3,327,279)</u>	<u>1,133,640</u>
Other Financing Sources (Uses):			
Operating Transfers - In	2,237,980	2,237,980	0
Operating Transfers - Out	(184,320)	(9,162)	175,158
Total Other Financing Sources (Uses)	<u>2,053,660</u>	<u>2,228,818</u>	<u>175,158</u>
Excess of Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(2,407,259)</u>	<u>(1,098,461)</u>	<u>1,308,798</u>
Fund Balances at Beginning of Year	3,019,367	3,019,367	0
Unexpended Prior Year Encumbrances	938,559	938,559	0
Fund Balances at End of Year	<u>\$1,550,667</u>	<u>\$2,859,465</u>	<u>\$1,308,798</u>

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal, interest and related costs.

Debt Service

To account for various revenues collected for the payment of general obligation and special assessment bonded debt.

CITY OF DAYTON, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUDGET BASIS
DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2000

	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Property and Other Local Taxes	\$6,787,371	\$6,156,957	(\$630,414)
Other	<u>10,354,137</u>	<u>1,720,202</u>	<u>(8,633,935)</u>
Total Revenues	<u>17,141,508</u>	<u>7,877,159</u>	<u>(9,264,349)</u>
Expenditures:			
Department of Finance	<u>19,087,688</u>	<u>9,599,382</u>	<u>9,488,306</u>
Total Expenditures	<u>19,087,688</u>	<u>9,599,382</u>	<u>9,488,306</u>
Excess of Revenues Under Expenditures	<u>(1,946,180)</u>	<u>(1,722,223)</u>	<u>223,957</u>
Other Financing Sources (Uses):			
Operating Transfers - In	1,961,180	1,961,180	0
Operating Transfers - Out	<u>(15,000)</u>	<u>(13,043)</u>	<u>1,957</u>
Total Other Financing Sources (Uses)	<u>1,946,180</u>	<u>1,948,137</u>	<u>1,957</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	0	225,914	225,914
Fund Balance at Beginning of Year	28,893,749	28,893,749	0
Unexpended Prior Year Encumbrances	<u>2,900</u>	<u>2,900</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$28,896,649</u></u>	<u><u>\$29,122,563</u></u>	<u><u>\$225,914</u></u>

CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the proprietary or nonexpendable trust funds.

Capital Improvement

To account for grants, operating transfers and bond revenues used to purchase equipment and construct buildings.

Economic Development/Government Equity Improvement

To account for grant revenues received from the County and used to develop and promote economic development.

Issue II

To account for Issue II funds received from the State of Ohio for each project awarded through this program and local matching funds.

The above funds appropriate monies on a project level with specific identification of each project being budgeted. Budget basis financial statements for these funds are not, therefore, presented in this report because such statements would not be meaningful.

CITY OF DAYTON, OHIO
 COMBINING BALANCE SHEET
 ALL CAPITAL PROJECTS FUNDS
 DECEMBER 31, 2000

	CAPITAL IMPROVEMENT	ECONOMIC DEVELOPMENT/ GOVERNMENT EQUITY IMPROVEMENT	ISSUE II	TOTAL
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$12,039,865	\$0	\$930,271	\$12,970,136
Receivables:				
Property and Other Local Taxes	11,316	0	0	11,316
Accounts	9,640	0	0	9,640
Special Assessments	13,872	0	0	13,872
Accrued Interest	70,507	0	0	70,507
Due from Other Funds	91,788	0	2,363	94,151
Due from Other Governments	1,772,319	150,000	820,828	2,743,147
Advances to Component Unit	1,403,600	0	0	1,403,600
Total Assets	\$15,412,907	\$150,000	\$1,753,462	\$17,316,369
Liabilities:				
Accounts Payable	\$1,184,178	\$83,855	\$0	\$1,268,033
Contracts Payable	126,678	93,787	0	220,465
Contracts Payable Retainage	6,667	0	0	6,667
Accrued Wages and Benefits	11,454	0	1,343	12,797
Due to Other Funds	86,212	0	0	86,212
Due to Other Governments	38,791	0	0	38,791
Interfund Payable	0	186,119	0	186,119
Special Assessment Notes Payable With Governmental Commitment	1,400	0	0	1,400
Total Liabilities	1,455,380	363,761	1,343	1,820,484
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	13,969,957	330,492	178,435	14,478,884
Reserved for Advances to Component Unit	1,403,600	0	0	1,403,600
Unreserved (Deficit)	(1,416,030)	(544,253)	1,573,684	(386,599)
Total Fund Equity (Deficit)	13,957,527	(213,761)	1,752,119	15,495,885
Total Liabilities and Fund Equity	\$15,412,907	\$150,000	\$1,753,462	\$17,316,369

CITY OF DAYTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 ALL CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2000

	CAPITAL IMPROVEMENT	ECONOMIC DEVELOPMENT/ GOVERNMENT EQUITY IMPROVEMENT	ISSUE II	TOTAL
Revenues:				
Property and Other Local Taxes	\$383,990	\$0	\$0	\$383,990
Intergovernmental	7,617,207	558,386	1,334,912	9,510,505
Special Assessments	13,872	0	0	13,872
Charges for Services	220,114	0	0	220,114
Licenses and Permits	87,396	0	0	87,396
Interest	347,159	0	0	347,159
Other	625,058	0	0	625,058
Total Revenue	<u>9,294,796</u>	<u>558,386</u>	<u>1,334,912</u>	<u>11,188,094</u>
Expenditures:				
Capital Outlay	<u>20,935,047</u>	<u>1,378,673</u>	<u>1,407,896</u>	<u>23,721,616</u>
Total Expenditures	<u>20,935,047</u>	<u>1,378,673</u>	<u>1,407,896</u>	<u>23,721,616</u>
Excess of Revenues Under Expenditures	<u>(11,640,251)</u>	<u>(820,287)</u>	<u>(72,984)</u>	<u>(12,533,522)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Bonds	305,495	0	0	305,495
Operating Transfers - In	12,645,574	361,799	383,540	13,390,913
Operating Transfers - Out	<u>(9,520,783)</u>	<u>(134,900)</u>	<u>(92,434)</u>	<u>(9,748,117)</u>
Total Other Financing Sources (Uses)	<u>3,430,286</u>	<u>226,899</u>	<u>291,106</u>	<u>3,948,291</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(8,209,965)	(593,388)	218,122	(8,585,231)
Fund Balances at Beginning of Year	<u>22,167,492</u>	<u>379,627</u>	<u>1,533,997</u>	<u>24,081,116</u>
Fund Balances (Deficit) at End of Year	<u><u>\$13,957,527</u></u>	<u><u>(\$213,761)</u></u>	<u><u>\$1,752,119</u></u>	<u><u>\$15,495,885</u></u>

ENTERPRISE FUNDS

The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses, including depreciation) of providing services to the general public on a continuing basis be recovered primarily through user charges, or where it has been decided that a periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Dayton International Airport

To account for the provision of air traffic, primarily commercial, including air freight. Revenues are derived from landing fees, concessionaire fees, and space rentals. The Dayton-Wright Brothers Airport is included in this fund.

Water

To account for the provision of water service and water pollution control activities of the City. The Department also provides water services to several areas outside the City. Revenue is generated by charges for services including those to other departments of the City. The water supply is maintained through the development of well fields, storage facilities, and pumping stations.

Sewer

To account for the provision of sanitary sewer service to the residential, commercial, and industrial consumers of the City of Dayton and various communities within the Dayton Metropolitan area. The charges for services are based on the City's needs for the cost of service and expenses of improvements to expand the capacity to meet the Environmental Protection Agency (EPA) standards.

Storm Water

To account for the provision of storm sewers to the residents of the City of Dayton. Charges for services are used to maintain the storm sewers throughout the City.

Golf

To account for the operations of the City's six golf courses. Revenue is generated by golf fees charged for the use of the facilities. The six golf courses provide needed green space inside the City with three providing scenic cover to the City's north well field.

CITY OF DAYTON, OHIO
 COMBINING BALANCE SHEET
 ALL ENTERPRISE FUNDS
 DECEMBER 31, 2000

	DAYTON INTERNATIONAL AIRPORT	WATER	SEWER
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$16,660,885	\$67,745,211	\$25,466,465
Cash and Cash Equivalents with Fiscal Agents	11,441	3,369	0
Receivables:			
Accounts, net	2,767,489	11,274,995	5,736,479
Accrued Interest	218,506	1,057,294	339,586
Due from Other Funds	389,799	3,637,106	710,806
Due from Other Governments	767,375	35,545	92,758
Supplies Inventory	21,390	1,112,758	0
Total Current Assets	20,836,885	84,866,278	32,346,094
Unamortized Bond Issuance Costs	874,969	378,081	0
Restricted Assets:			
Cash and Cash Equivalents	0	22,500	0
Cash and Cash Equivalents with Fiscal Agents	2,762,879	157,552	0
Advances to Component Unit	0	2,971,674	0
Judgment Receivable	0	330,000	0
Fixed Assets (Net of Accumulated Depreciation)	125,087,864	101,868,047	92,550,594
Total Assets	\$149,562,597	\$190,594,132	\$124,896,688
Liabilities:			
Accounts Payable	\$2,301,065	\$2,232,604	\$1,838,905
Contracts Payable	203,988	512,371	310,090
Contracts Payable Retainage	41,186	51,838	10,000
Accrued Wages and Benefits	347,313	474,173	218,678
Accrued Interest Payable on Bonds and Notes	45,896	2,100	0
Accrued Interest Payable on OWDA Loan	0	0	919,314
Due to Other Funds	13,086	747,446	2,344,602
Due to Other Governments	1,158,620	240,034	7,643
Interfund Payable	100,068	0	0
Current Portion of General Obligation Bonds Payable from Restricted Assets:	515,000	80,000	0
Utility Deposits	0	22,500	0
Accrued Interest Payable	159,187	124,443	0
Current Portion of Revenue Bonds	1,733,746	4,748,550	0
Deferred Revenue	77,520	0	0
General Obligation Notes Payable	8,600,000	0	0
Current Portion of OPWC Loan Payable	0	0	25,000
Current Portion of OWDA Loan Payable	0	0	1,481,497
Total Current Liabilities	15,296,675	9,236,059	7,155,729
Long-Term Liabilities:			
OPWC Loan Payable	0	0	975,000
OWDA Loan Payable	0	0	21,438,652
General Obligation Bonds Payable	230,000	0	0
Revenue Bonds Payable	31,772,438	31,921,300	0
Compensated Absences Payable	487,369	984,860	618,083
Capital Leases Payable	0	0	0
Total Liabilities	47,786,482	42,142,219	30,187,464
Fund Equity:			
Contributed Capital	94,208,938	61,997	46,469,914
Retained Earnings:			
Reserved for Revenue Bond Renewal and Replacement	2,671,545	0	0
Unreserved	4,895,632	148,389,916	48,239,310
Total Fund Equity	101,776,115	148,451,913	94,709,224
Total Liabilities and Fund Equity	\$149,562,597	\$190,594,132	\$124,896,688

<u>STORM WATER</u>	<u>GOLF</u>	<u>TOTAL</u>
\$1,068,515	\$0	\$110,941,076
0	0	14,810
4,606,504	14,652	24,400,119
21,689	0	1,637,075
33,515	63,698	4,834,924
0	0	895,678
0	0	1,134,148
<u>5,730,223</u>	<u>78,350</u>	<u>143,857,830</u>
0	0	1,253,050
0	0	22,500
0	0	2,920,431
0	0	2,971,674
0	0	330,000
244,333	6,149,156	325,899,994
<u>\$5,974,556</u>	<u>\$6,227,506</u>	<u>\$477,255,479</u>
\$124,585	\$31,511	\$6,528,670
0	163,753	1,190,202
0	22,813	125,837
59,280	36,155	1,135,599
0	0	47,996
0	0	919,314
399,818	32,868	3,537,820
0	811	1,407,108
0	3,539,883	3,639,951
0	0	595,000
0	0	22,500
0	0	283,630
0	0	6,482,296
0	0	77,520
0	0	8,600,000
0	0	25,000
0	0	1,481,497
<u>583,683</u>	<u>3,827,794</u>	<u>36,099,940</u>
0	0	975,000
0	0	21,438,652
0	0	230,000
0	0	63,693,738
72,604	195,614	2,358,530
0	282,680	282,680
<u>656,287</u>	<u>4,306,088</u>	<u>125,078,540</u>
5,000	1,622,755	142,368,604
0	0	2,671,545
<u>5,313,269</u>	<u>298,663</u>	<u>207,136,790</u>
<u>5,318,269</u>	<u>1,921,418</u>	<u>352,176,939</u>
<u>\$5,974,556</u>	<u>\$6,227,506</u>	<u>\$477,255,479</u>

CITY OF DAYTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2000

	DAYTON INTERNATIONAL AIRPORT	WATER	SEWER
Operating Revenues:			
Charges for Services	\$26,782,135	\$41,096,911	\$28,810,363
Other	6,017	3,261,069	4,199
Total Operating Revenues	<u>26,788,152</u>	<u>44,357,980</u>	<u>28,814,562</u>
Operating Expenses:			
Personal Services	7,187,003	12,316,289	5,357,837
Benefit Payments	1,923,402	3,216,482	1,352,965
Contractual Services	5,023,187	7,648,277	7,539,907
Materials and Supplies	1,087,155	2,856,257	1,384,958
Utilities	3,625,831	4,795,418	1,626,640
Depreciation	6,511,288	5,123,831	6,430,419
Other	2,236,341	889,325	1,081,203
Total Operating Expenses	<u>27,594,207</u>	<u>36,845,879</u>	<u>24,773,929</u>
Operating Income (Loss)	<u>(806,055)</u>	<u>7,512,101</u>	<u>4,040,633</u>
Non-Operating Revenues (Expenses):			
Interest	1,322,035	5,655,686	1,719,706
Gain on Disposal of Fixed Assets	1,089	31,606	8,714
Interest and Fiscal Charges	(2,748,554)	(1,788,055)	(1,941,806)
Total Non-Operating Revenues (Expenses)	<u>(1,425,430)</u>	<u>3,899,237</u>	<u>(213,386)</u>
Income (Loss) Before Operating Transfers	(2,231,485)	11,411,338	3,827,247
Operating Transfers - In	50,001	9,899	463
Operating Transfers - Out	(156,000)	0	0
Net Income (Loss)	(2,337,484)	11,421,237	3,827,710
Retained Earnings at Beginning of Year	<u>9,904,661</u>	<u>136,968,679</u>	<u>44,411,600</u>
Retained Earnings at End of Year	<u>7,567,177</u>	<u>148,389,916</u>	<u>48,239,310</u>
Contributed Capital at Beginning of Year	83,629,711	61,997	46,469,914
Current Capital Contributions	10,579,227	0	0
Contributed Capital at End of Year	<u>94,208,938</u>	<u>61,997</u>	<u>46,469,914</u>
Total Fund Equity	<u>\$101,776,115</u>	<u>\$148,451,913</u>	<u>\$94,709,224</u>

<u>STORM WATER</u>	<u>GOLF</u>	<u>TOTAL</u>
\$5,404,642	\$2,724,261	\$104,818,312
<u>0</u>	<u>1,301</u>	<u>3,272,586</u>
<u>5,404,642</u>	<u>2,725,562</u>	<u>108,090,898</u>
1,582,071	1,329,899	27,773,099
369,860	270,958	7,133,667
838,719	984,153	22,034,243
246,474	378,221	5,953,065
7,036	173,203	10,228,128
25,598	309,978	18,401,114
<u>2,554</u>	<u>20,319</u>	<u>4,229,742</u>
<u>3,072,312</u>	<u>3,466,731</u>	<u>95,753,058</u>
<u>2,332,330</u>	<u>(741,169)</u>	<u>12,337,840</u>
109,614	0	8,807,041
0	11,982	53,391
<u>0</u>	<u>(16,050)</u>	<u>(6,494,465)</u>
<u>109,614</u>	<u>(4,068)</u>	<u>2,365,967</u>
2,441,944	(745,237)	14,703,807
0	0	60,363
<u>(463)</u>	<u>0</u>	<u>(156,463)</u>
2,441,481	(745,237)	14,607,707
<u>2,871,788</u>	<u>1,043,900</u>	<u>195,200,628</u>
<u>5,313,269</u>	<u>298,663</u>	<u>209,808,335</u>
5,000	1,622,755	131,789,377
<u>0</u>	<u>0</u>	<u>10,579,227</u>
<u>5,000</u>	<u>1,622,755</u>	<u>142,368,604</u>
<u>\$5,318,269</u>	<u>\$1,921,418</u>	<u>\$352,176,939</u>

CITY OF DAYTON, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR YEAR ENDED DECEMBER 31, 2000

	DAYTON INTERNATIONAL AIRPORT	WATER	SEWER
Increase (Decrease) in Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$29,176,744	\$37,002,127	\$27,158,368
Cash Received from Quasi-External Operating Transactions with Other Funds	(28,259)	767,028	0
Cash Payments for Employee Services and Benefits	(8,932,899)	(16,601,295)	(6,796,372)
Cash Payments to Suppliers for Goods and Services	(12,152,598)	(11,612,045)	(10,527,661)
Cash Payments for Quasi-External Operating Transactions with Other Funds	(1,709)	(1,628,734)	(661,553)
Utility Deposits Received	0	34,546	0
Utility Deposits Returned	0	(171,286)	0
Cash Received from Other Operating Revenues	77,223	5,012,174	1,175,908
Cash Payments for Other Operating Expenses	(1,124,944)	(2,388,418)	(1,613,990)
Net Cash Provided By (Used For) Operating Activities	<u>7,013,558</u>	<u>10,414,097</u>	<u>8,734,700</u>
Cash Flows from Noncapital Financing Activities:			
Proceeds from Advances	155,615	304,080	152,149
Return of Interfund Loan	(93,432)	0	0
Advance to Component Unit	0	399,539	0
Operating Transfers - In	50,001	4,949	463
Operating Transfers - Out	(156,000)	0	0
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>(43,816)</u>	<u>708,568</u>	<u>152,612</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and Construction of Fixed Assets	(5,764,408)	(8,697,733)	(4,299,451)
Passenger Facility Charges	3,209,787	0	0
Capital Contributed by Grants	6,296,009	0	437,608
Proceeds from Sale of General Obligation Bonds and Notes	18,700,000	0	0
Principal Paid on OWDA Loan Payable	0	0	(2,962,994)
Interest Paid on OWDA Loan Payable	0	0	(2,060,629)
Principal Paid on General Obligation Bonds and Notes	(22,715,000)	(80,000)	0
Interest Paid on General Obligation Bonds and Notes	(768,894)	(16,800)	0
Principal Paid on Revenue Bonds Payable	(1,800,000)	(4,625,000)	0
Interest Paid on Revenue Bonds Payable	(1,994,329)	(1,678,310)	0
Principal Paid on Capital Leases	0	0	0
Interest Paid on Capital Leases	0	0	0
Net Cash Used For Capital and Related Financing Activities	<u>(4,836,835)</u>	<u>(15,097,843)</u>	<u>(8,885,466)</u>
Cash Flows from Investing Activities:			
Interest	982,452	4,041,841	1,205,445
Change in Fair Value of Cash Equivalents	233,585	1,279,265	431,629
Net Cash Provided By Investing Activities	<u>1,216,037</u>	<u>5,321,106</u>	<u>1,637,074</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,348,944	1,345,928	1,638,920
Cash and Cash Equivalents Beginning of Year	<u>16,086,261</u>	<u>66,582,704</u>	<u>23,827,545</u>
Cash and Cash Equivalents End of Year	<u>\$19,435,205</u>	<u>\$67,928,632</u>	<u>\$25,466,465</u>

<u>STORM WATER</u>	<u>GOLF</u>	<u>TOTAL</u>
\$2,405,235	\$2,679,993	\$98,422,467
(40)	25,910	764,639
(1,933,647)	(1,518,446)	(35,782,659)
(349,751)	(906,148)	(35,548,203)
(288,024)	(446,587)	(3,026,607)
0	0	34,546
0	0	(171,286)
51,428	219	6,316,952
(180,031)	(319,521)	(5,626,904)
<u>(294,830)</u>	<u>(484,580)</u>	<u>25,382,945</u>
17,434	3,567,042	4,196,320
0	(1,726,552)	(1,819,984)
0	0	399,539
0	0	55,413
(463)	0	(156,463)
<u>16,971</u>	<u>1,840,490</u>	<u>2,674,825</u>
0	(1,169,999)	(19,931,591)
0	0	3,209,787
0	0	6,733,617
0	0	18,700,000
0	0	(2,962,994)
0	0	(2,060,629)
0	0	(22,795,000)
0	0	(785,694)
0	0	(6,425,000)
0	0	(3,672,639)
0	(175,184)	(175,184)
0	(16,050)	(16,050)
<u>0</u>	<u>(1,361,233)</u>	<u>(30,181,377)</u>
105,588	0	6,335,326
<u>0</u>	<u>5,323</u>	<u>1,949,802</u>
<u>105,588</u>	<u>5,323</u>	<u>8,285,128</u>
(172,271)	0	6,161,521
<u>1,240,786</u>	<u>0</u>	<u>107,737,296</u>
<u>\$1,068,515</u>	<u>\$0</u>	<u>\$113,898,817</u>

(Continued)

CITY OF DAYTON, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL ENTERPRISE FUNDS
 FOR YEAR ENDED DECEMBER 31, 2000
 (Continued)

	DAYTON INTERNATIONAL AIRPORT	WATER	SEWER
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:			
Operating Income (Loss)	(\$806,055)	\$7,512,101	\$4,040,633
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities			
Depreciation	6,511,288	5,123,831	6,430,419
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	83,760	(3,324,014)	(1,546,338)
(Increase) Decrease in Due from Other Funds	(103,737)	190,684	(453,852)
(Increase) Decrease in Due from Other Governments	0	(32,658)	104,432
(Increase) Decrease in Supplies Inventory	(6,861)	22,010	0
Decrease in Judgment Receivable	0	60,000	0
Increase in Accounts Payable	1,945,072	537,619	1,149,333
Increase (Decrease) in Contracts Payable	(58,343)	139,791	(377,184)
(Decrease) in Contracts Payable Retainage	(556,309)	(1,145)	(57,350)
Increase (Decrease) in Accrued Wages and Benefits	62,755	15,985	(3,415)
Increase (Decrease) in Due to Other Funds	(34,770)	370,778	(502,015)
Increase (Decrease) in Due to Other Governments	88,673	(12,385)	494
(Decrease) in Deferred Revenue	(150,680)	0	0
(Decrease) in Utility Deposits	0	(136,740)	0
Increase (Decrease) in Compensated Absences	38,765	(51,760)	(50,457)
Net Cash Provided By (Used for) Operating Activities	<u>\$7,013,558</u>	<u>\$10,414,097</u>	<u>\$8,734,700</u>

Non-Cash Transactions:

The Dayton International Airport received \$818,381 in capital grants. \$767,375 is recognized as a receivable for 2000. \$51,006 was recognized as a receivable in 1999.

The Dayton International Airport received \$357,062 in passenger facility charges used for capital improvements which has been recognized as a receivable for 2000.

<u>STORM WATER</u>	<u>GOLF</u>	<u>TOTAL</u>
\$2,332,330	(\$741,169)	\$12,337,840
25,598	309,978	18,401,114
(2,966,827)	13,018	(7,740,401)
(33,515)	(19,495)	(419,915)
0	0	71,774
0	0	15,149
0	0	60,000
36,383	6,865	3,675,272
0	0	(295,736)
0	0	(614,804)
6,264	4,100	85,689
261,997	(67,538)	28,452
0	0	76,782
0	0	(150,680)
0	0	(136,740)
42,940	9,661	(10,851)
<u>(\$294,830)</u>	<u>(\$484,580)</u>	<u>\$25,382,945</u>

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INTERNAL SERVICE FUNDS

Internal service funds account for the financing of goods or services provided by one department or agency to other departments of the City of Dayton on a cost-reimbursement basis. Accounting for these funds is designed to accumulate all of the costs incurred by the internal service funds in providing goods and services to other departments. However, charges to the other departments are not intended to produce a significant profit in the long run, but to recover the total costs of providing goods or services.

Fleet Management

To account for the maintenance of City vehicles. Revenues are derived from direct charges to other departments for fuel usage and repairs. General maintenance is charged to the other funds on a pro-rated basis.

Stores and Reproduction

Stores is used in purchasing and storage of office materials and supplies for the entire organization. The other departments are charged the cost of the materials and supplies plus an average of fifteen percent markup to cover the overhead cost of operating this fund. Reproduction is used to account for the reproducing of written material, and the printing, binding, and distribution of the City's various publications. All costs are recouped from charges to other departments within the organization on a per-job basis.

Workers' Compensation

To account for claims and administrative payments to cover risks due to job-related injuries to City employees. Revenues are derived from pro-rated charges against personnel costs of each department to cover claim payments and costs of administering the fund.

Plumbing Shop

To account for plumbing services to departments within the City.

CITY OF DAYTON, OHIO
 COMBINING BALANCE SHEET
 ALL INTERNAL SERVICE FUNDS
 DECEMBER 31, 2000

	FLEET MANAGEMENT	STORES AND REPRODUCTION
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$748,620	\$199,981
Receivables:		
Accounts	19,617	0
Due from Other Funds	718,657	50,936
Inventory Held for Resale	513,475	40,446
 Total Current Assets	 2,000,369	 291,363
 Fixed Assets (Net of Accumulated Depreciation)	 331,708	 276,194
 Total Assets	 \$2,332,077	 \$567,557
 Liabilities:		
Accounts Payable	\$347,185	\$13,169
Accrued Wages and Benefits	109,288	3,886
Due to Other Funds	380,839	6,518
Due to Other Governments	0	0
Interfund Payable	875,000	0
Claims Payable	0	0
Compensated Absences Payable	208,301	39,513
Capital Leases Payable	0	158,691
 Total Liabilities	 1,920,613	 221,777
 Fund Equity:		
Contributed Capital	55,499	0
Retained Earnings:		
Unreserved (Deficit)	355,965	345,780
 Total Fund Equity (Deficit)	 411,464	 345,780
 Total Liabilities and Fund Equity	 \$2,332,077	 \$567,557

<u>WORKERS' COMPENSATION</u>	<u>PLUMBING SHOP</u>	<u>TOTAL</u>
\$22,750,317	\$0	\$23,698,918
0	0	19,617
9,569	0	779,162
<u>0</u>	<u>0</u>	<u>553,921</u>
22,759,886	0	25,051,618
<u>2,401</u>	<u>23,619</u>	<u>633,922</u>
<u><u>\$22,762,287</u></u>	<u><u>\$23,619</u></u>	<u><u>\$25,685,540</u></u>
\$19,900	\$3,667	\$383,921
9,051	12,846	135,071
2,901,155	1,491	3,290,003
2,667,880	0	2,667,880
0	70,563	945,563
17,790,434	0	17,790,434
26,155	22,737	296,706
<u>0</u>	<u>0</u>	<u>158,691</u>
<u>23,414,575</u>	<u>111,304</u>	<u>25,668,269</u>
0	30,511	86,010
<u>(652,288)</u>	<u>(118,196)</u>	<u>(68,739)</u>
<u>(652,288)</u>	<u>(87,685)</u>	<u>17,271</u>
<u><u>\$22,762,287</u></u>	<u><u>\$23,619</u></u>	<u><u>\$25,685,540</u></u>

CITY OF DAYTON, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND EQUITY
 ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2000

	FLEET MANAGEMENT	STORES AND REPRODUCTION
Operating Revenues:		
Charges for Services	\$0	\$0
Sales	7,074,309	537,096
Other	13,884	0
	7,088,193	537,096
Operating Expenses:		
Personal Services	2,310,062	187,194
Benefit Payments	632,837	56,755
Contractual Services	686,178	64,639
Materials and Supplies	66,528	2,859
Utilities	601	0
Cost of Sales	2,646,610	237,736
Claims	0	0
Depreciation	56,724	89,447
Other	346,436	0
	6,745,976	638,630
Operating Income (Loss)	342,217	(101,534)
Non-Operating Revenues (Expenses):		
Gain on Disposal of Fixed Assets	19,617	0
Interest and Fiscal Charges	0	(12,202)
	19,617	(12,202)
Total Non-Operating Revenues (Expenses)	19,617	(12,202)
Income (Loss) Before Operating Transfers	361,834	(113,736)
Operating Transfers - In	97,000	0
Net Income (Loss)	458,834	(113,736)
Retained Earnings (Deficit) at Beginning of Year	(102,869)	459,516
Retained Earnings (Deficit) at End of Year	355,965	345,780
Contributed Capital at Beginning of Year	55,499	0
Contributions from Other Funds, Net	0	0
Contributed Capital at End of Year	55,499	0
Total Fund Equity (Deficit)	\$411,464	\$345,780

<u>WORKERS'</u> <u>COMPENSATION</u>	<u>PLUMBING</u> <u>SHOP</u>	<u>TOTAL</u>
\$3,644,597	\$502,345	\$4,146,942
0	0	7,611,405
0	0	13,884
<u>3,644,597</u>	<u>502,345</u>	<u>11,772,231</u>
341,245	354,735	3,193,236
97,660	91,653	878,905
2,687,780	9,993	3,448,590
81,595	157,268	308,250
0	0	601
0	0	2,884,346
8,101,337	0	8,101,337
5,271	6,892	158,334
2,901,155	0	3,247,591
<u>14,216,043</u>	<u>620,541</u>	<u>22,221,190</u>
<u>(10,571,446)</u>	<u>(118,196)</u>	<u>(10,448,959)</u>
0	0	19,617
0	0	(12,202)
<u>0</u>	<u>0</u>	<u>7,415</u>
(10,571,446)	(118,196)	(10,441,544)
0	0	97,000
(10,571,446)	(118,196)	(10,344,544)
9,919,158	0	10,275,805
<u>(652,288)</u>	<u>(118,196)</u>	<u>(68,739)</u>
0	0	55,499
0	30,511	30,511
0	30,511	86,010
<u>(\$652,288)</u>	<u>(\$87,685)</u>	<u>\$17,271</u>

CITY OF DAYTON, OHIO
 COMBINING STATEMENT OF CASH FLOWS
 ALL INTERNAL SERVICE FUNDS
 FOR YEAR ENDED DECEMBER 31, 2000

	FLEET MANAGEMENT	STORES AND REPRODUCTION
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash Received from Quasi-External Operating Transactions with Other Funds	\$7,261,132	\$582,204
Cash Payments for Employee Services and Benefits	(2,959,322)	(254,515)
Cash Payments to Suppliers for Goods and Services	(3,174,598)	(228,633)
Cash Payments for Quasi-External Operating Transactions with Other Funds	(33,009)	(41,697)
Cash Payments for Claims	0	0
Cash Received from Other Operating Revenues	17,696	145
Cash Payments for Other Operating Expenses	(1,135)	(1,516)
Net Cash Provided By (Used For) Operating Activities	1,110,764	55,988
Cash Flows from Noncapital Financing Activities:		
Proceeds of Advance from General Fund	0	0
Repayment of Interfund Loan	(380,206)	0
Operating Transfers - In	97,000	0
Net Cash Provided By (Used for) Noncapital Financing Activities	(283,206)	0
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Fixed Assets	(80,684)	0
Principal Paid on Capital Leases	0	(80,484)
Interest Paid on Capital Leases	0	(12,202)
Net Cash Used For Capital and Related Financing Activities	(80,684)	(92,686)
Net Increase (Decrease) in Cash and Cash Equivalents	746,874	(36,698)
Cash and Cash Equivalents Beginning of Year	1,746	236,679
Cash and Cash Equivalents End of Year	\$748,620	\$199,981
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Operating Income (Loss)	\$342,217	(\$101,534)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities		
Depreciation	56,724	89,447
Changes in Assets and Liabilities:		
Decrease in Due from Other Funds	206,853	42,565
(Increase) Decrease in Inventory Held for Resale	(19,398)	35,068
Increase in Accounts Payable	156,063	1,113
Increase (Decrease) in Accrued Wages and Benefits	9,065	(2,220)
Increase (Decrease) in Due to Other Funds	380,839	(749)
Increase in Due to Other Governments	0	0
Increase (Decrease) in Compensated Absences Payable	(21,599)	(7,702)
Increase in Claims Payable	0	0
Net Cash Provided By (Used For) Operating Activities	\$1,110,764	\$55,988

<u>WORKERS'</u> <u>COMPENSATION</u>	<u>PLUMBING</u>	<u>TOTAL</u>
\$5,408,901	\$498,845	\$13,751,082
(434,220)	(410,805)	(4,058,862)
(127,492)	(76,224)	(3,606,947)
(552)	(21,821)	(97,079)
(939,417)	0	(939,417)
21,497	3,500	42,838
0	(64,058)	(66,709)
<u>3,928,717</u>	<u>(70,563)</u>	<u>5,024,906</u>
0	70,563	70,563
(3,100,000)	0	(3,480,206)
0	0	97,000
<u>(3,100,000)</u>	<u>70,563</u>	<u>(3,312,643)</u>
0	0	(80,684)
0	0	(80,484)
0	0	(12,202)
<u>0</u>	<u>0</u>	<u>(173,370)</u>
828,717	0	1,538,893
21,921,600	0	22,160,025
<u>\$22,750,317</u>	<u>\$0</u>	<u>\$23,698,918</u>
(\$10,571,446)	(\$118,196)	(\$10,448,959)
5,271	6,892	158,334
2,327,513	0	2,576,931
0	0	15,670
9,983	3,667	170,826
154	12,846	19,845
2,901,155	1,491	3,282,736
2,091,885	0	2,091,885
2,282	22,737	(4,282)
7,161,920	0	7,161,920
<u>\$3,928,717</u>	<u>(\$70,563)</u>	<u>\$5,024,906</u>

FIDUCIARY FUNDS

To account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

NONEXPENDABLE TRUST

Schantz Waldruhe Park Trust

The Schantz Waldruhe Park Trust fund accounts for the interest earned on Dayton Power & Light stock that is used for the improvement care and maintenance of Waldruhe Park.

AGENCY

Agency Funds

Agency funds are custodial in nature and, thus, do not recognize revenues and expenditures, only changes in assets and liabilities. These funds are used to record the collection and payment of employee payroll withholdings, medical and life insurance premiums, refundable deposits, PERS, Police and Fire Pension funds, taxes collected for other governments, and municipal court.

CITY OF DAYTON, OHIO
 COMBINING BALANCE SHEET
 ALL FIDUCIARY FUNDS
 DECEMBER 31, 2000

	NON-EXPENDABLE TRUST	AGENCY	TOTAL
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$10,065	\$5,940,386	\$5,950,451
Investments	112,010	0	112,010
Cash and Cash Equivalents with Fiscal Agent	0	1,033,708	1,033,708
Investments with Fiscal Agents	0	1,063,206	1,063,206
Receivables:			
Accounts	0	2,634	2,634
Taxes Levied for Other Governments	0	2,604,800	2,604,800
Total Assets	\$122,075	\$10,644,734	\$10,766,809
Liabilities:			
Due to Other Funds	\$0	\$152,467	\$152,467
Due to Other Governments	0	4,001,507	4,001,507
Withholdings and Deposits	0	6,490,760	6,490,760
Total Liabilities	0	10,644,734	10,644,734
Fund Equity:			
Fund Balance:			
Reserved for Contributions to Nonexpendable Trust	112,010	0	112,010
Unreserved	10,065	0	10,065
Total Fund Equity	122,075	0	122,075
Total Liabilities and Fund Equity	\$122,075	\$10,644,734	\$10,766,809

CITY OF DAYTON, OHIO
STATEMENT OF CHANGES
IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>BALANCE</u> 1/1/00	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> 12/31/00
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,213,857	\$88,238,415	\$88,511,886	\$5,940,386
Cash and Cash Equivalents with Fiscal Agents	602,341	11,302,736	10,871,369	1,033,708
Investments with Fiscal Agents	995,154	368,118	300,066	1,063,206
Accounts Receivable	0	2,634	0	2,634
Taxes Levied for Other Governments	<u>2,330,987</u>	<u>2,604,800</u>	<u>2,330,987</u>	<u>2,604,800</u>
Total Assets	<u><u>\$10,142,339</u></u>	<u><u>\$102,516,703</u></u>	<u><u>\$102,014,308</u></u>	<u><u>\$10,644,734</u></u>
Liabilities:				
Due to Other Funds	\$156,646	\$3,077,718	\$3,081,897	\$152,467
Due to Other Governments	2,837,910	6,720,138	5,556,541	4,001,507
Withholdings and Deposits	<u>7,147,783</u>	<u>93,701,997</u>	<u>94,359,020</u>	<u>6,490,760</u>
Total Liabilities	<u><u>\$10,142,339</u></u>	<u><u>\$103,499,853</u></u>	<u><u>\$102,997,458</u></u>	<u><u>\$10,644,734</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets other than those accounted for in the proprietary and nonexpendable trust funds.

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CITY OF DAYTON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
DECEMBER 31, 2000

General Fixed Assets:

Land	\$47,514,855
Buildings	41,341,006
Building Improvements	45,405,151
Improvements other than Buildings	51,468,302
Equipment	17,620,300
Motorized Vehicles	38,364,000
Construction-in-Progress	<u>16,904,118</u>
 Total General Fixed Assets	 258,617,732
 Less: Accumulated Depreciation	 <u>(112,907,285)</u>
 Net Fixed Assets	 <u><u>\$145,710,447</u></u>

Investment in General Fixed Assets From:

General Fund Revenues	\$75,756,988
Special Revenue Funds Revenues	49,524,185
Capital Projects Funds Revenues	132,038,927
Trust and Agency Funds	1,286,332
Donations	<u>11,300</u>
 Total Investment in General Fixed Assets	 258,617,732
 Less: Accumulated Depreciation	 <u>(112,907,285)</u>
 Net Fixed Assets	 <u><u>\$145,710,447</u></u>

CITY OF DAYTON, OHIO
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
DECEMBER 31, 2000

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>BUILDING IMPROVEMENTS</u>
General Government:			
Control:			
City Commission	\$0	\$0	\$0
City Manager	0	3,359,703	2,090,707
Courts	0	0	0
Total Control	<u>0</u>	<u>3,359,703</u>	<u>2,090,707</u>
Maintenance and Support:			
Planning	0	0	43,698
Law	0	0	0
Finance	0	0	0
Personnel	0	0	0
Data Processing	0	0	0
Purchasing	0	0	0
General Government	46,134,599	12,762,103	15,941,906
Neighborhood and Human Resources	0	0	1,047,138
Total Maintenance and Support	<u>46,134,599</u>	<u>12,762,103</u>	<u>17,032,742</u>
Total General Government	<u>46,134,599</u>	<u>16,121,806</u>	<u>19,123,449</u>
Public Safety:			
Police Protection	0	4,043,410	1,084,526
Fire Protection	0	5,783,374	1,857,420
Urban Development	0	0	0
Redevelopment	0	0	0
Neighborhood Development	0	0	0
Human Rehabilitation	0	628,503	7,955,625
Total Public Safety	<u>0</u>	<u>10,455,287</u>	<u>10,897,571</u>
Public Works			
Street Maintenance	0	232,861	21,762
Waste Collection	0	0	138,281
Recreation and Parks	0	8,008,113	2,421,113
Engineering	0	0	1,335,381
Convention Center	1,380,256	6,522,939	11,467,594
Total General Fixed Assets Allocated to Functions	<u>\$47,514,855</u>	<u>\$41,341,006</u>	<u>\$45,405,151</u>
Construction-in-Progress			
Total General Fixed Assets			
Less: Accumulated Depreciation			
Net Fixed Assets			

<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>EQUIPMENT</u>	<u>MOTORIZED VEHICLES</u>	<u>TOTAL</u>
\$0	\$67,750	\$229,755	\$297,505
814,272	1,158,875	262,976	7,686,533
0	135,552	166,810	302,362
<u>814,272</u>	<u>1,362,177</u>	<u>659,541</u>	<u>8,286,400</u>
118,621	73,079	0	235,398
0	13,956	0	13,956
502,036	1,024,932	0	1,526,968
15,400	5,481	25,085	45,966
1,405,301	9,057,335	154,111	10,616,747
284,048	17,611	0	301,659
26,769,208	186,696	720,742	102,515,254
804,812	41,401	0	1,893,351
<u>29,899,426</u>	<u>10,420,491</u>	<u>899,938</u>	<u>117,149,299</u>
<u>30,713,698</u>	<u>11,782,668</u>	<u>1,559,479</u>	<u>125,435,699</u>
9,588,430	1,892,490	4,169,195	20,778,051
2,273,478	1,255,153	9,779,847	20,949,272
116,813	0	28,200	145,013
2,436,905	9,655	0	2,446,560
0	215,470	284,052	499,522
76,352	280,518	330,126	9,271,124
<u>14,491,978</u>	<u>3,653,286</u>	<u>14,591,420</u>	<u>54,089,542</u>
271,021	41,268	162,656	496,707
0	1,080,093	11,169,974	12,482,928
0	45,919	6,902,876	7,087,076
5,119,236	392,221	3,680,300	19,620,983
198,817	150,250	274,315	1,958,763
673,552	474,595	22,980	20,541,916
<u>\$51,468,302</u>	<u>\$17,620,300</u>	<u>\$38,364,000</u>	241,713,614
			<u>16,904,118</u>
			258,617,732
			<u>(112,907,285)</u>
			<u>\$145,710,447</u>

CITY OF DAYTON, OHIO
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2000

FUNCTION AND ACTIVITY	GENERAL FIXED ASSETS 1/1/00	ADDITIONS	DELETIONS	GENERAL FIXED ASSETS 12/31/00
General Government:				
Control:				
City Commission	\$298,778	\$0	\$1,273	\$297,505
City Manager	8,381,366	241,697	936,530	7,686,533
Courts	298,383	13,100	9,121	302,362
Total Control	<u>8,978,527</u>	<u>254,797</u>	<u>946,924</u>	<u>8,286,400</u>
Maintenance and Support:				
Planning	251,045	24,547	40,194	235,398
Law	13,956	0	0	13,956
Finance	1,223,415	304,647	1,094	1,526,968
Personnel	45,966	0	0	45,966
Data Processing	6,612,006	4,090,417	85,676	10,616,747
Purchasing	301,659	0	0	301,659
General Government	96,908,751	6,417,945	811,442	102,515,254
Neighborhood and Human Resources	1,839,529	61,017	7,195	1,893,351
Total Maintenance and Support	<u>107,196,327</u>	<u>10,898,573</u>	<u>945,601</u>	<u>117,149,299</u>
Total General Government	<u>116,174,854</u>	<u>11,153,370</u>	<u>1,892,525</u>	<u>125,435,699</u>
Public Safety:				
Police Protection	20,732,323	644,573	598,845	20,778,051
Fire Protection	19,048,031	2,006,030	104,789	20,949,272
Urban Development	145,013	0	0	145,013
Redevelopment	2,451,253	0	4,693	2,446,560
Neighborhood Development	566,617	0	67,095	499,522
Human Rehabilitation	9,253,280	22,700	4,856	9,271,124
Total Public Safety	<u>52,196,517</u>	<u>2,673,303</u>	<u>780,278</u>	<u>54,089,542</u>
Public Works	371,541	125,166	0	496,707
Street Maintenance	12,218,531	304,675	40,278	12,482,928
Waste Collection	6,390,415	721,988	25,327	7,087,076
Recreation and Parks	19,604,248	110,170	93,435	19,620,983
Engineering	1,963,143	35,840	40,220	1,958,763
Convention Center	20,541,916	0	0	20,541,916
Construction-in-Progress	10,281,388	11,818,609	5,195,879	16,904,118
Total General Fixed Assets	239,742,553	<u>\$26,943,121</u>	<u>\$8,067,942</u>	258,617,732
Less: Accumulated Depreciation	<u>(107,790,493)</u>			<u>(112,907,285)</u>
Net Fixed Assets	<u>\$131,952,060</u>			<u>\$145,710,447</u>

STATISTICAL SECTION

**THE FOLLOWING UNAUDITED STATISTICAL TABLES
REFLECT SOCIAL AND ECONOMIC DATA, FINANCIAL TRENDS AND
FISCAL CAPACITY OF THE CITY**

CITY OF DAYTON, OHIO
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN YEARS (1)

Year (2)	Downtown	Youth, Education, and Human Services	Community Development and Neighborhoods	Economic Development	Leadership and Quality of Life	Corporate Responsibility	Public Safety and Justice	Capital Outlay	Debt Service	Total	
2000	\$4,869,311	\$1,301,481	\$3,281,232	\$21,838,458	\$43,581,245	\$20,761,269	\$96,185,438	\$802,361	\$8,673,494	\$201,294,289	
Year	Policy Development	Economic Development	Neighborhood Development	Land Use	Community Security	Human Development	Transportation	Administrative Services	Capital Outlay	Debt Service	Total
1999	\$4,209,530	\$8,666,422	\$21,562,100	\$27,568,631	\$47,025,960	\$17,112,029	\$11,833,639	\$47,817,478	\$137,543	\$9,545,571	\$195,478,903
1998	3,906,544	8,129,048	20,916,252	27,023,884	43,658,203	15,513,271	11,015,768	42,719,087	1,600,399	4,545,625	179,028,081
1997	3,517,339	6,234,581	22,007,949	24,691,637	41,438,538	16,557,005	12,598,951	41,180,581	1,456,176	5,520,712	175,203,469
1996	3,333,165	5,176,240	19,680,327	24,204,931	36,719,057	15,469,711	12,851,449	35,982,191	1,259,976	6,229,068	160,906,115
1995	3,035,584	5,016,975	17,697,932	23,086,873	33,746,207	13,812,617	13,461,208	36,941,100	3,116,588	6,462,872	156,377,956
1994	2,741,913	2,329,099	18,166,050	23,413,484	34,946,963	13,142,781	12,415,315	32,918,053	4,166,146	8,074,252	152,314,056
1993	3,183,915	2,339,069	20,507,222	22,431,467	29,816,483	14,520,709	14,554,398	32,267,293	7,709,116	7,467,236	154,796,908
1992	2,896,353	2,064,102	17,693,721	21,915,364	28,855,889	13,998,118	14,553,499	32,009,407	5,908,070	9,589,726	149,484,249
1991	2,985,685	2,148,276	17,380,050	20,856,226	27,570,518	12,725,074	14,075,954	32,007,511	6,718,226	13,591,245	150,058,765

(1) - Includes General, Special Revenue, and Debt Service Funds.

(2) - For 2000, the City of Dayton changed program classifications.

Source: Finance Department; City of Dayton, Ohio

CITY OF DAYTON, OHIO
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN YEARS (1)

Year	Taxes	Intergovernmental	Special Assessments	Charges for Services	Licenses and Permits	Fines and Forfeitures	Interest	Other	Total
2000	\$153,002,507	\$19,702,445	\$258,235	\$22,092,957	\$1,995,969	\$1,754,313	\$9,463,035	\$3,973,520	\$212,242,981
1999	147,004,491	20,024,791	380,316	24,247,038	1,620,192	1,211,084	5,831,860	3,572,839	203,892,611
1998	143,115,776	15,426,707	499,771	21,049,556	1,651,854	1,486,577	7,403,205	2,203,395	192,836,841
1997	142,195,336	13,332,977	388,842	18,391,334	1,537,560	1,081,276	6,663,012	2,195,147	185,785,484
1996	136,955,246	11,160,341	532,893	14,169,018	1,341,104	3,141,376	6,035,638	2,000,914	175,336,530
1995	131,722,164	10,136,704	425,856	15,086,577	1,101,256	906,991	4,541,703	1,689,196	165,610,447
1994	129,387,223	11,555,482	524,771	11,848,319	1,095,730	2,382,328	3,020,007	689,687	160,503,547
1993	123,336,911	9,264,452	728,560	12,371,976	968,402	2,483,473	3,998,178	1,031,452	154,183,404
1992	120,549,938	9,064,694	903,047	13,500,332	981,122	2,535,513	5,770,720	1,716,531	155,021,897
1991	120,718,521	8,656,594	688,649	11,567,345	958,716	2,315,260	7,073,561	667,033	152,645,679

(1) - Includes General, Special Revenue, and Debt Service Funds.

Source: Finance Department; City of Dayton, Ohio

CITY OF DAYTON, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS (1)

Collection Year	Current Tax Levy	Current Tax Collections	Percent of Current Collections to Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Collections to Levy	Outstanding Delinquent Taxes	Percentage of Outstanding Delinquent Taxes to Levy
2000	\$18,747,632	\$17,953,577	95.8%	\$1,028,171	\$18,981,748	100.1%	\$4,089,228	21.8%
1999	17,228,696	16,688,916	96.8	889,833	17,578,749	100.2	2,854,545	16.5
1998	17,236,685	16,369,525	95.0	887,443	17,256,968	100.1	2,091,752	12.1
1997	17,139,435	16,499,010	96.3	820,972	17,319,982	101.1	2,721,684	15.9
1996	15,955,014	15,303,711	95.9	882,680	16,186,391	101.5	2,754,440	17.3
1995	15,865,444	15,284,346	96.3	700,632	15,984,978	100.8	2,560,886	16.1
1994	15,828,987	14,720,696	93.0	658,321	15,379,017	97.2	2,654,699	16.8
1993	15,708,639	15,342,123	97.7	708,859	16,050,982	102.2	2,754,087	17.5
1992	15,866,107	15,346,317	96.7	749,360	16,095,677	101.4	2,246,536	14.2
1991	16,034,246	15,649,424	97.6	647,084	16,296,508	101.6	2,225,360	13.9

(1) Includes the General, Special Revenue, Debt Service, Trust and Agency Funds. Presented on the cash basis for all years.

Source: County Auditor; Montgomery County, Ohio

CITY OF DAYTON, OHIO
 ASSESSED VALUE AND ESTIMATED
 TRUE VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS

Collection Year	Real	Public Utility	Tangible	Total	(1)	Percentage of Assessed Value To Estimated True Value
	Real	Real	Personal	Assessed Value	Estimated Value	
2000	\$1,308,366,160	\$142,951,440	\$403,346,103	\$1,854,663,703	\$5,799,921,138	31.98 %
1999	1,199,695,480	150,755,290	387,618,846	1,738,069,616	5,161,385,240	33.67
1998	1,196,725,090	146,457,920	356,354,152	1,699,537,162	5,080,306,397	33.45
1997	1,197,994,870	146,932,600	364,241,202	1,709,168,672	5,048,624,860	33.85
1996	1,098,801,200	144,608,520	352,091,721	1,595,501,441	4,774,338,272	33.42
1995	1,092,389,270	153,879,570	340,355,176	1,586,624,016	4,922,188,818	32.23
1994	1,101,588,140	148,330,870	331,905,260	1,581,824,270	4,898,818,212	32.29
1993	1,076,506,330	148,783,680	347,624,932	1,572,914,942	4,891,328,328	32.16
1992	1,097,505,920	141,675,220	369,648,678	1,608,829,818	4,962,243,228	32.42
1991	1,122,936,830	137,380,190	397,341,606	1,657,658,626	5,072,541,349	32.68

(1) This is calculated by dividing the assessed value by the assessment percentage. The percentages for 2000 were 35 percent for real property and public utility real, 88 percent public utility tangible personal, and 25 percent for tangible personal and interexchange telecom public utility.

Source: County Auditor; Montgomery County, Ohio

CITY OF DAYTON, OHIO
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN YEARS (1)

Collection Year	Direct 10 Mill Limitation (By Ohio Constitution)			Total
	Debt Service Fund	Judgement Trust Fund	Street Maintenance Fund	
2000	\$0.15	\$0.50	\$0.85	\$1.50
1999	0.15	0.50	0.85	1.50
1998	0.15	0.00	1.35	1.50
1997	0.15	0.50	0.85	1.50
1996	0.15	0.50	0.85	1.50
1995	0.15	0.50	0.85	1.50
1994	0.15	0.50	0.85	1.50
1993	0.15	0.50	0.85	1.50
1992	0.65	0.50	0.35	1.50
1991	1.15	0.00	0.35	1.50

(1) The Ohio Constitution places a ten-mill limitation upon the combined property tax levied by the County, the School District, and the City. The City of Dayton has been permitted to levy only 1.5 mills of that ten-mill limitation. The Constitution permits the City to levy additional millage beyond 1.5 mills upon approval of the electorate. Our City Charter also has a ten-mill limitation which prohibits the City from levying a total tax rate for all purposes in excess of ten mills. As a result of the passage of a Charter amendment, the City has been levying an additional 8.5 mills above the 1.5 mills. This additional millage has resulted in a total property tax rate of ten mills for the City of Dayton, the maximum permitted by the City Charter.

Source: County Auditor; Montgomery County, Ohio

<u>By November 6, 1945 Charter Amendment</u>			<u>City of Dayton</u>			<u>Montgomery County Public Library</u>
<u>Debt Service Fund</u>	<u>General</u>	<u>Total</u>	<u>Grand Total</u>	<u>Dayton City School District</u>	<u>Montgomery County</u>	
\$3.50	\$5.00	\$8.50	\$10.00	\$62.65	\$16.64	\$0.26
3.50	5.00	8.50	10.00	62.65	16.64	0.26
3.50	5.00	8.50	10.00	62.65	16.64	0.26
3.50	5.00	8.50	10.00	62.65	16.64	0.72
3.50	5.00	8.50	10.00	62.65	16.64	0.72
3.50	5.00	8.50	10.00	62.65	16.64	0.72
3.50	5.00	8.50	10.00	62.65	16.14	0.00
3.50	5.00	8.50	10.00	62.65	13.65	0.00
3.50	5.00	8.50	10.00	52.25	13.65	0.00
3.50	5.00	8.50	10.00	52.25	13.65	0.00

CITY OF DAYTON, OHIO
SPECIAL ASSESSMENTS BILLED AND COLLECTED
LAST TEN YEARS

Collection Year(3)	Current Assessments Due (1)	Current Assessments Collected (1)	Percent of Current Collections to Current Assessments	Delinquent Assessments Collected (1)	Total Assessments Collected	Percent of Total Assessments Collected to Current Due (2)
2000	\$1,392,991	\$769,441	55.2%	\$158,810	\$928,251	66.6%
1999	1,346,031	736,056	54.7	189,940	925,996	68.8
1998	1,726,054	1,171,223	67.9	137,995	1,309,218	75.9
1997	1,777,543	450,731	25.4	106,135	556,866	31.3
1996	1,001,476	358,649	35.8	190,900	549,549	54.9
1995	1,005,686	369,126	36.7	118,995	488,121	48.5
1994	809,459	390,427	48.2	175,405	565,832	69.9
1993	475,974	346,157	72.7	109,309	455,466	95.7
1992	489,145	390,187	79.8	101,531	491,718	100.5
1991	505,964	362,319	71.6	127,807	490,126	96.9

(1) Reported on a cash basis and includes collections of delinquent utility bills.

(2) Total collections exceed Current Assessments Due because of high collection of curb, gutter, and sidewalk delinquent assessments.

(3) Beginning in 1994, this table includes nuisance abatement and weed mowing assessments.

Note: This table reflects only those special assessments collected through the County Auditor's Office.

Source: County Auditor; Montgomery County, Ohio

CITY OF DAYTON, OHIO
 RATIO OF NET GENERAL OBLIGATION BONDED DEBT
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN YEARS

Collection Year	Net General Bonded Debt (1)	Assessed Value (2)	Population (3)	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
2000	\$33,448,972	\$1,854,663,703	166,179	1.80%	\$201
1999	27,526,130	1,738,069,616	167,475	1.58	164
1998	43,224,643	1,699,537,162	172,947	2.54	250
1997	9,463,362	1,709,168,672	172,947	.55	55
1996	14,767,060	1,595,501,441	178,540	.93	83
1995	19,402,055	1,586,624,016	182,005	1.22	107
1994	24,078,345	1,581,824,270	182,005	1.52	132
1993	24,885,632	1,572,914,942	182,005	1.58	137
1992	19,587,597	1,608,829,818	182,005	1.30	108
1991	25,182,230	1,657,658,626	182,044	1.63	138

(1) Net general bonded debt is defined as bonded debt supported by taxes less Debt Service Fund fund balance (which does not include reserve for encumbrances or loans receivable).

(2) Source: County Auditor; Montgomery County, Ohio.

(3) Source: U.S. Census Bureau and Miami Valley Regional Planning Commission.

CITY OF DAYTON, OHIO
 COMPUTATION OF LEGAL DEBT MARGINS
 DECEMBER 31, 2000

COMPUTATION OF OVERALL LEGAL DEBT MARGIN

Assessed Value		<u>\$1,854,663,703</u>
Overall Debt Limitation		
10 1/2 Percent of Assessed Valuation		\$194,739,689
Total Voted and Unvoted Debt Outstanding at December 31, 2000	170,521,118	
Less: Exempt Debt		
Waterworks general obligation bonds	80,000	
Airport general obligation bonds and note	9,345,000	
Waterworks revenue bonds (1)	37,065,000	
Ohio Water Development Authority Loan	22,920,149	
Ohio Public Works Commission Loan	1,000,000	
Airport revenue bonds (1)	35,850,000	
Special assessment bonds and note	585,969	
Capital Facilities and Various Purpose Income Tax bonds	33,705,000	
Economic Development bonds	<u>11,870,000</u>	
Debt Within 10 1/2 Percent Limitation	18,100,000	
Less: Bond Retirement Fund Balance		<u>18,356,028</u>
Net Debt Subject to 10 1/2 Percent Limitation		<u>0</u>
Legal Debt Margin Within 10 1/2 Percent Limitation		<u>\$194,739,689</u>

COMPUTATION OF UNVOTED LEGAL DEBT MARGIN

Assessed Value		<u>\$1,854,663,703</u>
Unvoted Debt Limitation		
5 1/2 Percent of Assessed Valuation		\$102,006,504
Total Unvoted Debt outstanding at December 31, 2000	170,521,118	
Less: Exempt Debt		
Primary Government:		
Waterworks general obligation bonds	80,000	
Airport general obligation bonds and note	9,345,000	
Waterworks revenue bonds (1)	37,065,000	
Ohio Water Development Authority Loan	22,920,149	
Ohio Public Works Commission Loan	1,000,000	
Airport revenue bonds (1)	35,850,000	
Special assessment bonds and note	585,969	
Capital Facilities and Various Purpose Income Tax bonds	33,705,000	
Economic Development bonds	<u>11,870,000</u>	
Debt Within 5 1/2 Percent Limitations	18,100,000	
Less: Bond Retirement Fund Balance		<u>18,356,028</u>
Net Debt Within 5 1/2 Percent Limitation		<u>0</u>
Legal Debt Margin Within 5 1/2 Percent Limitation		<u>\$102,006,504</u>

(1) Airport and revenue bonds are shown on the balance sheet net of a discount and unamortized deferred charge of \$350,250 and \$1,993,566, respectively.

CITY OF DAYTON, OHIO
 COMPUTATION OF DIRECT AND OVERLAPPING
 GENERAL OBLIGATION BONDED DEBT
 DECEMBER 31, 2000

Jurisdiction	Assessed Value	Net General Bonded Debt	Percentage Overlapping	Net Tax Supported Overall Debt
Direct Debt:				
City of Dayton	\$1,854,663,703	\$33,448,972	100.00%	<u>\$33,448,972</u>
Overlapping Debt:				
Dayton City School District	1,930,331,444	0	97.09	0
Montgomery County	9,051,333,493	43,268,553	20.70	<u>8,956,590</u>
Total Overlapping Debt				<u>8,956,590</u>
Total Direct and Overlapping Debt				<u><u>\$42,405,562</u></u>

Source: County Auditor; Montgomery County, Ohio

Note: The percentage of gross indebtedness of the City's overlapping political subdivisions was determined by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

CITY OF DAYTON, OHIO
 RATIO OF ANNUAL DEBT PRINCIPAL AND INTEREST EXPENDITURES
 FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL
 GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN YEARS (1)

Year	Principal (2)	Interest and Fiscal Charges (2)	Total	Total General Expenditures	Ratio of Debt Service to General Expenditures
2000	\$4,465,000	\$2,917,114	\$7,382,114	\$201,192,360	3.7%
1999	5,295,000	3,139,008	8,434,008	195,478,903	4.3
1998	2,200,000	2,057,228	4,257,228	179,028,081	2.4
1997	2,657,475	1,840,797	4,498,272	175,203,469	2.6
1996	4,147,664	2,081,404	6,229,068	160,906,115	3.9
1995	4,120,582	2,342,289	6,462,871	156,377,956	4.1
1994	5,636,163	2,438,089	8,074,252	152,314,056	5.3
1993	5,200,939	2,266,297	7,467,236	154,796,908	4.8
1992	6,969,964	2,619,762	9,589,726	149,484,249	6.4
1991	10,655,510	2,935,735	13,591,245	150,058,765	9.1

(1) Total General Expenditures include General, Special Revenue, and Debt Service Funds.

(2) Excludes general obligation debt reported in the enterprise funds.

Source: Finance Department; City of Dayton, Ohio

CITY OF DAYTON, OHIO
REVENUE BOND COVERAGE - DAYTON INTERNATIONAL AIRPORT AND WATER FUNDS
LAST TEN YEARS

Dayton International Airport Fund:

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2000	\$6,922,358	\$1,800,000	\$1,994,329	\$3,794,329	1.82
1999	9,114,117	1,725,000	2,073,164	3,798,164	2.40
1998	10,690,242	1,645,000	2,146,660	3,791,660	2.82
1997	9,775,151	1,580,000	2,215,570	3,795,570	2.58
1996	8,861,002	1,520,000	2,473,688	3,993,688	2.22
1995	4,915,697	1,075,000	3,199,898	4,274,898	1.15
1994	8,357,703	1,015,000	3,254,828	4,269,828	1.96
1993	5,228,138	970,000	3,305,815	4,275,815	1.22
1992	5,664,737	690,000	3,881,020	4,571,020	1.24
1991	7,729,057	1,235,000	3,943,946	5,178,946	1.49

(1) - Net Revenue Available for Debt Service is computed by adding net income (loss) for the reporting period to depreciation, amortization, and interest expense.

(Continued)

CITY OF DAYTON, OHIO
REVENUE BOND COVERAGE - DAYTON INTERNATIONAL AIRPORT AND WATER FUNDS
LAST TEN YEARS
(Continued)

Water Fund:

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2000	\$18,333,123	\$4,625,000	\$1,678,310	\$6,303,310	2.91
1999	15,414,054	5,000,000	1,389,983	6,389,983	2.41
1998	13,764,616	750,000	3,436,222	4,186,222	3.29
1997	11,138,819	710,000	3,478,112	4,188,112	2.66
1996	11,221,602	670,000	3,516,302	4,186,302	2.68
1995	14,246,626	2,095,000	4,204,486	6,299,486	2.26
1994	22,095,917	1,940,000	4,360,706	6,300,706	3.51
1993	19,453,064	1,800,000	4,502,118	6,302,118	3.09
1992	18,917,014	1,675,000	4,630,318	6,305,318	3.00
1991	23,387,652	1,560,000	4,745,038	6,305,038	3.71

(1) - Net Revenue Available for Debt Service is computed by adding net income (loss) for the reporting period to depreciation, amortization, and interest expense.

CITY OF DAYTON, OHIO
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

<u>Population (1)</u>		<u>Public School Enrollment (2)</u>				
<u>Year</u>	<u>Number</u>	<u>Year</u>	<u>Elementary</u>	<u>Intermediate</u>	<u>High</u>	<u>Total</u>
2000	166,179	2000-01	11,995	3,568	5,516	21,079
1999	167,475	1999-00	13,228	3,515	5,735	22,478
1998	172,947	1998-99	16,305	3,386	6,595	26,286
1997	172,947	1997-98	15,671	4,394	6,102	26,167
1996	178,540	1996-97	16,052	4,328	6,599	26,979
1995	182,005	1995-96	15,913	4,246	6,832	26,991
1994	182,005	1994-95	16,210	4,442	6,690	27,342
1993	182,005	1993-94	15,979	4,593	6,568	27,140
1992	182,005	1992-93	16,532	4,601	6,171	27,304
1991	182,044	1991-92	16,606	4,410	6,644	27,660

Age Distribution of Population
for Last Three Censuses: (3)

<u>Age</u>	<u>1990</u>	<u>1980</u>	<u>1970</u>
Under 5	8.5%	8.2%	8.4%
5-14	13.8	14.3	17.7
15-24	16.8	20.7	20.3
25-34	18.0	16.1	11.6
35-44	13.0	8.9	10.4
45-54	8.3	9.5	11.6
55-64	8.5	10.2	9.4
65+	13.1	12.1	10.6

Unemployment Statistics (4):

<u>Year</u>	<u>Rate</u>
2000	6.0%
1999	4.0
1998	6.6
1997	6.9
1996	7.6
1995	7.2
1994	8.5
1993	8.2
1992	9.5
1991	8.7

- (1) Source: U.S. Bureau of Census and Miami Valley Regional Planning Commission.
- (2) Source: Records of the Dayton Board of Education, Office of Public Information.
- (3) The Census 2000 numbers were unavailable at the time this table was completed.
- (4) Unemployment rates are an average of that year. Source: Ohio Bureau of Employment Services.

CITY OF DAYTON, OHIO
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

Year	Real Property (1)		Building Permits Issued (2)	Estimated Value of Buildings (2)	County Bank Deposits (3)
	Assessed Value	Estimated Market Value			
2000	\$1,308,366,160	\$3,738,189,028	1,652	\$124,091,672	\$191,473,000
1999	1,199,695,480	3,427,701,371	1,564	80,143,557	2,994,378,000
1998	1,196,725,090	3,419,214,543	1,390	101,936,784	3,264,705,000
1997	1,197,994,870	3,422,842,486	1,634	82,811,189	3,530,314,000
1996	1,098,801,200	3,139,432,000	1,512	67,723,613	3,899,145,000
1995	1,092,389,270	3,121,112,200	1,571	91,960,478	3,995,114,000
1994	1,101,588,140	3,147,394,686	1,597	90,875,248	4,034,766,000
1993	1,076,506,330	3,075,732,371	1,574	84,860,993	3,834,335,000
1992	1,097,505,920	3,135,731,200	1,281	82,475,017	4,068,798,000
1991	1,122,936,830	3,208,390,943	1,458	74,067,046	6,728,755,000

Source: (1) County Auditor; Montgomery County, Ohio

(2) City of Dayton Division of Business Services, Permit Section.

(3) Decrease for 2000 due to bank restructuring. Deposits at end of year are no longer held in Montgomery County, but in Cuyahoga County.

CITY OF DAYTON, OHIO
 PRINCIPAL TAXPAYERS
 DECEMBER 31, 2000

The following is a list of the ten largest ad valorem taxpayers (based on the taxable valuation of their property) subject to the City's taxing jurisdiction.

Name of Taxpayer	Nature of Business	Tangible Property Taxable Valuation	Real Property Taxable Valuation (1)	Total Taxable Valuation (1)	Percentage of Total Assessed Valuation
Dayton Power and Light Company	Public Utility		\$98,866,120	\$98,866,120	5.33%
Delphi Automotive Systems Corporation	Automotive	\$58,561,130	6,490,780	65,051,910	3.51%
AT&T/NCR	Computer Technology	20,693,130	16,290,710	36,983,840	1.99%
Ohio Bell Telephone Company	Public Utility		30,241,190	30,241,190	1.63%
Cargill, Incorporated	Manufacturing	20,941,400	2,155,650	23,097,050	1.24%
Tate & Lyle Citric Acid Incorporated	Manufacturing	19,224,929	1,308,240	20,533,169	1.11%
Emery Air Freight Incorporated	Air Freight	16,071,410		16,071,410	0.87%
Reynolds and Reynolds	Manufacturing	13,101,490		13,101,490	0.71%
DaimlerChrysler Corporation	Automotive	9,639,110	3,451,250	13,090,360	0.71%
Total		158,232,599	158,803,940	317,036,539	17.10%
All Other Taxpayers		245,113,504	1,292,513,660	1,537,627,164	82.90%
Total Assessed Valuation		\$403,346,103	\$1,451,317,600	\$1,854,663,703	100.00%

(1) Includes Public Utility Real

Source: County Auditor; Montgomery County, Ohio

(Continued)

CITY OF DAYTON, OHIO
PRINCIPAL TAXPAYERS
DECEMBER 31, 2000
(Continued)

The listing of employers as shown is based primarily on income tax withholding recorded by the City of Dayton Division of Taxation.

Name of Taxpayer	Nature of Business
Delphi Automotive Systems Corporation	Automotive
AT&T/NCR	Computer Technology
Montgomery County	Government
Miami Valley Hospital	Hospital
Dayton City School District	Education
City of Dayton	Government
Reynolds and Reynolds	Manufacturing
DaimlerChrysler Corporation	Automotive
University of Dayton	Education
United States Postal Service	Government

CITY OF DAYTON, OHIO
MISCELLANEOUS STATISTICS
DECEMBER 31, 2000

Date of Incorporation	February 12, 1805
Date Present Charter Adopted	August 12, 1913
Form of Government	Commission-Manager Plan
Area - Square Miles	56.3
Miles of Streets and Alleys Paved	855
Miles of Sewers:	
Storm	403
Sanitary	603
Number of Street Lights	19,900
Employees as of December 31, 2000 (all positions)	2,909
Elections:	
Number of Registered Voters	100,457
Number of Votes Cast in Last General Election	52,067
Percentage of Registered Voters Voting in Last General Election	51.83%
Municipal Water Department:	
Number of Accounts	56,286
Average Daily Consumption (million gallons)	75.90
Miles of Water Mains	771
Fire Protection:	
Number of Stations	14
Number of Employees	437
Police Protection:	
Number of Districts	5
Number of Employees	621
Recreation and Park Facilities:	
Number of Acres	2,200
Total Facilities	85
Tennis Courts	78
Golf Courses	6
Swimming Pools (including wading)	28

HIGHEST STANDARDS FOR FINANCIAL REPORTING

The following Department of Finance personnel contributed directly to the 2000 Comprehensive Annual Financial Report:

Cheryl J. Garrett	Finance Director
Forrest K. Betche	Accounting & Treasury Manager
Frank K. Ghand	Financial Analyst II
Gregory A. Osborne	Financial Analyst II
Joseph M. Rieger	Financial Analyst II
Linda M. Odom	Financial Analyst I
Gayle E. Reed	Financial Analyst I
Chris Wilson	Finance Technician II

Appreciation is extended to all the staff for a fine and useful product and also to individuals in: Accounting and Treasury, Revenue and Taxation, Department of Management and Budget, Local Government Services of the Auditor of State's Office and the other offices that contributed to the preparation of this Report.



Foxx & Company
Certified Public Accountants

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

The Honorable Members of the City Commission
City of Dayton, Ohio

We have audited the general-purpose financial statements of the City of Dayton, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated July 27, 2001. We did not audit the financial statements of the CityWide Development Corporation, a discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us and our opinion on the general-purpose financial statements, insofar as it relates to amounts included for the discretely presented component unit, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

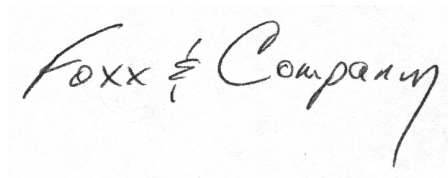
As part of obtaining reasonable assurance about whether the City of Dayton, Ohio's general-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Dayton, Ohio in a separate letter dated July 27, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Dayton, Ohio's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a 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 in amounts that would be material in relation to the general-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Dayton, Ohio in a separate letter dated July 27, 2001.

This report is intended for the information of management, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Fox & Company". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
July 27, 2001



Foxx & Company
Certified Public Accountants

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH *OMB CIRCULAR A-133* AND SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS AND OTHER**

The Honorable Members of the City Commission
City of Dayton, Ohio

Compliance

We have audited the compliance of the City of Dayton, Ohio with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs and the compliance requirements applicable to the City of Dayton, Ohio's Passenger Facility Charge (PFC) program for the year ended December 31, 2000. The City of Dayton, Ohio's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Dayton, Ohio's management. Our responsibility is to express an opinion on the City of Dayton, Ohio's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and PFC program occurred. An audit includes examining, on a test basis, evidence about the City of Dayton, Ohio's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Dayton, Ohio's compliance with those requirements.

In our opinion, the City of Dayton, Ohio complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs and PFC program for the year ended December 31, 2000.

Internal Control Over Compliance

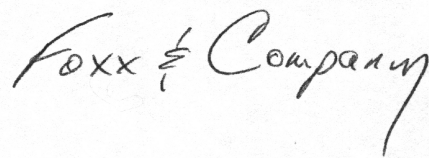
The management of the City of Dayton, Ohio is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, grants and PFC requirements applicable to federal programs and the PFC program. In planning and performing our audit, we considered the City of Dayton, Ohio's internal control over compliance with requirements that could have a direct and material effect on a major federal program and PFC program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program or PFC program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards and Other

We have audited the general-purpose financial statements of City of Dayton, Ohio, as of and for the year ended December 31, 2000, and have issued our report thereon dated July 27, 2001. We did not audit the financial statements of the CityWide Development Corporation, a discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us and our opinion on the general-purpose financial statements, insofar as it relates to amounts included for the discretely presented component unit, is based on the report of the other auditors. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and Other is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of management, the Ohio Auditor of State and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Fox & Company". The signature is written in dark ink on a light-colored background.

Cincinnati, Ohio
July 27, 2001

CITY OF DAYTON, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND OTHER
for the year ended December 31, 2000

<u>Grantor Agency/Programs</u>	<u>CFDA Number</u>	<u>Project Number</u>	<u>Balance January 1,</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance December 31,</u>
<u>U.S. Dept. of Housing and Urban Development</u>						
Community Development Block Grants/Entitlements Grants	14.218	CB-98-MC-39-0010	\$(1,723,996)	\$ 1,842,489	\$ 118,493	\$ -
		CB-99-MC-39-0010	-	8,268,000	8,268,000	-
		CB-00-MC-39-0010	-	1,733,019	3,888,374	(2,155,355)
Subtotal			<u>(1,723,996)</u>	<u>11,843,508</u>	<u>12,274,867</u>	<u>(2,155,355)</u>
Emergency Shelter Grants Program	14.231	CS-97-MC-39-0010	(111,948)	111,948	-	-
		CS-98-MC-39-0010	(135,990)	558,364	434,645	(12,271)
Subtotal			<u>(247,938)</u>	<u>670,312</u>	<u>434,645</u>	<u>(12,271)</u>
Shelter Plus Care	14.238	OH-16-C-93-1122	(1,948,166)	3,586,648	972,438	666,044
HOME Investment Partnerships Program	14.239	M-92-MC-39-0205	(67,852)	39,767	-	(28,085)
		M-93-MC-39-0205	(171,147)	33,746	-	(137,401)
		M-94-MC-39-0205	(366,312)	97,412	37,882	(306,782)
		M-95-MC-39-0205	(26,542)	508,568	463,790	18,236
		M-96-MC-39-0205	(17,839)	114,306	1,330	95,137
		M-97-MC-39-0205	(21,929)	14,683	6,250	(13,496)
		M-98-MC-39-0205	(120,455)	1,479,012	1,614,336	(255,779)
		M-99-MC-39-0205	(87,686)	952,310	930,785	(66,161)
		M-00-MC-39-0205	-	93,000	43,000	50,000
Subtotal			<u>(879,762)</u>	<u>3,332,804</u>	<u>3,097,373</u>	<u>(644,331)</u>
Fair Housing Assistance Programs-State and Local	14.401	FF-205-K-96-5019	64,952	-	-	64,952
		FF-205-K-97-5019	(2,286)	2,286	-	-
		FF-205-K-98-5019	85,550	-	24,558	60,992
		FF-205-K-99-5019	77,340	-	-	77,340
		FF-205-K-00-5019	-	76,440	-	76,440
Subtotal			<u>225,556</u>	<u>78,726</u>	<u>24,558</u>	<u>279,724</u>
Total U.S. Department of Housing and Urban Development			<u>\$(4,574,306)</u>	<u>\$19,511,998</u>	<u>\$16,803,881</u>	<u>\$(1,866,189)</u>

CITY OF DAYTON, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND OTHER
for the year ended December 31, 2000

<u>Grantor Agency/Programs</u>	<u>CFDA Number</u>	<u>Project Number</u>	<u>Balance January 1,</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance December 31,</u>
<u>U.S. Dept. of Justice</u>						
Byrne Formula Grant Program						
Broken Dreams - Women 96	16.579	95-D6-FO1-7544	\$ (65,761)	\$ 65,761	\$ -	\$ -
Broken Dreams - Women 97		95-D6-FO1-7544	14,710	-	14,710	-
Broken Dreams - Women 98		97-DG-FO1-7544	(7,818)	7,818	-	-
Mercy Manor Prison Release		96-DG-DO2-7546	(23,787)	-	-	(23,787)
Shelter Victim Assistance		96-DG-DO2-7554	8,773	-	8,773	-
Safe Estates Program		96-DG-DO2-7555	10,770	-	-	10,770
Safe Estates Program		00-DG-D02-7554	-	46,888	38,406	8,482
Subtotal			<u>(63,113)</u>	<u>120,467</u>	<u>61,889</u>	<u>(4,535)</u>
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	95-DL-BX-0033	<u>(25,960)</u>	<u>25,960</u>	-	-
Violence Against Women Formula Grants DPD Stop Violence Against Women	16.588	96-WF-VA7-8902	<u>(2,534)</u>	<u>2,534</u>	-	-
Grants to Encourage Arrest Policies	16.590	97-WE-VX-0070	<u>(138,364)</u>	<u>477,139</u>	<u>471,233</u>	<u>(132,458)</u>
Local Law Enforcement Block Grants Program	16.592					
97 Local Law Enforcement Block Grant		98-LB-VX-3689	25,333	-	25,333	-
98 Local Law Enforcement Block Grant		98-LB-VX-6545	652,509	-	652,509	-
99 Local Law Enforcement Block Grant		00-LB-VX-0100	-	679,409	305,851	373,558
Subtotal			<u>677,842</u>	<u>679,409</u>	<u>983,693</u>	<u>373,558</u>
Public Safety Partnership and Community Policing Grants	16.710	97-UL-WX-0024	<u>(23,572)</u>	<u>23,572</u>	-	-
Total U.S. Department of Justice			<u>\$ 424,299</u>	<u>\$1,329,081</u>	<u>\$1,516,815</u>	<u>\$236,565</u>

CITY OF DAYTON, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND OTHER
for the year ended December 31, 2000

<u>Grantor Agency/Programs</u>	<u>CFDA Number</u>	<u>Project Number</u>	<u>Balance January 1,</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance December 31,</u>
<u>U.S. Dept. of Transportation</u>						
Airport Improvement Program	20.106	96-1-3-39-0029-24-96	\$ (818,473)	\$ 857,612	\$ 20,700	\$ 18,439
	20.106	97-1-3-39-0029-26-97	(148,525)	171,555	158,956	(135,926)
	20.106	98-1-3-39-0029-28-98	(369,587)	568,723	542,262	(343,126)
	20.106	98-1-3-39-0029-29-98	138,156	354,406	357,465	135,097
	20.106	99-3-39-0030-03-99	-	63,981	80,505	(16,524)
	20.106	99-3-39-0029-32-99	-	1,480,820	1,480,820	-
	20.106	99-3-39-0029-31-99	-	221,456	328,540	(107,084)
	20.106	99-3-39-0029-33-99	-	153,822	154,140	(318)
Subtotal			<u>(1,198,429)</u>	<u>3,872,375</u>	<u>3,123,388</u>	<u>(449,442)</u>
State and Community Highway Safety	20.600	98-J7-J-410	256	-	256	-
	20.600	99-J7-J-410	<u>(17,880)</u>	<u>17,880</u>	<u>-</u>	<u>-</u>
Subtotal			<u>(17,624)</u>	<u>17,880</u>	<u>256</u>	<u>-</u>
<i>Passed-through Ohio Department of Transportation</i>						
Highway Planning and Construction	20.205	NO19(99)	(212,870)	746,077	1,027,442	(494,235)
	20.205	PID NO 15130	<u>-</u>	<u>196,029</u>	<u>576,225</u>	<u>(380,196)</u>
Subtotal			<u>(212,870)</u>	<u>942,106</u>	<u>1,603,667</u>	<u>(874,431)</u>
Total U.S. Department of Transportation			<u>\$(1,428,923)</u>	<u>\$ 4,832,361</u>	<u>\$ 4,727,311</u>	<u>\$(1,323,873)</u>
<u>U.S. Environmental Protection Agency</u>						
Brownfields	66.811	HQCOBZOO	-	-	89,376	(89,376)
Total U.S. Environmental Protection Agency			<u>-</u>	<u>-</u>	<u>89,376</u>	<u>(89,376)</u>
Total Federal Financial Assistance			<u>\$(5,578,930)</u>	<u>\$25,673,440</u>	<u>\$23,137,383</u>	<u>\$(3,042,873)</u>
<u>Other</u>						
Passenger Facility Charges	N/A	Application 2	<u>\$ 9,524,496</u>	<u>\$ 3,292,489</u>	<u>\$ 469,544</u>	<u>\$12,347,441</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND OTHER

for the year ended December 31, 2000

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is a summary of the activity of City of Dayton, Ohio's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B - PASSENGER FACILITY CHARGES

Passenger Facility Charges collected by the City of Dayton are legally restricted for capital projects and related expenditures, and cannot be used for any other purpose. Receipts reported consist of the following:

PFC Charges	\$3,209,787
Interest Income	<u>82,702</u>
Total	<u>\$3,292,489</u>

CITY OF DAYTON, OHIO

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

for the year ended December 31, 2000

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Reportable condition(s) identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? yes no

Reportable condition(s) identified not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? yes no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
14.238	Shelter Plus Care
16.592	Local Law Enforcement Block Grant
20.106	Airport Improvement Program
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$694,121

Auditee qualified as low-risk auditee? yes no

**2. Findings Related to the Financial Statements
Required to be Reported in Accordance with GAGAS**

<i>Finding Number</i>	None
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3. Findings and Questioned Costs for Federal Awards

None

CITY OF DAYTON, OHIO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

December 31, 2000

There were no audit findings or questioned costs relative to Federal awards for the audit of the City of Dayton, Ohio for the year ended December 31, 1999.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CITY OF DAYTON
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
OCTOBER 16, 2001**