



OHIO AUDITOR OF STATE
KEITH FABER



**CITY OF DAYTON
MONTGOMERY COUNTY
DECEMBER 31, 2020**

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CITY OF DAYTON
MONTGOMERY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Direct Program</i>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants	14.218		\$424,309	\$3,692,003
Subtotal CDBG - Entitlement Grants Cluster			<u>424,309</u>	<u>3,692,003</u>
Emergency Solutions Grant Program	14.231		329,012	329,012
HOME Investment Partnerships Program	14.239		104,083	145,837
Continuum of Care Program	14.267		2,203,169	2,203,169
Fair Housing Assistance Program State and Local	14.401			<u>53,604</u>
Total U.S. Department of Housing and Urban Development			<u>3,060,573</u>	<u>6,423,625</u>
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Program</i>				
COVID - 19 - Coronavirus Emergency Supplemental Funding Program	16.034			351,664
Crime Victim Assistance	16.575			105,124
Public Safety Partnership and Community Policing Grants	16.710			480,769
Edward Byrne Memorial Justice Assistance Grant Program	16.738		22,879	70,169
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838		57,936	98,200
Equitable Sharing Program	16.922			<u>94,554</u>
Total U.S. Department of Justice			<u>80,815</u>	<u>1,200,480</u>
U.S. DEPARTMENT OF STATE				
<i>Direct Program</i>				
AEECA/ESF PD Programs	19.900			<u>11,536</u>
Total U.S. Department of State				<u>11,536</u>
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Direct Program</i>				
COVID-19 - Airport Improvement Program	20.106			9,056,617
Airport Improvement Program	20.106			<u>7,400,403</u>
Total Airport Improvement Program				<u><u>16,457,020</u></u>
<i>Passed through Ohio Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	103170		1,366,837
		108957		81,391
		100464		60
		PID # 97909 Agreement # 26578		42,761
		95842		53,376
		PID # 97900 Agreement # 26585		754,174
		PID # 97903 Agreement # 26583		849,534
		PID # 100466 Agreement # 27324		668,538
		PID # 100467 Agreement # 27325		650,629
		PID # 97906 Agreement # 27542		12,134
		PID # 97904 Agreement # 27540		15,716
		PID # 106125		<u>227,671</u>
Subtotal Highway Planning and Construction				<u><u>4,722,821</u></u>
Subtotal Highway Planning and Construction Cluster				<u><u>4,722,821</u></u>

CITY OF DAYTON
MONTGOMERY COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal CFDA Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
Passed through Ohio Department of Public Safety				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	IDEP/STEP-2020-Dayton Police Dept.-00005		22,204
		IDEP/STEP-2021-Dayton Police Dept.-00062		1,055
Subtotal State and Community Highway Safety			<u> </u>	<u>23,259</u>
National Priority Safety Programs	20.616	OVI 2020 Dayton Police Dept 00004		119,933
		DDEP-2020-Dayton Police Dept.- 00017		9,897
		OVI 2021 Dayton Police Dept 00043		6,387
		DDEP-2021-Dayton Police Dept.- 00043		915
Subtotal National Priority Safety Programs			<u> </u>	<u>137,132</u>
Subtotal Highway Safety Cluster			<u> </u>	<u>160,391</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	IDEP/STEP-2020-Dayton Police Dept.-00005		29,991
		IDEP/STEP-2021-Dayton Police Dept.-00062		8,562
Subtotal Minimum Penalties for Repeat Offenders for Driving while Intoxicated			<u> </u>	<u>38,553</u>
Total U.S. Department of Transportation			<u> 0</u>	<u>21,378,785</u>
U.S. DEPARTMENT OF TREASURY				
Direct Program				
Equitable Sharing	21.016			20,747
Passed Through Montgomery County, Ohio				
COVID-19 - Coronavirus Relief Fund	21.019	N/A		8,463,249
Total U.S. Department of Treasury			<u> 0</u>	<u>8,483,996</u>
U.S. Environmental Protection Agency				
Direct Program				
Brownfield Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818			59,151
Total U.S. Environmental Protection Agency			<u> 0</u>	<u>59,151</u>
U.S. Department of Health and Human Services				
Direct Program				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			33,496
Total U.S. Department of Health and Human Services			<u> 0</u>	<u>33,496</u>
Corporation of National and Community Service				
Passed Through from Ohio Commission on Service and Volunteerism				
AmeriCorps	94.006	N/A	151,620	151,620
Total Corporation for National and Community Service			<u>151,620</u>	<u>151,620</u>
U.S. Department of Homeland Security				
Passed Through Ohio Department of Public Safety				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			2,162,600
Direct Program				
Metropolitan Medical Response System	97.071			19,885
Total U.S. Department of Homeland Security			<u> 0</u>	<u>2,182,485</u>
Total Expenditures of Federal Awards			<u>\$3,293,008</u>	<u>\$39,925,174</u>

The accompanying notes are an integral part of this schedule.

**CITY OF DAYTON
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the City of Dayton's federal award activity (the City) under the federal government's programs for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the City's operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The City passes certain federal awards received from the United States Department of Housing and Urban Development, United States Department of Justice and Corporation for National and Community Service to other governments or not-for-profit agencies (sub-recipients). As Note B describes, the City reports expenditures of Federal awards to sub-recipients when paid in cash.

As a sub-recipient, the City has certain compliance responsibilities, such as monitoring its sub-recipients to ensure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements that sub-recipients achieve the award's performance goals.

NOTE E - MATCHING REQUIREMENTS

Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

NOTE F – U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) REVIEW

On June 6, 2019, the City received a letter from the HUD regarding onsite monitoring in 2017 and 2018. The City has appealed this review, and the final outcome is not yet known. The City could be requested to pay up to \$3,233,354 plus any difference between the amount of HOME funds requested for reimbursement by the City of Kettering and the amount of HOME funds drawn by the City of Dayton. On February 19, 2021, the City requested a voluntary grant reduction of HOME program funds as a repayment of the outstanding findings from the 2018 HUD monitoring. The City requested HUD to de-obligate \$2,686,143 of funding from grant years 2014-2018.

**CITY OF DAYTON
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE G – DISASTER GRANTS – PUBLIC ASSISTANCE

After a presidentially declared disaster, FEMA provides Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA 97.036) to reimburse eligible costs associated with debris removal, emergency protective measures, and permanent restoration infrastructure. The federal government makes reimbursements in the form of cost-sharing grants that require state matching funds. As of December 31, 2020, FEMA approved the City's project worksheet for the 2019 and 2020 expenditures, which determined the expenditures eligible for reimbursement.

**CITY OF DAYTON
MONTGOMERY COUNTY
SCHEDULE OF RECEIPTS AND EXPENDITURES OF PASSENGER FACILITY CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2020**

<u>Description</u>	<u>Application Number</u>	<u>Receipts</u>	<u>Expenditures</u>
Passenger Facility charges	4, 5, 6, 7, 8	\$1,723,252	\$1,691,004
Interest Earned		200,081	
Total Passenger Facility Charges		<u><u>\$1,923,333</u></u>	<u><u>\$1,691,004</u></u>

See accompanying notes to Schedule of Receipts and Expenditures of Passenger Facility Charges

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**CITY OF DAYTON
MONTGOMERY COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF
PASSENGER FACILITIES CHARGES
14 CFR 158
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Passenger Facility Charges (the Schedule) includes the passenger facility charges activity for the City of Dayton (the City) under the federal government's programs for the year ended December 31, 2020. The information in this Schedule is prepared in accordance with the requirements of Title 14 U.S. Code of Federal Regulations Part 158, *Passenger Facility Charges*. Because the Schedule presents only a selected portion of the City's operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures reported on the Schedule are reported on the cash basis of accounting. Such revenues and expenditures are recognized following the cost principles contained in Title 14 U.S. Code of Federal Regulations Part 158, *Passenger Facility Charges*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

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OHIO AUDITOR OF STATE KEITH FABER



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

City of Dayton
Montgomery County
101 West Third Street
Dayton, Ohio 45402

To the Honorable Mayor and City Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dayton, Montgomery County, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated July 30, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2021

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Dayton
Montgomery County
101 West Third Street
Dayton, Ohio 45402

To the Honorable Mayor and City Commissioners:

Report on Compliance for each Major Federal Program

We have audited the City of Dayton's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of City of Dayton's major federal programs for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies each of the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for each of the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on each Major Federal Program

In our opinion, the City of Dayton complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Dayton (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 30, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

City of Dayton
Montgomery County
101 West Third Street
Dayton, Ohio 45402

To the Honorable Mayor and City Commissioners:

Compliance

We have audited the compliance of City of Dayton (the City) with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the Guide), for its passenger facility charge program for the year ended December 31, 2020. Compliance with the requirements of laws and regulations applicable to its passenger facility charge program is the responsibility of City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the City'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 of the City's compliance with those requirements.

In our opinion, the City of Dayton complied, in all material respects, with the requirements referred to above that are applicable to its passenger facility charge program for the year ended December 31, 2020.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the passenger facility charge program. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with the passenger facility charge program's applicable compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the passenger facility charge program compliance requirement will not be prevented, or timely detected and corrected. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with the passenger facility charge's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Report on Schedule of Receipts and Expenditures of Passenger Facility Charges Required by the Guide

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Dayton (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated July 30, 2021. Our opinion also explained that the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We conducted our audit to opine on the City's' basic financial statements as a whole. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of receipts and expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the Guide and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Mayor, City Commission, management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.



Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2021

**CITY OF DAYTON
MONTGOMERY COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Airport Improvement Program (CFDA # 20.106) COVID -19 - Coronavirus Relief Fund (CFDA # 21.019) Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA # 97.036)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 1,197,755 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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City of Dayton, Ohio • USA
Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2020

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City of Dayton, Ohio

Comprehensive Annual Financial Report

January 1, 2020 – December 31, 2020

Prepared By

DEPARTMENT OF FINANCE

MISSION STATEMENT

As stewards of the public trust, our mission is to provide leadership, excellent services and participatory government to enhance the quality of life and sense of community for all who live, work, raise families, or conduct business in Dayton.



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2020 Administration



Nan Whaley
Mayor



Matt Joseph
Commissioner



Jeffrey Mims
Commissioner



Chris Shaw
Commissioner



Darryl Fairchild
Commissioner



Shelley Dickstein
City Manager

City of Dayton, Ohio

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Introduction

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CITY OF DAYTON, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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CITY OF DAYTON, OHIO

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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CITY OF DAYTON, OHIO

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CITY OF DAYTON, OHIO

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CITY OF DAYTON, OHIO

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Department of Finance | Director's Office
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July 30, 2021

To the Honorable Mayor, Members of the City Commission, City Manager, and Citizens of the City of Dayton, Ohio,

I am pleased to submit the Comprehensive Annual Financial Report (Annual Report) of the City of Dayton, Ohio, for the fiscal year ending December 31, 2020.

State law requires that every local government publish a complete set of financial statements within five months of the close of each fiscal year. Also, the City's Charter (Sections 44 and 78) prescribes required accounting, audit, and examination procedures for the City of Dayton. The 2020 CAFR was prepared using Generally Accepted Accounting Principles (GAAP) as applied to governmental units and contains all disclosures necessary to enable the reader to understand the City's financial affairs. City management is responsible for providing accurate and complete data for a fair and comprehensive presentation of its net financial position.

The City's accounting system provides reasonable, but not absolute, assurance concerning 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 judgments by management.

The Auditor of State of Ohio studies the City's system of internal controls, conducts such tests that are necessary under the circumstances, and renders an opinion based upon the statements when taken in whole. Once again, the City has received an unmodified opinion from the independent auditor indicating that the financial statements are presented fairly. The opinion letter is included in the Financial Section of this report.

The City has included all of the funds for which it is financially accountable in the annual report. The City is associated with ten (10) jointly governed organizations, which include: 1) the Miami Valley Regional Planning Commission, 2) Miami Valley Fire/EMS Alliance, 3) Montgomery County Family & Children First Council, 4) Hazardous Material Response Team, 5) Montgomery County Regional Radio Council, 6) Montgomery County Emergency Management Agency, 7) Butler Township-Dayton Joint Economic Development District (JEDD), 8) Miami Township-Dayton JEDD, 9) Dayton Arcade New Community Authority, and 10) Preschool Promise.

This transmittal letter provides some basic background information about the City, including a brief profile of the City's history, demographics, organization, and basic financial structure and policies, a description of economic conditions and outlook, major community projects, and initiatives. The letter is also a complement to the required Management's Discussion and Analysis (MD&A). The City's MD&A, which focuses on the government-wide statements, can be found immediately following the independent auditor's report.

PROFILE OF THE CITY OF DAYTON

A small group of settlers founded Dayton on April 1, 1796, seven years before the admission of Ohio to the Union in 1803. The town was incorporated in 1805 and given its name after Jonathan Dayton, a captain in the American Revolutionary War and the youngest signer of the U.S. Constitution. In 1797, Daniel C. Cooper laid out the Mad River Road, the first overland connection between Cincinnati and Dayton. This opened up the "Mad River Country" at Dayton and the upper Miami Valley to settlement.

Situated in southwestern Ohio, Dayton is the county seat and the largest city in Montgomery County. The 2020 estimated population of Dayton was 140,407. The 2019 Census estimates that the City's population is comprised of 55.7% White, 37.9% Black, and 4.4% Hispanic or Latino. The Owner-occupied housing rate is about 47%, and the median household income in 2019 dollars is \$32,540, according to the 2019 Census Quick Facts. The 2010 census for the Montgomery County population was 535,153 (531,687 is the 2019 estimate). Dayton is also part of a group of other local communities called the Greater Dayton Area, which includes the cities of Vandalia, Trotwood, Kettering, Centerville, Beavercreek, Fairborn, West Carrollton, Huber Heights, Troy, Oakwood, Miamisburg and several others.

The City of Dayton was the first large city to adopt the Council-Manager form of government in 1913. The Dayton City Commission is composed of five members – a Mayor and four Commissioners. Each member is elected at-large on a non-partisan basis for four-year overlapping terms. All policy matters are directed by the City Commission, which is empowered by the City Charter to pass ordinances and resolutions, adopt regulations, and appoint the City Manager. The City Manager then is charged with ensuring the Commission's priorities and policies are executed effectively and efficiently by managing the day-to-day operations and providing leadership to the administrative staff who provides City services.

The City provides a full range of basic governmental services that include police, fire and emergency medical, street, alley, bridge, and park maintenance, waste collection services, recreation, park services, convention center operations, community planning and engagement and economic development, building and housing inspection, and a municipal court system. In addition, the City operates enterprise or business-type functions that provide water supply and treatment, sewer and stormwater maintenance, wellfield protection, wastewater treatment, airport services, and golf. The golf operations were transferred from an enterprise fund to governmental activities during 2020. The City workforce across all funds at the end of 2020 was 1,823 (full-time equivalent) employees.

The City's budgeting process is prescribed by the Ohio Revised Code (ORC) and the City of Dayton Charter. The annual budget serves as the foundation for the City of Dayton's financial planning and control. The City Commission is required to adopt the original budget after the second Monday in January and the final budget by December 31. The budget is prepared by fund and department for significant operating funds, and by fund category for capital and non-operating funds.

The City's charter, as amended in 2014, established the Policy Budget framework and five Community Service Areas: Economic and Community Development, Justice, Building and Environmental Safety, Infrastructure, and Corporate Services and Governance. Each Community Service Area (CSA) is composed of a group of programs with an integrated mission, linked together with a set of shared Commission Priorities. The Policy Budget emphasizes leveraging City resources to accomplish community outcomes that are impactful to the community. The CSA groupings create natural collaborations between City departments and programs and support innovation and operational efficiency.

The original and revised budgets are a representation of the City's various adopted appropriations. The annual expenditure budget is limited by the amount of anticipated revenues and available cash balances

certified by the County Budget Commission in accordance with the Ohio Revised Code. In 2020, the City's total original operating budget was \$675,781,100, and the final revised operating budget was \$714,122,500. Much of this \$38 million increase was due to multiple Bureau of Workers Compensation rebates and the receipt of the \$17.45 million in federal CARES funding.

The City maintains financial stability by continuing its well-documented reputation of sound financial management and leadership and strict adherence to key financial policies. One such policy is the City's long-standing General Fund Cash Reserve policy to maintain cash reserve levels equal to six to ten weeks of operating expenses. At the end of 2020, the General Fund cash reserve was \$31.0 million or \$10.7 million over the minimum level of six-weeks of operating funds. Another significant financial policy is the City's Investment Policy. This policy allows the City to be more flexible and take advantage of market conditions to maximize the City's return on investment and protecting principal. The investment provisions in the policy greatly minimized the potential loss in investment earnings expected from the economic fallout from the pandemic. In 2020, the City earned \$4.94 million from its leading investment portfolio, a 16.33% decrease from 2019. This result is consistent with the swift decline in interest rates during the year, which helped to push the overall portfolio yield from 2.13% in 2019 to 1.44% in 2020.

A well-managed and stable community's financial credibility is also validated by external entities. For the Fiscal Year 2020, Moody's Investors Service (Moody's) maintained Dayton's general obligation bond credit rating at Aa2 and our non-tax revenue debt rating at Aa3. Standard & Poor's (S&P) affirmed Dayton's general obligation bond and non-tax revenue debt credit ratings at AA. Moody's and S&P also retained their ratings of Aa2 and AA-, respectively, on both the water system revenue bonds and sewer system revenue bonds issued by Dayton. S&P downgraded its unenhanced rating on Dayton's outstanding airport revenue bonds to BBB from BBB+ in September 2020, a common action taken for many airports across the country as the global pandemic wreaked havoc on the aviation industry. However, it is worth noting that S&P subsequently revised the outlook on the bonds to stable from negative in April 2021. Fitch affirmed its rating on the outstanding airport revenue bonds at BBB. Overall, the announcements from all three rating agencies attest to the continued confidence in Dayton's financial management practices and long-term stability.

LOCAL ECONOMY AND INVESTMENT

The local economy in Dayton reflects the heart of what this City does best: transform and innovate. Dayton weathered through transitional years of a declining manufacturing-based economy and rallied through the great recession in 2008 by transforming its economic base to a diversified mix of strong institutional companies in the fields of healthcare, education, government, high tech and advanced manufacturing businesses, and distribution and logistics companies. The COVID-19 Pandemic certainly challenged the economic infrastructure of our city just as we began to experience job growth at the end of the 2019 fiscal year. However, the diversification of the City's revenue base proved to be critical in surviving through the pandemic; and our history of ingenuity and resolve found ways to keep the economic engine from utterly collapsing.

Economic activity reached an apex in March of 2020 when the novel coronavirus COVID-19, caused by SARS-CoV-2, registered its first casualties on the U.S. population. As a result, much of the nation, including Ohio, fell under strict stay-at-home orders as we witnessed the shut-down of communities and local and state economies. U.S. employment levels dropped by 20.7 million or nearly 14% in one month. Unemployment rates in the city of Dayton reached a startling 19.4% in April of 2020. In 2021, one year following record unemployment levels, the unemployment rate registered at 7.2%; this is still considerably higher than the pre-pandemic rate of 5.5%.

Economic activity is evident in the City's largest revenue source, income tax. With tens of thousands of Dayton workers remote working, the City's number one revenue source was seriously threatened. The state legislature enacted HB197 that allowed businesses to continue to withhold income taxes to the city in which the business was located regardless of whether the employee was working there or working from home. This action provided some protection for the City's income tax base. Income tax collections were flat in 2020 and experienced considerable volatility over the course of the year. For the nine months (April through December) after the pandemic-related economic downturn began, collections tumbled 3.2% or \$3.2 million, after climbing a sizable 10.6% during the first quarter of 2020, pre-pandemic. Total income tax collections on a cash basis (withholding, business profits, non-withholding taxes paid by individuals), net of refunds grew by a paltry \$152,700 over 2019 collections - a stark contrast to the 2019 record growth of \$3.6 million.

Despite the COVID-19 fall out, the Dayton community still experienced glimmers of hope and found ways to continue growing and improving our City. In the midst of pop-up patios and curbside pick-up provisions being implemented to keep existing retail businesses afloat, several major developments were either initiated or completed. Examples include:

- ✓ Construction neared completion on the \$93 million first phase of the restoration of the Dayton Arcade. The first tenants, including the The Hub Powered by PNC - the partnership between The Entrepreneurs Center and the University of Dayton moved into this downtown icon during the first quarter of 2021.
- ✓ Crawford Hoying and Woodard Development began a project to create a 125-unit apartment complex called "**The Monument**" across from RiverScape MetroPark. The project also will feature first-floor retail space and a parking garage, and is slated for completion in 2022.
- ✓ The historic **\$18 million** renovation of **Dayton Motor Car Building (15 McDonough Street)** by Louisville, KY based **Weyland Ventures** wrapped up in 2020. The six-story building which is roughly 75,000 square feet, completes the current expansion of the **Gosiger Company**, and offers four floors of speculative office space.
- ✓ **537 Monument Avenue** – This new **\$3.5 million**, 25,000 square-foot office building that houses the **Marsh McLennan Agency** was completed in 2020.
- ✓ 2020 saw the completion of the **Encompass Health Rehabilitation Hospital**. The **\$24 million**, 60-bed freestanding rehabilitation hospital is located near Miami Valley Hospital.
- ✓ First Hospitality Group and Lawyers Development received a \$2.45 million Ohio Historic Preservation Tax Credit award for **the Barclay Building toward a \$25 million project** to convert the 10-story property into a 118-room boutique hotel.

Downtown saw several new businesses open in the middle of the pandemic, and many others made announcements and plans to open soon. Overall, more than 20 new businesses opened in 2020, and about 15 more made plans to open in the near future. In addition to retail and office development, 2020 continued to see sustained growth in Dayton's downtown housing market. According to *data from the Downtown Dayton Partnership's 2020 year-end report*:

- ✓ Downtown Dayton's housing options have been more than 90% occupied consistently.
- ✓ There are now 1,807 market-rate housing units in Dayton's urban core — a 77% increase since 2010.
- ✓ A number of new downtown housing units were still in the pipeline — 308, to be exact.
- ✓ Of those pipeline projects, 155 units were under construction.

Tech Town is Dayton's urban technology campus downtown, where state-of-the-art tech facilities meet the leading edge and emerging innovations for the acceleration of technology commercialization. The campus offers a collaborative office, laboratory, and research space for entrepreneurs, start-ups, established companies, and major employers. In 2020, the Tech Town Campus achieved 100% occupancy. The most significant addition was the Shriners Hospital for Children, a partner with Dayton Children's hospital, located on the ground floor of Tech Town 3.

Outside of Downtown, the Dayton International Airport campus continued to be a growing hub for logistics and manufacturing in the City of Dayton. This is largely due to its proximity to the I-70 and I-75 interchange. The latest giant industrial building to be completed near the Dayton International Airport in 2020 was The **Dayton V** building. The 521,000 square-foot facility was constructed by Kansas City, MO based NorthPoint Development, LLC and was built on around 30 acres at the intersection of Dog Leg Road and Union Airpark Boulevard. The building houses the **Crocs** shoe company and its new national distribution center, which created 754 jobs last year. Construction is currently underway on the **Dayton VI** building, which will be an expansion of **Crocs'** existing operations.

COMMUNITY DEVELOPMENT AND INITIATIVES

Redevelopment often brings more than just a sign of economic health, but can often contribute to providing much-needed services to stabilize the neighborhood. In September 2020, OneFifteen, a non-profit ecosystem dedicated to the full and sustained recovery of people living with opioid addiction, completed the addition of an apartment complex for recovering addicts, joining the treatment campus by local hospitals and Google-affiliate Verily which opened in 2019 in West Dayton.

In 2020, the \$1.2 million Valley Street Realignment Project was completed. The relocation of Valley Street provides a safer intersection for both vehicular and pedestrian traffic with updated sidewalks, tree lawns, and lighting, and allowed for the expansion and connection of multiple park spaces often referred to as "The Point." This larger invigorated park better connects the neighborhood to the river network and regional trail system and serves as a gateway into Old North Dayton.

CityWide Development worked with five local businesses along Germantown St. to help improve the outside appearance of their properties through the Germantown Street HUD Façade Improvement Program. Business owners were offered a grant for \$7,000 with the owner providing a 10% match. Through the HUD Choice Grant, a total of \$31,000 in funding was provided. This money was leveraged and resulted in nearly \$80,000 in façade improvements along Germantown St.

The W. Social Tap & Table, a joint venture between Wright Dunbar, Inc. and Dillin Corp. got underway in 2020. This \$2.1 million project will be the first food hall in Dayton. The 6685-sf. building is located at 1100 West Third St. in the Historic Wright Dunbar Business District and will offer seven local independent restaurants, a coffee shop, a bar and will have indoor and outdoor dining. This project is funded through private investment and with the support of the City of Dayton's West Dayton Development Fund.

Dayton neighborhoods also saw significant improvements in their physical appearance through the expanded service levels and new investments provided through Issue 9, now known as "Your Dollars, Your Neighborhood." The program supported by the 0.25 percentage point increase to the City's income tax rate passed by voters in 2016 provided for infrastructure improvement in every community, including demolition of vacant structures, various park improvements, residential resurfacing in several neighborhoods, and the return to curbside leaf pickup. This work continued despite the City's pivoted response to the pandemic and concern about declining general fund revenues, and a severely strained workforce. Finally, the County Auditor completed the triennial revaluation of all property in Montgomery County in 2020 and Dayton realized a 9.6% increase in its property values.

The global pandemic certainly took its toll in the City; however, the determination to overcome prevailed and several critical investments were completed to ensure residents and their neighborhoods would be poised for growth post-pandemic.

LOOKING BACK, MOVING FORWARD

On March 9, 2020, Governor Mike DeWine signed an executive order declaring a state of emergency in Ohio to protect Ohioans from the dangerous effects of COVID-19. The City followed on March 12, with its declaration that would allow it to respond quickly to enact measures that help maintain essential service delivery and to protect public health, safety, and welfare of Dayton residents. Dayton's early and ongoing action to protect its employees and citizens, and to immediately enact cost-containment measures in anticipation of widespread revenue losses from the Stay-at-Home orders allowed the City to weather the economic and social impact of the pandemic. As the global health emergency claimed lives, resources, and spread rapidly across the United States, the death of George Floyd in the summer of 2020 raised awareness about a social pandemic that demanded racial and social justice and equality. Dayton responded, operated and persevered through both pandemics.

Managing through the Pandemic

Flanked by early and swift action to contain costs and the infusion of Federal CARES funding totaling nearly \$40 million, the City administration, elected officials and staff managed through an unprecedented health and social emergency. Of the \$40 million received, Aviation received \$14.6 million and spent roughly \$9 million to shore up the significant revenue loss from the travel industry's shutdown in order to keep the Airport open and functional. Aviation also underwent a massive downsizing and reorganization resulting in a budget reduction of approximately \$4 million.

The other large allocation was \$17.45 million for the City's use in battling lost revenue and the mounting costs of ensuring employees and the community had sufficient health protection measures and equipment in place to protect lives. Examples included temperature scanning stations and touchless conversions in restrooms throughout city facilities, personal protection equipment for public safety forces, and sanitization efforts for playgrounds, offices and office equipment and disinfectant foggers. In addition, \$4.8 million of the \$17.45 million was also allocated to external business and community organizations to assist them in combatting the economic impact of COVID-19 through three grant programs: 1. The Pop-up Patio Program distributed \$324,253 to 31 businesses; 2. The Cultural Support Relief fund distributed \$3 million to 19 arts and cultural organizations; and 3. The Community Organizations Relief Fund distributed \$1.5 million to 22 local non-profits.

In addition, the City's response to the social and racial issues is proving to be transformational. Mayor Nan Whaley led a community wide initiative aimed at police and community relations reform. On June 18, 2020, the Dayton City Commission announced five police reform work groups: Oversight, Use of Force, Training and Discipline, Recruitment and Community Engagement. Over 100 community members from all backgrounds came together to design and recommend solutions. By the end of 2020, hundreds of recommendations were presented and several were approved for immediate implementation.

At the end of 2020, the City emerged hopeful for a vaccine that would allow some return to normalcy and even more committed to providing its citizens, customers, and business community with quality services. The City's leadership also committed to focus on and use its influence and resources to help the community recover from the impact of COVID – especially those under served communities and industries hardest hit. Through strong, consistent, and responsible financial planning, and the pursuit and coordination of additional federal funding, Dayton's leadership will prevail in ensuring sustainable recovery and growth.

AWARDS AND ACKNOWLEDGEMENTS

For the 38th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting to the City of Dayton for its Consolidated Annual Financial Report for the year ended December 31, 2019. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that the 2020 Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate of achievement.

I am consistently amazed at the tenacity and dedication of the Finance team to ensure we provide quality analysis and accurate and comprehensive reporting. The work of the Financial Analysis team in Finance and staff in the Department of Procurement Management & Budget were formidable in ensuring that all CARES funding was properly managed and accounted for in addition to normal day-to-day accounting and budgeting work. Even more remarkable is that all of this additional work was carried out in the midst of a global pandemic and, for some while battling personal effects from the virus.

I must also acknowledge the City departments for providing responses and information to the auditors timely, and meeting with them remotely if necessary, even while their own operations and staff were challenged trying to manage effectively in the midst of COVID-19. In addition, the leadership and perseverance of the City staff prevailed and overcame every obstacle the pandemic brought to each operation. As is customary and engrained in the way we serve, you found a way to press on and serve the community sacrificially and professionally.

Dayton is extremely fortunate for the leadership provided by the City Manager's Office and its Policy Team composed of Law, Human Resources, Finance, the City Manager's Office and the Department of Procurement, Management, and Budget for their strategic and sound management of the City's resources through two consecutive years of natural and man-made disasters. Finally, I would like to thank the Mayor and City Commissioners for their incredible fortitude and undeniable courage to lead this City with integrity, compassion, and commitment; and for empowering the Administration to boldly solve problems while ensuring the City's finances are well managed.

Respectfully submitted,



C. LaShea Lofton, Deputy City Manager and Acting Finance Director
City of Dayton, Ohio

Organization of the City of Dayton

Citizens of Dayton

City Commission

Board of Zoning Appeals

Plan Board

Civil Service Board

Human Relations Council

Environmental Advisory Board

Landmark Commission

City Manager

Deputy City Manager

Information Technology

Information Technology Services

Aviation

Administration/Finance Operations & Facilities Maintenance
Aircraft Rescue/Firefighting
Airport Police

Public Works

Civil Engineering Fleet Management
Facilities Management
Property Management
Street Maintenance
Waste Collection

Planning & Community Development

Community Development Planning
Housing Inspection
Dayton Mediation Center

Law

Civil
Criminal

Finance

Tax & Accounting Administration
Revenue Administration

Water

Administration
Environmental Management
Water Engineering
Water Reclamation
Water Supply/Treatment
Water Utility Field Operations

Economic Development

Zoning Administration
Building Inspection

Procurement & Budget

Management and Budget
Purchasing

Office of Communications & Public Affairs

Deputy City Manager

Human Resources

Fire

Emergency Services
Strategic Programs & Safety
Support Services & Resources Management

Recreation & Youth Services

Convention Center
Golf
Recreation/Youth Services

Police

Office of the Chief
Investigations & Administrative Services Division
West Patrol Operations Division
East Patrol Operations Division
Central Patrol Operations Division

CITY OF DAYTON, OHIO

**LIST OF ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2020**

ELECTED OFFICIALS

Mayor
Commissioner
Commissioner
Commissioner
Commissioner

Nan Whaley
Matt Joseph
Jeffrey Mims
Chris Shaw
Darryl Fairchild

APPOINTED OFFICIALS

City Manager
Deputy City Manager
Deputy City Manager
Director ~ Aviation
Secretary and Chief Examiner ~ Civil Service
Director ~ Office of City Commission
Clerk of Commission ~ City Commission
Director (Acting) ~ Finance
Director and Chief ~ Fire
Director ~ Human Relations Council
Director ~ Human Resources
Director (Acting)~ IT
Director ~ Law
Director ~ Procurement, Management and Budget
Dayton Municipal Clerk of Courts
Director ~ Planning and Community Development
Director and Chief ~ Police
Director ~ Public Works
Director ~ Recreation & Youth Services
Director ~ Water

Shelley Dickstein
C. LaShea Lofton
Joseph Parlette
Gilbert Turner
Kenneth Thomas
Ariel Walker
Rashella Lavender
C. LaShea Lofton
Jeff Lynkins
Erica Fields
Kenneth Couch
Kenneth Couch
Barbara Doseck
Diane Shannon
Mark Owens
Todd Kinskey
Richard Biehl
Fred Stovall
Robin Williams
Mike Powell



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**City of Dayton
Ohio**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



Financial

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OHIO AUDITOR OF STATE KEITH FABER



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130 West Second Street, Suite 2040
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WestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

City of Dayton
Montgomery County
101 West Third Street
Dayton, Ohio 45402

To the Honorable Mayor and City Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dayton, Montgomery County, Ohio (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dayton, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include management's discussion and analysis and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

July 30, 2021

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CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

The Management's discussion and analysis of the City of Dayton's (the "City") financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2020. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

Key financial highlights for 2020 are as follows:

- The total net position of the City increased \$26,462,353 in 2020 from the 2019 net position. Net position of governmental activities increased \$24,546,173 or 7.36% from 2019 and net position of business-type activities increased \$1,916,180 or 0.34% from 2019 net position.
- The City had \$265,278,189 in revenues related to governmental activities. General revenues accounted for \$174,243,921 or 65.68% of total governmental activities revenue. Program specific revenues accounted for \$91,034,268 or 34.32% of total governmental activities revenue.
- The City had \$243,491,788 in expenses related to governmental activities; \$91,034,268 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$152,457,520 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$174,243,921.
- The general fund had revenues of \$192,785,593 in 2020. The expenditures and other financing uses of the general fund totaled \$194,745,841 in 2020. The net decrease in the fund balance for the general fund was \$1,960,248 or 2.54% lower than 2019.
- The debt service major fund had \$33,195,105 in revenues and other financing sources and \$32,836,364 in expenditures and other financing uses in 2020. The increase in fund balance in the debt service fund was \$358,741, a 1.44% increase from 2019.
- The capital improvements major fund had \$38,479,393 in revenues and other financing sources and \$24,533,897 in expenditures and other financing uses in 2020. The fund balance for the capital improvements fund increased \$13,945,496 or 69.10% from 2019.
- Net position for the enterprise funds, which are made up of the Dayton International Airport, Water, Sewer, Storm Water and Golf enterprise funds, increased in 2020 by \$1,476,939.
- The Dayton International Airport enterprise fund had \$20,455,171 in operating revenues and \$37,515,187 in operating expenses in 2020. The Dayton International Airport enterprise fund also had non-operating revenues of \$8,295,064, non-operating expenses of \$3,212,963 and capital contributions of \$10,484,424. The net position of the Dayton International Airport enterprise fund decreased \$1,493,491 or 0.60% from 2019.
- The Water enterprise fund had \$57,774,588 in operating revenues and \$55,784,385 in operating expenses in 2020. The Water enterprise fund also had non-operating revenues of \$1,578,023 and non-operating expenses of \$1,486,592. The net position of the Water enterprise fund increased \$2,081,634 or 1.22% from 2019.
- The Sewer enterprise fund had \$36,020,208 in operating revenues and \$32,762,734 in operating expenses in 2020. The Sewer enterprise fund also had non-operating revenues of \$489,594 and non-operating expenses of \$1,008,975. The net position of the Sewer enterprise fund increased \$2,738,093 or 2.42% over 2019.
- In the general fund, the actual revenues were \$4,781,776 higher than they were in the final budget and actual expenditures and other financing uses were \$7,447,178 less than the amount in the final budget. Budgeted revenues increased \$2,044,100 from the original budget to the final budget. Budgeted expenditures and other financing uses increased \$10,906,100 from the original budget to the final budget.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Using this Comprehensive Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City as an entire financial operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire City, presenting both an aggregate view of the City's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the City's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the City as a Whole

Statement of Net Position and the Statement of Activities

While this document contains a large number of funds used by the City to provide programs and activities, this review examines the City's financial transactions and asks the question, "How did we do financially during 2020?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position. This change is important because it tells the reader that the financial position of the City has either improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the City's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required community programs and others.

In the statement of net position and the statement of activities, the City is divided into two distinct kinds of activities:

1. Governmental Activities - Most of the City's programs and services are reported including police, fire, street and highway maintenance, HUD program operations, community and economic development and general administration. These services are funded primarily by property and income taxes and intergovernmental revenues including federal and state grants and other shared revenues.
2. Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The City's airport, water, sewer, storm water and golf operations are reported. The City transferred the golf operations to the general fund during 2020 and closed out the golf enterprise fund.

Reporting the City's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Fund financial reports provide detailed information about the City's major funds. The City uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the City's most significant funds. The analysis of the City's major governmental and proprietary funds begins on page F 14 of this report.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains a multitude of individual governmental funds. The City has segregated these funds into major and nonmajor funds. The City's major governmental funds are the general fund, debt service fund and capital improvements fund. Information for major funds is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. Data from the other governmental funds are combined into a single, aggregated presentation. The basic governmental fund financial statements can be found on pages F 34 - F 41 of this report and further detail on the City's major and nonmajor governmental funds can be found in Note 2 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its airport, water, sewer, storm water and golf operations. The City reports the airport fund, water fund and sewer fund as major enterprise funds. These major funds are presented separately in the proprietary fund financial statements. The storm water fund is considered a nonmajor fund and is combined into a single, aggregated presentation in the proprietary fund financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Custodial funds are the City's only fiduciary fund type.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability/asset, along with contributions to the pension systems and net other postemployment benefits (OPEB) liability.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Government-Wide Financial Analysis

The table below is a summary of the City's net position at December 31, 2020 compared to December 31, 2019.

Net Position

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-Type Activities <u>2020</u>	Business-Type Activities <u>2019</u>	Total <u>2020</u>	Total <u>2019</u>
<u>Assets</u>						
Current and other assets	\$ 283,270,525	\$ 239,317,437	\$ 234,906,816	\$ 218,876,248	\$ 518,177,341	\$ 458,193,685
Capital assets, net	<u>471,849,998</u>	<u>456,416,584</u>	<u>601,630,970</u>	<u>601,723,156</u>	<u>1,073,480,968</u>	<u>1,058,139,740</u>
Total assets	<u>755,120,523</u>	<u>695,734,021</u>	<u>836,537,786</u>	<u>820,599,404</u>	<u>1,591,658,309</u>	<u>1,516,333,425</u>
Deferred outflows	<u>56,557,801</u>	<u>86,763,163</u>	<u>15,262,582</u>	<u>27,291,286</u>	<u>71,820,383</u>	<u>114,054,449</u>
Total assets and deferred outflows	<u>811,678,324</u>	<u>782,497,184</u>	<u>851,800,368</u>	<u>847,890,690</u>	<u>1,663,478,692</u>	<u>1,630,387,874</u>
<u>Liabilities</u>						
Current liabilities	21,027,364	18,012,886	15,122,899	17,848,142	36,150,263	35,861,028
Long-term liabilities:						
Due within one year	19,341,287	18,305,813	11,330,321	10,752,842	30,671,608	29,058,655
Net pension liability	206,578,905	259,148,050	49,189,057	72,993,190	255,767,962	332,141,240
Net OPEB liability	65,076,509	59,715,901	32,001,699	33,238,081	97,078,208	92,953,982
Other liabilities	<u>78,864,829</u>	<u>69,522,455</u>	<u>162,087,813</u>	<u>149,090,061</u>	<u>240,952,642</u>	<u>218,612,516</u>
Total liabilities	<u>390,888,894</u>	<u>424,705,105</u>	<u>269,731,789</u>	<u>283,922,316</u>	<u>660,620,683</u>	<u>708,627,421</u>
Deferred inflows	<u>62,860,665</u>	<u>24,409,487</u>	<u>19,635,378</u>	<u>3,451,353</u>	<u>82,496,043</u>	<u>27,860,840</u>
Total liabilities and deferred inflows	<u>453,749,559</u>	<u>449,114,592</u>	<u>289,367,167</u>	<u>287,373,669</u>	<u>743,116,726</u>	<u>736,488,261</u>
<u>Net Position</u>						
Net investment in capital assets	405,787,507	401,873,312	427,503,269	457,088,828	833,290,776	858,962,140
Restricted	76,866,903	45,569,063	12,170,942	12,324,022	89,037,845	57,893,085
Unrestricted	<u>(124,725,645)</u>	<u>(114,059,783)</u>	<u>122,758,990</u>	<u>91,104,171</u>	<u>(1,966,655)</u>	<u>(22,955,612)</u>
Total net position	<u>\$ 357,928,765</u>	<u>\$ 333,382,592</u>	<u>\$ 562,433,201</u>	<u>\$ 560,517,021</u>	<u>\$ 920,361,966</u>	<u>\$ 893,899,613</u>

The net pension liability/asset is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net pension asset.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability/asset or net OPEB liability. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability/asset and the net OPEB liability to equal the City's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the City's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability/asset and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2020, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$920,361,966. At year-end, net positions were \$357,928,765 and \$562,433,201 for the governmental activities and the business-type activities, respectively.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Capital assets reported on the government-wide statements represent the largest portion of the City's assets and deferred outflows. At year-end, capital assets represented 64.53% of total assets and deferred outflows. Capital assets include land, right of ways, construction in progress (CIP), improvements other than buildings, buildings and improvements, equipment, software, vehicles and infrastructure.

The City's net investment in capital assets at December 31, 2020, was \$405,787,507 and \$427,503,269 in the governmental activities and business-type activities, respectively. These capital assets are used to provide services to citizens and are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

As of December 31, 2020, the City is able to report a positive balance in total net position, for the government as a whole, as well as for its separate governmental and business-type activities.

A portion of the City's net position, \$89,037,845, represents resources that are subject to external restriction on how they may be used. In the governmental activities, the remaining balance of unrestricted net position is a deficit balance of \$124,725,645.

The table on the next page shows the changes in net position for 2020 and 2019.

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CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Change in Net Position

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>	Business-Type Activities <u>2020</u>	Business-Type Activities <u>2019</u>	Total <u>2020</u>	Total <u>2019</u>
Revenues						
Program revenues:						
Charges for services and sales	\$ 41,352,133	\$ 41,620,785	\$ 109,345,176	\$ 118,669,926	\$ 150,697,309	\$ 160,290,711
Operating grants and contributions	39,311,609	13,610,856	7,906,697	-	47,218,306	13,610,856
Capital grants and contributions	<u>10,370,526</u>	<u>4,755,050</u>	<u>10,484,424</u>	<u>10,379,327</u>	<u>20,854,950</u>	<u>15,134,377</u>
Total program revenues	<u>91,034,268</u>	<u>59,986,691</u>	<u>127,736,297</u>	<u>129,049,253</u>	<u>218,770,565</u>	<u>189,035,944</u>
General revenues:						
Property taxes	13,989,145	12,690,158	-	-	13,989,145	12,690,158
Income taxes	133,827,851	134,065,969	-	-	133,827,851	134,065,969
Payment in lieu of taxes	2,046,235	1,473,194	-	-	2,046,235	1,473,194
Unrestricted grants	12,900,243	14,796,558	-	-	12,900,243	14,796,558
Interest	2,932,744	5,007,325	2,501,826	5,084,705	5,434,570	10,092,030
Miscellaneous	<u>8,547,703</u>	<u>5,093,872</u>	<u>14,164,670</u>	<u>16,869,201</u>	<u>22,712,373</u>	<u>21,963,073</u>
Total general revenues	<u>174,243,921</u>	<u>173,127,076</u>	<u>16,666,496</u>	<u>21,953,906</u>	<u>190,910,417</u>	<u>195,080,982</u>
Total revenues	<u>265,278,189</u>	<u>233,113,767</u>	<u>144,402,793</u>	<u>151,003,159</u>	<u>409,680,982</u>	<u>384,116,926</u>
Expenses:						
Downtown	2,128,879	2,726,408	-	-	2,128,879	2,726,408
Youth, education and human services	4,014	54,866	-	-	4,014	54,866
Community development and neighborhoods	22,154,456	25,254,863	-	-	22,154,456	25,254,863
Economic development	11,237,840	8,674,622	-	-	11,237,840	8,674,622
Leadership and quality of life	60,544,385	49,329,265	-	-	60,544,385	49,329,265
Corporate responsibility	19,467,597	20,580,700	-	-	19,467,597	20,580,700
Public safety and justice	125,260,086	38,043,371	-	-	125,260,086	38,043,371
Interest and fiscal charges	2,694,531	2,981,938	-	-	2,694,531	2,981,938
Dayton International Airport	-	-	40,744,537	43,623,230	40,744,537	43,623,230
Water	-	-	57,012,675	65,547,601	57,012,675	65,547,601
Sewer	-	-	33,613,614	38,112,769	33,613,614	38,112,769
Other business-type activities:						
Storm water	-	-	7,770,296	8,595,536	7,770,296	8,595,536
Golf	-	-	585,719	3,508,726	585,719	3,508,726
Total expenses	<u>243,491,788</u>	<u>147,646,033</u>	<u>139,726,841</u>	<u>159,387,862</u>	<u>383,218,629</u>	<u>307,033,895</u>
Change in net position before transfers and special items	21,786,401	85,467,734	4,675,952	(8,384,703)	26,462,353	77,083,031
Special item - transfer of operations	2,809,772	-	(2,809,772)	-	-	-
Transfers	<u>(50,000)</u>	<u>(296,400)</u>	<u>50,000</u>	<u>296,400</u>	<u>-</u>	<u>-</u>
Change in net position	<u>24,546,173</u>	<u>85,171,334</u>	<u>1,916,180</u>	<u>(8,088,303)</u>	<u>26,462,353</u>	<u>77,083,031</u>
Net position at beginning of year	<u>333,382,592</u>	<u>248,211,258</u>	<u>560,517,021</u>	<u>568,605,324</u>	<u>893,899,613</u>	<u>816,816,582</u>
Net position at end of year	<u>\$ 357,928,765</u>	<u>\$ 333,382,592</u>	<u>\$ 562,433,201</u>	<u>\$ 560,517,021</u>	<u>\$ 920,361,966</u>	<u>\$ 893,899,613</u>

CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Governmental Activities

Governmental activities net position increased \$24,546,173 in 2020. This increase of 7.36% is due to an increase in operating and capital grants and contributions for the City. The City closed two golf courses, Madden and Kittyhawk, during 2020 and made the decision to cease the use of an enterprise fund for golf activities. Golf activities are now part of the City’s recreation and youth services department and accounted for in the general fund. This change was done during 2020 and are reflected as a special item, transfer of operations.

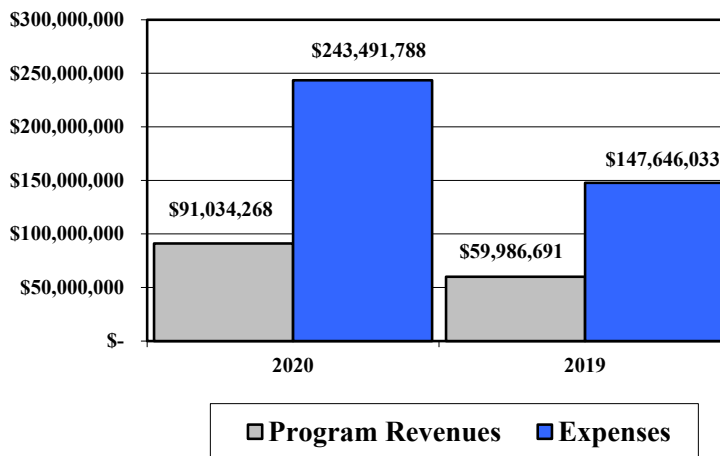
Public safety and justice, which primarily supports the operations of the police and fire departments accounted for \$125,260,086 of the total expenses of the City. These expenses were partially funded by \$23,164,177 in direct charges to users of the services and \$6,429,334 in operating grants and contributions. Leadership and quality of life expenses totaled \$60,544,385. Leadership and quality of life expenses were partially funded by \$9,647,147 in direct charges to users of the services, \$23,545,443 in operating grants and contributions, and \$10,370,526 in capital grants and contributions.

The state and federal government contributed to the City a total of \$39,311,609 in operating grants and contributions and \$10,370,526 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$9,647,147 subsidized leadership and quality of life and \$2,758,521 subsidized community development and neighborhoods. The total capital grants and contributions, \$10,370,526 subsidized leadership and quality of life programs.

General revenues totaled \$174,243,921 and amounted to 65.68% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$147,816,996. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$12,900,243.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As can be seen in the graph below, the City is highly dependent upon property and income taxes as well as unrestricted grants and entitlements to support its governmental activities.

Governmental Activities – Program Revenues vs. Total Expenses



CITY OF DAYTON, OHIO

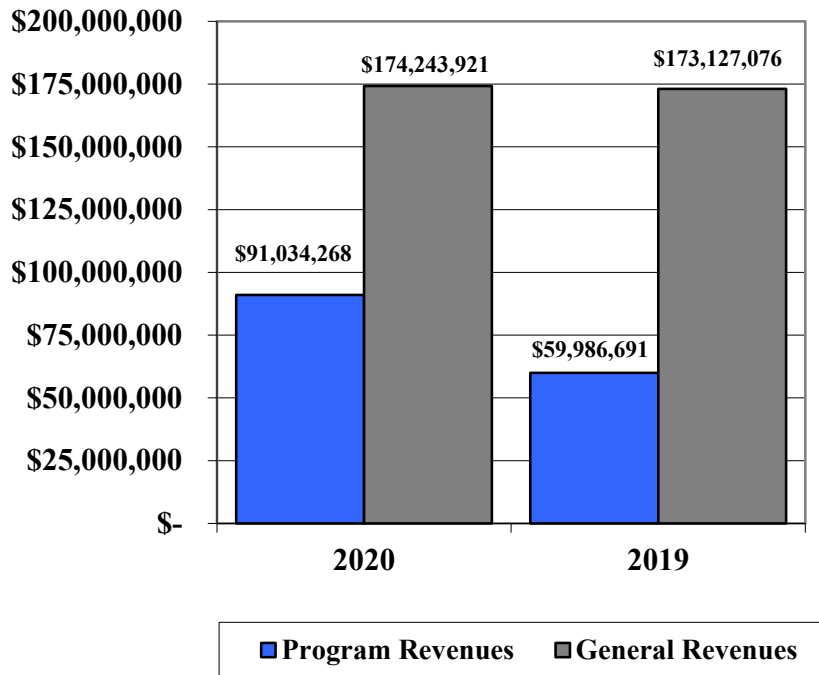
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Governmental Activities

	Total Cost of Services <u>2020</u>	Net Cost of Services <u>2020</u>	Total Cost of Services <u>2019</u>	Net Cost of Services <u>2019</u>
Program Expenses:				
Downtown	\$ 2,128,879	\$ 1,862,212	\$ 2,726,408	\$ 2,329,299
Youth, education and human services	4,014	(3,921)	54,866	46,130
Community development and neighborhoods	22,154,456	13,253,204	25,254,863	17,293,814
Economic development	11,237,840	6,507,230	8,674,622	6,807,563
Leadership and quality of life	60,544,385	16,981,269	49,329,265	24,687,880
Corporate responsibility	19,467,597	15,496,420	20,580,700	17,683,232
Public safety and justice	125,260,086	95,666,575	38,043,371	15,829,486
Interest and fiscal charges	<u>2,694,531</u>	<u>2,694,531</u>	<u>2,981,938</u>	<u>2,981,938</u>
Total Expenses	<u>\$ 243,491,788</u>	<u>\$ 152,457,520</u>	<u>\$ 147,646,033</u>	<u>\$ 87,659,342</u>

The dependence upon general revenues for governmental activities is apparent, with 62.61% of expenses supported through taxes and other general revenues. Total governmental expenses were \$243,491,788, program revenues were \$91,034,268 and general revenues were \$174,243,921. The significant increase in public safety and justice expenses was due to structural changes made to Ohio Police and Fire Pension Fund during 2019 that resulted in a decrease in net OPEB liability, primarily impacting the public safety and justice expenses.

Governmental Activities – General and Program Revenues



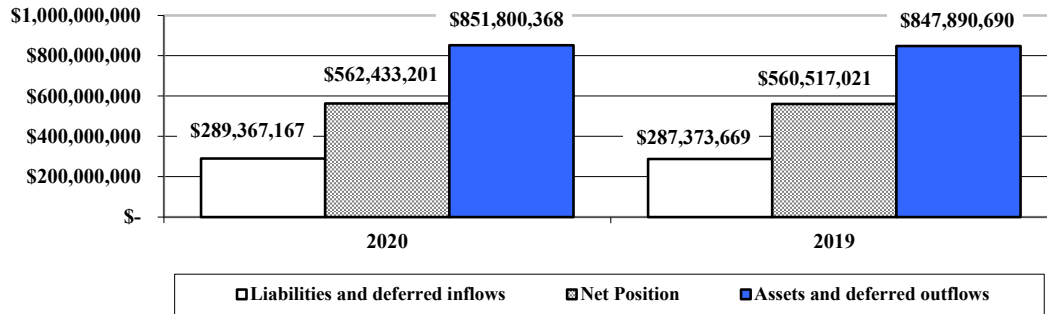
CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Business-Type Activities

Business-type activities include the Dayton International Airport, Water, Sewer, Storm Water and Golf enterprise funds. Overall, the net position of the business-type activities increased \$1,916,180 in 2020. These programs had program revenues of \$127,736,297, general revenues of \$16,666,496 and expenses of \$139,726,841 for 2020. The graph below shows the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at year-end (see pages F 30 and F 31).

Net Position in Business - Type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at year-end.

The City's governmental funds reported a combined fund balance of \$169,130,204 which is \$27,033,111 more than last year's total of \$142,097,093. The table below indicates the fund balances and the total change in fund balances as of December 31, 2020 for all major and nonmajor governmental funds.

	Fund Balances <u>12/31/2020</u>	Fund Balances <u>12/31/2019</u>	Increase/ <u>(Decrease)</u>
Major Funds:			
General	\$ 75,316,155	\$ 77,276,403	\$ (1,960,248)
Debt service	25,218,959	24,860,218	358,741
Capital improvement	34,126,190	20,180,694	13,945,496
Other nonmajor governmental funds	<u>34,468,900</u>	<u>19,779,778</u>	<u>14,689,122</u>
Total	<u>\$ 169,130,204</u>	<u>\$ 142,097,093</u>	<u>\$ 27,033,111</u>

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

General Fund

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Income, property and other taxes	\$ 146,883,564	\$ 148,225,448	(0.91) %
Charges for services	25,900,996	26,014,479	(0.44) %
Licenses and permits	2,257,013	3,024,345	(25.37) %
Fines and forfeitures	1,702,624	2,304,167	(26.11) %
Investment income	2,285,276	4,390,107	(47.94) %
Special assessments	270,629	535,786	(49.49) %
Intergovernmental	4,307,193	4,062,300	6.03 %
Other	<u>9,178,298</u>	<u>5,029,605</u>	82.49 %
Total	<u>\$ 192,785,593</u>	<u>\$ 193,586,237</u>	(0.41) %

The above table assists in illustrating the revenues of the general fund. Overall revenues of the general fund decreased \$800,644. Fines and forfeitures decreased due to significant changes to the City's photo enforcement program. COVID-19 had a significant impact on all areas of city operations. The increase in other revenue was a result of Ohio Bureau of Worker's Compensation Rebates of over \$5 million dollars. The decline in tax revenue and charges for services is a direct result of the pandemic and the emergency orders that impacted the City and the State. Revenue sources such as parking revenue, convention center revenue and recreation charges for services experienced dramatic declines during the shutdown period.

The table that follows assists in illustrating the expenditures of the general fund.

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Expenditures</u>			
Downtown	\$ 1,679,049	\$ 2,493,895	(32.67) %
Youth, education and human services	49,999	54,865	(8.87) %
Community development and neighborhoods	14,720,865	15,184,896	(3.06) %
Economic development	9,667,465	5,210,252	85.55 %
Leadership and quality of life	26,378,153	28,345,483	(6.94) %
Corporate responsibility	16,633,706	16,518,032	0.70 %
Public safety and justice	<u>112,157,810</u>	<u>107,284,733</u>	4.54 %
Total	<u>\$ 181,287,047</u>	<u>\$ 175,092,156</u>	3.54 %

Overall expenditures of the general fund increased by \$6,194,891 or 3.54%. The largest expenditure of the City, public safety and justice, increased \$4,873,077 or 4.54%. A portion of the increases in expenditures were due to costs incurred related to the COVID-19 pandemic, prior to the City's receipt of CARES Act funding. In addition, public safety and justice expenditures reflect step and merit increases that are determined based on contractual negotiations. The City responded to the COVID-19 pandemic with a variety of measures to reduce costs in the general fund by issuing a hiring freeze, eliminating all vacant positions, and offering a voluntary employee separation incentive. The City experienced unavoidable increases in costs in areas such as real estate taxes and contractual insurance payments.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Debt Service

The City's debt service fund balance increased \$358,741. The primary source of revenue in the debt service fund is property tax revenue and homestead and rollback intergovernmental revenue. During 2020, the City refunded several bond issuances and issued new bonds, which resulted in \$2,155,372 in premiums deposited into the debt service fund. The following tables illustrate the revenues and expenditures of the debt service fund. The Debt service fund also had a transfer in of \$935,300 for debt payments.

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Taxes	\$ 6,903,832	\$ 6,550,737	5.39 %
Charges for services	160,000	90,000	77.78 %
Intergovernmental	931,808	950,603	(1.98) %
Special assessments	28,573	33,928	(15.78) %
Investment income	14,820	8,256	79.51 %
Other	25,000	33,712	(25.84) %
Total	<u>\$ 8,064,033</u>	<u>\$ 7,667,236</u>	5.18 %
<u>Expenditures</u>			
Corporate responsibility	\$ 277,203	\$ 194,106	42.81 %
Bond issuance costs	241,655	-	100.00 %
Principal retirement	5,987,680	7,602,451	(21.24) %
Interest and fiscal charges	<u>2,466,817</u>	<u>3,253,968</u>	(24.19) %
Total	<u>\$ 8,973,355</u>	<u>\$ 11,050,525</u>	(18.80) %

Capital Improvements

The City's capital improvements fund balance increased by \$13,945,496 or 69.10%. The tables below illustrate the revenues and expenditures of the capital improvement fund. Revenues increased \$442,796 or 5.70%. The tax revenue is used to reduce the balance of the manuscript debt. Expenditures increased \$4,336,040 or 21.83%. In addition to the revenues listed on the chart below, the capital improvements fund had \$17,809,600 in bond issuance, \$739,155 in loan issuance, and \$11,719,997 in transfers from the general fund to be used for capital improvements. The debt service payments made from the capital improvement fund were for an OPWC loan and debt payments made with payment in lieu of tax revenue.

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Revenues</u>			
Taxes	\$ 225,260	\$ 321,800	(30.00) %
Charges for services	70,294	70,601	(0.43) %
Intergovernmental	5,519,564	5,526,081	(0.12) %
Investment income	-	7	(100.00) %
Payments in lieu of taxes	2,046,235	1,473,194	38.90 %
Other	349,288	376,162	(7.14) %
Total	<u>\$ 8,210,641</u>	<u>\$ 7,767,845</u>	5.70 %

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

	2020 <u>Amount</u>	2019 <u>Amount</u>	Percentage <u>Change</u>
<u>Expenditures</u>			
Community development and neighborhoods	364,107	627,093	(41.94) %
Economic development	1,458,541	1,459,547	(0.07) %
Leadership and quality of life	1,204,266	1,987,303	(39.40) %
Corporate responsibility	30,504	288,957	(89.44) %
Capital outlay	20,873,490	15,242,068	36.95 %
Debt service	<u>265,989</u>	<u>255,889</u>	3.95 %
Total	<u>\$ 24,196,897</u>	<u>\$ 19,860,857</u>	21.83 %

2020 Budgeting Highlights - General Fund

The City's budgeting process is prescribed by the Ohio Revised Code (ORC) and the City of Dayton Charter. The original and revised budgets are a representation of the City's various adopted appropriations. The annual expenditure budget is limited by the amount of anticipated revenues and available cash balances certified by the County Budget Commission in accordance with the Ohio Revised Code.

Given that the City's plans or priorities may change during the year or economic conditions may improve or deteriorate impacting City resources, revisions to the original budget are customary and necessary. For instance, if forecasted revenues are adjusted during the course of the year due to actual revenue performance, then the certificate of available resources and the appropriation are also adjusted to ensure expenditures do not exceed available resources. In addition, if funding priorities change during the fiscal year, resources may be reallocated to another activity outside of the legal level of control, necessitating a corresponding change in budget.

Budgetary information is presented for the general fund on page F41. With respect to changes to the general fund, the final budget reflects projected revenues that were \$2.0 million higher than the original budget. Actual revenues had a positive variance of \$6.8 million compared to the original budget and a positive variance of \$4.8 million or 2.6% compared to the final budget.

Actual general fund revenues performed better in six categories relative to the original forecast and underperformed in four categories. As it relates to the final budget, actual revenues exceeded the budget in five categories and fell short in five categories. The variance to both the original and final budgets of 3.7% and 2.6%, respectively, indicates that we were outside our performance metric of 0% to 3% positive revenue variance for the original budget, but within for the final budget. Unplanned one-time refunds from the Bureau of Workers Compensation (BWC) account for \$5.7 million of the positive variance and income tax contributed \$2.8 million. Income Tax enjoyed sizable growth of 10.6% during the first quarter, prior to the COVID-19 pandemic.

Five revenue categories realized a variance in excess of 10% when compared to the original and final budgets. Licenses and Permits underperformed relative to both budgets by a margin of 25% or \$763,000. Revenues were 25% lower than fiscal year 2019, largely due to the effects of the pandemic. Fines and Forfeitures were over budget by \$1.1 million compared to the original budget, as they were initially under-budgeted. Evaluated against the final budget, revenues experienced a \$364,600 positive variance due to stronger than anticipated revenue from the modified public safety photo enforcement program. Intergovernmental revenues were 21.2% or \$881,800 under the original and final budgets. The largest source in this category, Casino taxes, decreased \$716,400 when mandatory stay-at-home orders closed the casinos for more than two months.

Investment income beat both the original and final estimate by \$1.3 million due to incorrect original budget allocation. Better precision on these estimates will be expected in the future.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Actual expenditures in 2020 were \$3.3 million or 1.8% under (favorable) the original budget while the final budget was \$7.4 million or 4.0% higher than actuals. All programmatic categories were within the 10% variance threshold except for Downtown, Economic Development and Other Expenditures. The Downtown expenditure category realized a \$542,900 or 21.6% positive variance to the original budget. The budget was revised downward in the final budget as the downtown Convention Center remained closed due to the pandemic. As for the Economic Development category, the final budget was \$1.0 million over actual expenditures, reflecting an 11.8% variance. The Other category experienced a \$850,600 or 12.9% positive variance to the final budget as a result of higher contingency funding for pandemic-related expenditures.

Net operating transfers exceeded the original budget by \$6.8 million and were on par with the final budget. Given the receipt of one-time BWC refunds and lower than planned spending levels, an increase in the funding of transfers was incorporated into the final budget. It should be mentioned that the City instituted extraordinary measures to rein in spending in the face of the global pandemic. These measures included a hiring freeze, eliminating all vacant positions, offering a voluntary employee separation incentive, restricting expenditures, cutting capital improvements, and closing facilities both temporarily and permanently.

In both the original and final budget, use of fund balance was anticipated for special project activities as well as for transfers in support of capital investments. On a budgetary basis, actual expenditures and transfers out exceed revenues by \$3.6 million. After adjustments for prior year encumbrances and to the balance sheet, the general fund ended the year with a \$71.5 million fund balance. This represents a \$2.9 million increase from 2019. In 2019, the City implemented Governmental Accounting Standards Board Statement number 84, Fiduciary Activities, in which \$1.4 million in cash from two Funds were reclassified to the General Fund from Agency Funds. These cash balances are restricted.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, except in more detail. The City's business-type funds reported a combined net position of \$560,915,737 which is \$1,476,939 above last year's total of \$559,438,798.

The following table indicates the net position and the total change in net position as of December 31, 2020 for all major and nonmajor business-type funds.

	<u>Net Position</u> <u>12/31/20</u>	<u>Net Position</u> <u>12/31/19</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
Dayton International Airport	\$ 245,443,822	\$ 246,937,313	\$ (1,493,491)
Water	172,242,932	170,161,298	2,081,634
Sewer	116,059,333	113,321,240	2,738,093
Other Business-type activities	<u>27,169,650</u>	<u>29,018,947</u>	<u>(1,849,297)</u>
Total	<u>\$ 560,915,737</u>	<u>\$ 559,438,798</u>	<u>\$ 1,476,939</u>

Dayton International Airport (DIA)

The City's Dayton International Airport net position decreased by \$1,493,491 or 0.60% from the 2019 amount. The Dayton International Airport received \$10,484,424 in capital contributions. Airport operations were significantly impacted by the COVID-19 pandemic. The decrease in charges for services was a direct result of significant declines in air travel, which resulted in temporary closures of rental car agencies and concessionaires.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following tables illustrate the revenues and expenses of the Dayton International Airport fund.

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Operating Revenues</u>			
Charges for services	\$ 14,326,887	\$ 24,446,146	(41.39) %
Other	<u>6,128,284</u>	<u>11,037,441</u>	(44.48) %
Total	<u>\$ 20,455,171</u>	<u>\$ 35,483,587</u>	(42.35) %
<u>Operating Expenses</u>			
Personal services	\$ 7,793,393	\$ 9,399,462	(17.09) %
Benefit payments	3,946,220	3,526,372	11.91 %
Contractual services	4,843,244	6,760,491	(28.36) %
Materials and supplies	919,851	954,476	(3.63) %
Utilities	1,493,303	1,860,947	(19.76) %
Depreciation	15,643,759	14,645,527	6.82 %
Other	<u>2,875,417</u>	<u>3,365,104</u>	(14.55) %
Total	<u>\$ 37,515,187</u>	<u>\$ 40,512,379</u>	(7.40) %

Operating expenses decreased by \$2,997,192 or 7.40%. A large portion of this change was a decrease in personal services and contractual services expense due to the COVID-19 pandemic.

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 476,468	\$ 1,206,163	(60.50) %
Interest expense and fiscal charges	(3,212,963)	(3,245,531)	(1.00) %
Increase in fair value of investments	172,472	352,486	(51.07) %
Intergovernmental	7,407,792	-	100.00 %
Gain on sale of capital assets	238,332	642,461	(62.90) %
Capital contributions	<u>10,484,424</u>	<u>10,134,300</u>	3.45 %
Total	<u>\$ 15,566,525</u>	<u>\$ 9,089,879</u>	71.25 %

Nonoperating revenues and expenses increased by \$6,476,646 or 71.25%. Capital contributions for 2019 and 2020 were primarily for Federal grants that are being used for capital improvements, along with passenger facility charges. The intergovernmental revenue was CARES Act Federal funding, which allowed the airport to continue operations and avoid drastic reductions in personnel.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
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Water

The City's Water fund net position increased by \$2,081,634 or 1.22% from the 2019 amount.

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Operating Revenues</u>			
Charges for services	\$ 51,143,602	\$ 50,886,932	0.50 %
Other	<u>6,630,986</u>	<u>4,533,450</u>	46.27 %
Total	<u>\$ 57,774,588</u>	<u>\$ 55,420,382</u>	4.25 %
<u>Operating Expenses</u>			
Personal services	\$ 16,404,318	\$ 17,005,081	(3.53) %
Benefit payments	9,705,432	13,439,057	(27.78) %
Contractual services	10,447,499	9,920,592	5.31 %
Materials and supplies	4,546,052	5,676,310	(19.91) %
Utilities	4,620,692	4,787,654	(3.49) %
Depreciation	7,696,870	7,612,594	1.11 %
Other	<u>2,363,522</u>	<u>2,485,257</u>	(4.90) %
Total	<u>\$ 55,784,385</u>	<u>\$ 60,926,545</u>	(8.44) %

Operating expenses decreased by \$5,142,160 or 8.44%. The largest decrease in expenses was to benefit payments related to recording the net pension liability and the net OPEB liability and the associated deferred inflows and outflows.

	<u>2020</u> <u>Amount</u>	<u>2019</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 814,652	\$ 1,484,692	(45.13) %
Interest expense and fiscal charges	(1,371,401)	(1,669,557)	(17.86) %
Increase in fair market value of investments	264,466	473,971	(44.20) %
Intergovernmental	498,905	-	100.00 %
Bond issuance costs	(72,376)	-	100.00 %
Capital contributions	-	245,027	(100.00) %
Loss on sale of capital assets	<u>(42,815)</u>	<u>(3,074,605)</u>	(98.61) %
Total	<u>\$ 91,431</u>	<u>\$ (2,540,472)</u>	103.60 %

Nonoperating revenues and expenses increased \$2,631,903 or 103.60% for 2020. This was a result of less interest expense and fiscal charges during the year and intergovernmental revenue received during 2020.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Sewer

The City's Sewer fund net position increased by \$2,738,093 or 2.42% from 2019.

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Operating Revenues</u>			
Charges for services	\$ 34,921,059	\$ 32,593,511	7.14 %
Other	<u>1,099,149</u>	<u>563,288</u>	95.13 %
Total	<u>\$ 36,020,208</u>	<u>\$ 33,156,799</u>	8.64 %
<u>Operating Expenses</u>			
Personal services	\$ 8,032,153	\$ 8,156,045	(1.52) %
Benefit payments	4,693,174	6,230,164	(24.67) %
Contractual services	8,778,374	9,398,360	(6.60) %
Materials and supplies	2,515,168	2,681,644	(6.21) %
Utilities	2,159,239	2,410,770	(10.43) %
Depreciation	5,561,662	5,608,077	(0.83) %
Other	<u>1,022,964</u>	<u>919,508</u>	11.25 %
Total	<u>\$ 32,762,734</u>	<u>\$ 35,404,568</u>	(7.46) %

Operating expenses decreased by \$2,641,834 or 7.46%. The largest decrease in expenses was to benefit payments related to recording the net pension liability and the net OPEB liability.

	2020	2019	Percentage
	<u>Amount</u>	<u>Amount</u>	<u>Change</u>
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 374,573	\$ 851,635	(56.02) %
Increase in fair value of investments	115,021	279,190	(58.80) %
Interest expense and fiscal charges	(719,194)	(958,795)	(24.99) %
Bond issuance costs	(289,781)	-	100.00 %
Loss on sale of capital assets	<u>-</u>	<u>(1,832,349)</u>	(100.00) %
Total	<u>\$ (519,381)</u>	<u>\$ (1,660,319)</u>	68.72 %

Nonoperating revenues and expenses in 2020 increased by \$1,140,938 or 68.72%.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Capital Assets and Debt Administration

Capital Assets

At December 31, 2020, the City had \$1,073,480,968 (net of accumulated depreciation) invested in land, right of ways, buildings and improvements, improvements other than buildings, equipment, software, vehicles, infrastructure and construction in progress (CIP). Of this total, \$471,849,998 was reported in governmental activities and \$601,630,970 was reported in business-type activities. See Note 12 in the basic financial statements for additional capital asset disclosure.

The following table shows December 31, 2020 balances compared to December 31, 2019:

**Capital Assets at December 31
(Net of Depreciation)**

	Governmental Activities 2020	Governmental Activities 2019	Business-Type Activities 2020	Business-Type Activities 2019	Total 2020	Total 2019
Land	\$ 54,622,909	\$ 52,191,437	\$ 41,263,768	\$ 41,829,382	\$ 95,886,677	\$ 94,020,819
Construction in progress	10,017,986	14,236,130	36,140,266	43,365,955	46,158,252	57,602,085
Right of ways	14,007,402	14,007,402	-	-	14,007,402	14,007,402
Buildings and improvements	80,552,992	78,164,884	160,578,599	161,263,770	241,131,591	239,428,654
Improvements other than buildings (IOTB)	24,270,864	21,765,602	340,548,702	334,278,125	364,819,566	356,043,727
Equipment	3,406,601	2,710,663	6,523,319	5,684,293	9,929,920	8,394,956
Software	261,539	472,454	304,311	454,273	565,850	926,727
Vehicles	18,064,682	17,618,622	16,272,005	14,847,358	34,336,687	32,465,980
Infrastructure	<u>266,645,023</u>	<u>255,249,390</u>	<u>-</u>	<u>-</u>	<u>266,645,023</u>	<u>255,249,390</u>
Total	<u>\$ 471,849,998</u>	<u>\$ 456,416,584</u>	<u>\$ 601,630,970</u>	<u>\$ 601,723,156</u>	<u>\$ 1,073,480,968</u>	<u>\$ 1,058,139,740</u>

The City's largest governmental capital asset category is infrastructure which includes roads, bridges, culverts, sidewalks, curbs, annexed roadways, street lighting, and traffic signals. These items are immovable and of value only to the City; however, the annual cost of purchasing these items is quite significant. The net book value of the City's infrastructure (cost less accumulated depreciation) represents approximately 56.51% of the City's total governmental capital assets.

The City's largest business-type capital asset category is improvements other than buildings (I.O.T.B) which primarily includes runways for the airport, water lines, sewer lines and storm water catch basins. These items play a vital role in the income producing ability of the business-type activities. The net book value of the City's I.O.T.B (cost less accumulated depreciation) represents approximately 56.60% of the City's total business-type capital assets.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2020 and 2019:

	Governmental Activities <u>2020</u>	Governmental Activities <u>2019</u>
General obligation bonds	\$ 50,951,525	\$ 39,229,345
Revenue bonds	<u>19,328,033</u>	<u>21,820,539</u>
Total bonds	<u>70,279,558</u>	<u>61,049,884</u>
Ohio Public Works Commission (OPWC) loans	1,546,968	869,114
State infrastructure bank loan	2,169,058	2,273,324
State infrastructure bank bonds	2,865,000	3,015,000
Ohio Department of Development Loan	<u>1,489,311</u>	<u>1,631,424</u>
Total loans	<u>8,070,337</u>	<u>7,788,862</u>
Total long-term obligations	<u>\$ 78,349,895</u>	<u>\$ 68,838,746</u>
	Business-type Activities <u>2020</u>	Business-type Activities <u>2019</u>
General obligation bonds	\$ 32,778,925	\$ 31,822,837
Revenue bonds	<u>129,180,311</u>	<u>116,299,255</u>
Total bonds	<u>161,959,236</u>	<u>148,122,092</u>
Ohio Water Development Authority (OWDA) loans	3,330,117	3,401,472
Ohio Public Works Commission (OPWC) loans	25,000	50,000
Jobs Ohio loans	<u>4,314,636</u>	<u>4,455,856</u>
Total loans	<u>7,669,753</u>	<u>7,907,328</u>
Total long-term obligations	<u>\$ 169,628,989</u>	<u>\$ 156,029,420</u>

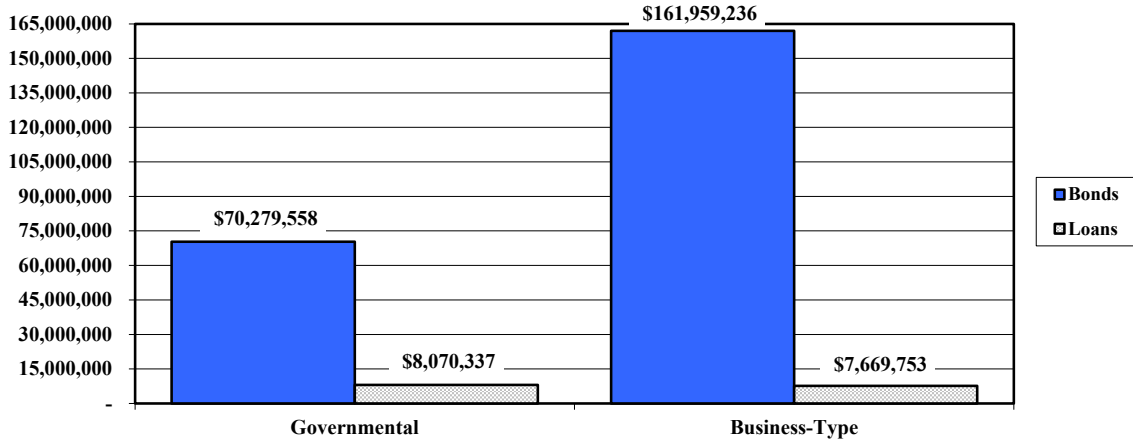
See Note 14 in the basic financial statements for additional disclosures and detail regarding the City's debt activity.

CITY OF DAYTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

A comparison of the long-term obligations by category is depicted in the chart below.

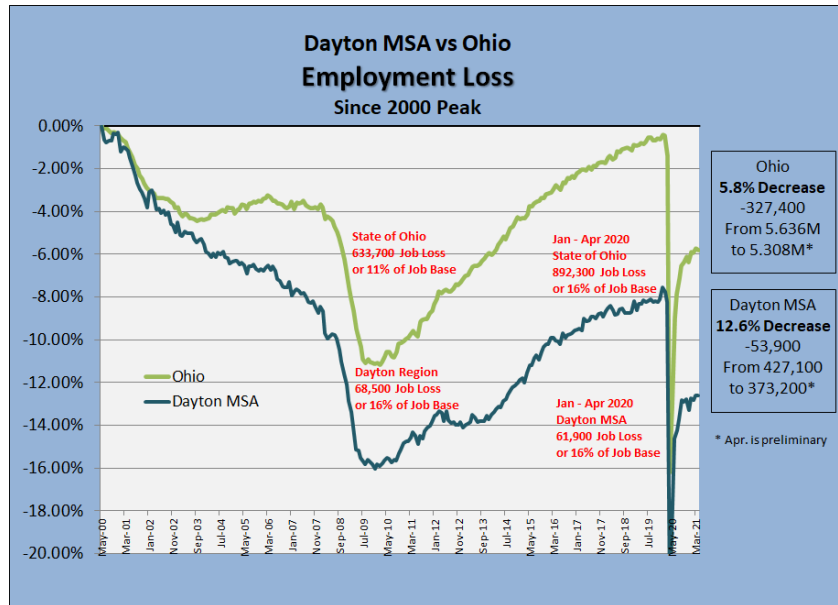
Long-term Obligations



Economic Outlook and the 2021 Budget

Introduction

Following the end of the Great Recession, employment growth in the Dayton region rebounded through the first quarter of 2012, only to stall once again. By 2014, the regional economy finally began to hit its stride, creating 25,500 jobs from January of 2014 until January of 2020. Specifically, for Downtown, large developments like Water Street, the Fire Blocks District, and CareSource’s Pamela Morris tower along with amenities such as the Levitt Pavilion are just a few of the major developments that shaped the Downtown Dayton renaissance.



Adjacent to the Levitt Pavilion, the Dayton Arcade, a redevelopment project of seven mostly abandoned buildings, completed construction on The Hub in early 2021. Anchored by the University of Dayton and the Entrepreneur Center, The Hub offers coordinated and centralized resources for the region’s entrepreneurs, innovators, builders, creators, inventors, students and teachers. The region awaits completion of the Arcade’s spectacular public event space with adjacent residential, commercial, restaurant and retail establishments.

Outside of Downtown, the Dayton International Airport has been a growth engine, adding about 3,000 new jobs “outside the fence” at companies like Spectrum Brands, pet food retailer Chewy, and footwear company Crocs. Kettering Health Dayton, formerly Grandview Medical Center, expanded its footprint by doubling its emergency room capacity in response to the closing of Good Samaritan Hospital. Plans are underway for a \$78 million five-story specialty care outpatient center on the Children’s Medical Center campus. In addition, developers’ use of opportunity zone tax benefits are spurring interest in several other development spots throughout the city.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Economic activity reached an apex in March of 2020 when a novel virus originating abroad registered its first casualties on the U.S. population. As a result, much of the nation, including Ohio, was under strict stay-at-home orders and the economy came to a screeching halt. U.S. employment levels dropped by 20.7 million or nearly 14% in one month. Unemployment rates in the city of Dayton reached a startling 19.4% in April of 2020. In 2021, one year following record unemployment levels, the unemployment rate registered at 7.2%; this is still considerably higher than the pre-pandemic rate of 5.5%.

As the magnitude of the COVID-19 crisis began to emerge, the City Manager implemented several directives to curb the financial impacts. Namely, limiting expenses to essential purchases only, reducing capital investments, implementing a hiring freeze and later instituting a voluntary separation incentive, as well as eliminating all vacant positions in the organization. These actions, coupled with unprecedented federal financial stimulus by way of the Payroll Protection Program, supplemental unemployment benefits, and stimulus checks, allowed the City to manage through the initial year of the crisis.

Income tax collections were flat in 2020 and experienced considerable volatility over the course of the year. For the nine months (April through December) since the pandemic-related economic downturn began, collections tumbled 3.2% or \$3.2 million, after climbing a sizable 10.6% during the first quarter of 2020, pre-pandemic. All general fund sources declined 0.2% or \$330,000 for the year. Refunds from the Ohio Bureau of Workers Compensation contributed \$5.7 million to bottom line revenue. When revenues are adjusted to remove this one-time source, general fund revenues dropped \$6.1 million or 3.1%.

Employment and the Income Tax

The respective components of income tax are a proxy for the condition and direction of the local economy. With tens of thousands of Dayton workers remote working, the City's number one revenue source was seriously threatened. To address this situation, the state legislature enacted HB197 that allowed businesses to continue to withhold income taxes to the city in which the business was located regardless of whether the employee was working there or working from home. HB197 was legislated to remain in place until 30 days after the pandemic emergency orders were lifted. Since its enactment, additional legislation has been proposed that muddies the water on the actual tax liability and on the possibility of retroactive refunds for remote workers. These proposals could dramatically affect income tax collections and the City remains diligent in its opposition.

Withholding collections in 2020, or taxes on wages earned in the city, grew by \$601,700, or 0.5% over the prior year. Data suggests that the federal Payroll Protection Program was supporting tens of thousands of Dayton jobs, and hence the City's withholding collections. On the other hand, the tax on business profits sank \$363,300 or 2.7% in 2020 with corporate profit losses primarily contributing to the reduction as partnership profits remained flat. The non-withholding tax paid by individuals also fell in 2020, registering a decline of 5.4% or \$270,400. Taken together, income tax collections, net of refunds, grew by a meager \$152,700.

Given the destruction wrought by the pandemic, the City took a very cautious approach to the 2021 income tax forecast. The original forecast for 2021 income tax revenues is \$127.8 million. This represents a 4.4% decrease from 2020 collections. The global COVID-19 pandemic catapulted simultaneously a three-fold demand, supply, and financial shock unprecedented in scale. As of this writing, federal fiscal and monetary support appear to be girding the economy and, consequently, revenue losses.

Property Values and the Property Tax

Despite the dire circumstances of the global pandemic, the County Auditor completed the triennial revaluation of all property in Montgomery County in 2020. The result was a significant 9.6% increase in Dayton property values. Our original 2021 forecast projected a 3.3% increase, 6.3 percentage points shy of the robust increase that occurred.

CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

The City reached its peak in real property values in 2006, the year prior to the beginning of the Great Recession in December of 2007. Values then declined for more than a decade, reaching their trough in 2017 (see chart below). As a result of the more than 26% collapse in values over this period, 0.5 mills of property tax were shifted from the general fund to the bond retirement fund to help offset the loss of revenue. Even with the significant increases attributable to the 2021 revaluation, values remain 17.1% lower than their peak.

Real Property Values	2006 Peak	2017 Trough	2021	Peak to Trough	Trough to Current
Residential Value	1,216,504,820	897,241,600	1,024,178,700	-26.2%	14.1%
Commercial Value	571,808,370	418,370,920	457,054,490	-26.8%	9.2%
Public Utility Value	949,400	1,940,100	1,907,910	104.4%	-1.7%
Total Value	\$ 1,789,262,590	\$ 1,317,552,620	\$ 1,483,141,100	-26.4%	12.6%

Housing stock quality and value is improving in various areas of the city, with hundreds of new units recently finished, largely in Downtown. The City continues to demolish vacant and abandoned buildings; although there remain thousands more to demolish and funding is limited. In time this will assist with stabilizing the Dayton housing market.

State Revenue Sharing and the Local Government Fund

As part of the 2018-2019 state of Ohio biennial budget, the Local Government Fund municipal direct allocation was eliminated entirely (after having previously been cut by about 75%). The municipal indirect allocation was re-established in the 2020-2021 state budget, but at much reduced levels.

The state certified estimate for 2021 Local Government Fund revenue sharing is \$7.1 million, up \$101,800 or 1.5% from 2020. State sales tax revenues benefitted from the pandemic-related switch from largely untaxed service purchases to taxable goods. Accordingly, many e-commerce firms reported record sales in 2020.

Casino Tax Revenue

On November 3, 2009, Ohio voters passed Issue 3 that amended the Ohio constitution permitting four casinos in Cincinnati, Columbus, Cleveland, and Toledo. The amendment provided for a 33% tax on gross casino revenues, of which 90% is to be distributed amongst the following: local county governments at 51%, school districts at 34%, and the host city at 5%. If the most populated city within a county has a population over 80,000, then that city (Dayton included) would receive 50% of the county’s distribution.

Total 2020 tax revenue sharing from the four Ohio casinos was \$2.5 million, down \$716,400 or 22.1%. Casinos were closed for over two months during the pandemic stay-at-home emergency orders. Casino taxes are expected to rebound in 2021 to pre-pandemic levels, or just over \$3.0 million.

Other Sources

Given concerns regarding how the pandemic would affect general fund revenue, the City developed prudent 2021 revenue projections. As a result, \$18 million in budget solutions were necessary to balance the 2021 general fund budget including a planned \$3.0 million use of the cash reserve.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2020 (UNAUDITED)

Cost Containment and the Workforce

After more than a decade of workforce reductions across the City organization, 2013 marked the first year for increased employment levels in the general fund, albeit just a slight 1.7% increase. An additional 16 employees were added in 2014, but levels decreased to 1,199 and 1,198 in 2015 and 2016, climbing to their recent peak in 2017 with 1,222 employees. In 2018, total general fund staffing dropped by 24 positions to 1,198. This decrease was driven largely by the movement of 15 police officer positions to a grant fund with approximately half the costs being borne by a transfer from the general fund. For 2019, staffing levels increased by 16 positions, or 1.4% to an average of 1,214 filled positions.

The economic shock caused by the pandemic required swift action to ensure fiscal solvency. Consequently, the City instituted a hiring freeze followed by an employee voluntary separation incentive and the abolishment of all vacant positions. For 2020, the average number of general fund positions dropped by nine, ending the year with 1,183 or 42 fewer positions than December of 2019.

As it pertains to wages, increases were modest in 2013 and 2014, while converting to a self-insured health plan and investing in wellness initiatives helped rein in costs over the longer run. Labor contracts for the 2015-2017 contract period were executed with the City's four bargaining groups, resulting in a three-year wage package of 3%, 2% and 2%. Additionally, the contracts included several cost containment articles for health insurance. A similar wage package (3%, 2%, 2%) was negotiated with all bargaining groups for the 2018-2020 contract period.

Overall, 2020 personnel costs in the general fund were \$1.9 million, or 1.5%, higher than 2019, inclusive of an extra, or 27th pay. When employees are paid biweekly there is an extra 27th pay every 11 years. The cost of the 2020 extra pay was \$1.3 million. When it is factored out, personnel costs increased a mere \$600,000 as a result of the successful actions taken to control costs.

To address an estimated \$18.0 million budget gap, the City negotiated a one-year contract with the Dayton Public Service Union (DPSU) that contained no annual wage increase for 2020. Additionally, the terms included five cost savings days that are tantamount to a 1.9% wage reduction. The same wage package was approved by the Building Trades Union and the professional, technical, and supervisory (PTS) mid-managers, who are not represented, followed suit. Negotiations are on-going with the City's public safety unions. As of this writing, the City has renegotiated with DPSU and Building Trades and each employee will receive a \$2,000 lump sum payment in 2021 as well as a roll-back of the cost savings day payroll deduction effective April 2021. The PTS employee group, along with management, will receive the same package.

Next Year's Budget and Rates

The unassigned general fund balance is expected to meet or exceed the policy parameter of between 10% and 20% of general fund revenues. Additionally, the cash reserve is expected to remain above the minimum policy threshold of 6 weeks of operating reserves.

At the end of 2020, the cash reserve was \$31.972 million or \$10.778 million over the minimum level of six-weeks of operating funds, before the use of \$3.030 million cash reserve in 2021.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information contact C. LaShea Lofton, Deputy City Manager, City of Dayton, 101 West Third Street, P.O. Box 22, Dayton, Ohio 45401-0022, or visit our website at www.daytonohio.gov.

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BASIC
FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments.	\$ 182,526,984	\$ 194,033,704	\$ 376,560,688
Cash with fiscal and escrow agents.	21,866	-	21,866
Receivables:			
Property and other local taxes	21,183,052	-	21,183,052
Municipal income taxes.	20,168,707	-	20,168,707
Accounts.	5,648,211	16,367,469	22,015,680
Payments in lieu of taxes.	1,159,852	-	1,159,852
Special assessments	635,622	1,506,952	2,142,574
Accrued interest.	306,731	276,519	583,250
Due from other governments.	22,280,131	5,801,120	28,081,251
Loans receivable.	27,038,847	558,551	27,597,398
Internal balance	(1,121,502)	1,121,502	-
Materials and supplies inventory.	1,239,930	1,965,483	3,205,413
Prepayments	845,659	463,167	1,308,826
Inventory held for resale.	510,786	-	510,786
Restricted assets:			
Equity in pooled cash and investments.	169,422	1,251,434	1,420,856
Investments with fiscal and escrow agents.	14,827	11,103,842	11,118,669
Net pension asset.	641,400	457,073	1,098,473
Capital assets:			
Land, right of ways, and construction in progress.	78,648,297	77,404,034	156,052,331
Depreciable capital assets, net.	393,201,701	524,226,936	917,428,637
Total capital assets, net.	<u>471,849,998</u>	<u>601,630,970</u>	<u>1,073,480,968</u>
Total assets	<u>755,120,523</u>	<u>836,537,786</u>	<u>1,591,658,309</u>
Deferred outflows of resources:			
Asset retirement obligations.	2,325,000	510,000	2,835,000
Unamortized deferred charges on debt refunding	724,654	1,493,465	2,218,119
Pension and OPEB.	53,508,147	13,259,117	66,767,264
Total deferred outflows of resources	<u>56,557,801</u>	<u>15,262,582</u>	<u>71,820,383</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 1,986,078	\$ 3,468,604	\$ 5,454,682
Contracts payable	3,803,291	4,765,800	8,569,091
Retainage payable	652,765	1,226,377	1,879,142
Accrued wages and benefits payable	6,350,877	1,760,945	8,111,822
Due to other governments	5,726,623	2,663,075	8,389,698
Accrued interest payable	182,730	543,764	726,494
Payable from restricted assets:			
Utility deposits	-	184,334	184,334
Asset retirement obligation	2,325,000	510,000	2,835,000
Long-term liabilities:			
Due within one year	19,341,287	11,330,321	30,671,608
Due in more than one year	78,864,829	162,087,813	240,952,642
Net pension liability	206,578,905	49,189,057	255,767,962
Net OPEB liability	65,076,509	32,001,699	97,078,208
	390,888,894	269,731,789	660,620,683
Total liabilities			
Deferred inflows of resources:			
Unamortized deferred loss on refunding	2,973,399	-	2,973,399
Property taxes levied for the next fiscal year	13,700,483	-	13,700,483
Pension and OPEB	45,026,931	19,635,378	64,662,309
Payments in lieu of taxes levied for the next fiscal year	1,159,852	-	1,159,852
	62,860,665	19,635,378	82,496,043
Total deferred inflows of resources			
Net position:			
Net investment in capital assets	405,787,507	427,503,269	833,290,776
Restricted for:			
Permanent fund:			
Expendable	84,549	-	84,549
Nonexpendable	102,228	-	102,228
Capital projects	15,687,746	-	15,687,746
Debt service	29,185,252	12,170,942	41,356,194
Housing and urban development	2,376,693	-	2,376,693
Special projects	18,221,129	-	18,221,129
Street and highway projects	434,679	-	434,679
Other purposes	10,774,627	-	10,774,627
Unrestricted (deficit)	(124,725,645)	122,758,990	(1,966,655)
	405,787,507	427,503,269	833,290,776
Total net position	\$ 357,928,765	\$ 562,433,201	\$ 920,361,966

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
Downtown	\$ 2,128,879	\$ 266,479	\$ 188	\$ -
Youth, education and human services.	4,014	7,935	-	-
Community development and neighborhoods.	22,154,456	2,758,521	6,142,731	-
Economic development	11,237,840	2,641,536	2,089,074	-
Leadership and quality of life	60,544,385	9,647,147	23,545,443	10,370,526
Corporate responsibility.	19,467,597	2,866,338	1,104,839	-
Public safety and justice.	125,260,086	23,164,177	6,429,334	-
Interest and fiscal charges.	2,694,531	-	-	-
Total governmental activities	<u>243,491,788</u>	<u>41,352,133</u>	<u>39,311,609</u>	<u>10,370,526</u>
Business-type activities:				
Dayton International Airport.	40,744,537	14,326,887	7,407,792	10,484,424
Water.	57,012,675	51,143,602	498,905	-
Sewer.	33,613,614	34,921,059	-	-
Other business-type activities:				
Storm Water.	7,770,296	8,223,565	-	-
Golf.	585,719	730,063	-	-
Total business-type activities	<u>139,726,841</u>	<u>109,345,176</u>	<u>7,906,697</u>	<u>10,484,424</u>
Total primary government	<u>\$ 383,218,629</u>	<u>\$ 150,697,309</u>	<u>\$ 47,218,306</u>	<u>\$ 20,854,950</u>

General revenues:

- Property taxes levied for:
 - General purposes
 - Debt service.
- Income taxes levied for:
 - General purposes
- Payments in lieu of taxes
- Grants and entitlements not restricted
 - to specific programs
- Investment earnings
- Miscellaneous

Total general revenues

Special item - transfer of operations.

Transfers

Total general revenues, transfers and special item . . .

Change in net position

Net position at beginning of year . . .

Net position at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (1,862,212)	\$ -	\$ (1,862,212)
3,921	-	3,921
(13,253,204)	-	(13,253,204)
(6,507,230)	-	(6,507,230)
(16,981,269)	-	(16,981,269)
(15,496,420)	-	(15,496,420)
(95,666,575)	-	(95,666,575)
(2,694,531)	-	(2,694,531)
<u>(152,457,520)</u>	<u>-</u>	<u>(152,457,520)</u>
-	(8,525,434)	(8,525,434)
-	(5,370,168)	(5,370,168)
-	1,307,445	1,307,445
-	453,269	453,269
-	144,344	144,344
-	<u>(11,990,544)</u>	<u>(11,990,544)</u>
<u>(152,457,520)</u>	<u>(11,990,544)</u>	<u>(164,448,064)</u>
6,524,472	-	6,524,472
7,464,673	-	7,464,673
133,827,851	-	133,827,851
2,046,235	-	2,046,235
12,900,243		12,900,243
2,932,744	2,501,826	5,434,570
8,547,703	14,164,670	22,712,373
<u>174,243,921</u>	<u>16,666,496</u>	<u>190,910,417</u>
2,809,772	(2,809,772)	-
(50,000)	50,000	-
<u>177,003,693</u>	<u>13,906,724</u>	<u>190,910,417</u>
24,546,173	1,916,180	26,462,353
333,382,592	560,517,021	893,899,613
<u>\$ 357,928,765</u>	<u>\$ 562,433,201</u>	<u>\$ 920,361,966</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvement</u>
Assets:			
Equity in pooled cash and investments.	\$ 65,629,753	\$ 14,599,139	\$ 33,906,741
Cash with fiscal and escrow agents.	21,866	-	-
Receivables:			
Property and other local taxes.	9,538,990	11,644,062	-
Municipal income taxes.	20,168,707	-	-
Accounts.	5,067,489	56,250	21,942
Payments in lieu of taxes.	-	-	1,159,852
Special assessments	635,622	-	-
Accrued interest	248,465	-	-
Due from other funds	395,962	-	-
Due from other governments.	5,841,949	442,027	6,776,466
Loans receivable.	13,479,564	10,605,000	681,584
Advances to other funds	580,000	-	500,000
Materials and supplies inventory.	13,581	-	26,242
Prepayments	596,585	-	-
Restricted assets:			
Equity in pooled cash and investments	169,422	-	-
Investments with fiscal and escrow agents.	-	14,820	7
Total assets	<u>\$ 122,387,955</u>	<u>\$ 37,361,298</u>	<u>\$ 43,072,834</u>
Liabilities:			
Accounts payable.	\$ 775,536	\$ -	\$ 678,692
Contracts payable.	2,541,481	-	446,255
Accrued wages and benefits payable	6,098,876	-	5,106
Retainage payable	-	-	606,153
Compensated absences payable	14,763	-	-
Advances from other funds.	8,240,000	-	-
Due to other governments	5,612,897	-	6,289
Claims and judgments payable	11,364	-	-
Claimants payable	2,739	-	-
Total liabilities	<u>23,297,656</u>	<u>-</u>	<u>1,742,495</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year.	6,165,117	7,535,366	-
Delinquent property tax revenue not available.	3,361,660	4,108,696	-
Accrued interest not available	137,139	-	-
Special assessments revenue not available.	635,622	-	-
Miscellaneous revenue not available.	2,450,139	56,250	21,902
Income tax revenue not available	7,490,315	-	-
Intergovernmental revenue not available	3,534,152	442,027	6,022,395
Payments in lieu of taxes levied for the next fiscal year.	-	-	1,159,852
Total deferred inflows of resources	<u>23,774,144</u>	<u>12,142,339</u>	<u>7,204,149</u>
Fund balances:			
Nonspendable	15,387,882	-	26,242
Restricted.	1,398,122	24,761,009	11,051,244
Committed	1,647,920	457,950	7,849,429
Assigned	25,470,674	-	15,199,275
Unassigned.	<u>31,411,557</u>	<u>-</u>	<u>-</u>
Total fund balances.	<u>75,316,155</u>	<u>25,218,959</u>	<u>34,126,190</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 122,387,955</u>	<u>\$ 37,361,298</u>	<u>\$ 43,072,834</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ 31,093,649	\$ 145,229,282
-	21,866
-	21,183,052
-	20,168,707
485,753	5,631,434
-	1,159,852
-	635,622
25,779	274,244
-	395,962
9,187,100	22,247,542
2,272,699	27,038,847
-	1,080,000
1,200,107	1,239,930
246,991	843,576
-	169,422
-	14,827
<u>\$ 44,512,078</u>	<u>\$ 247,334,165</u>
\$ 371,655	\$ 1,825,883
810,354	3,798,090
132,940	6,236,922
46,612	652,765
-	14,763
580,000	8,820,000
73,218	5,692,404
-	11,364
-	2,739
<u>2,014,779</u>	<u>27,054,930</u>
-	13,700,483
-	7,470,356
14,228	151,367
-	635,622
461,691	2,989,982
-	7,490,315
7,552,480	17,551,054
-	1,159,852
<u>8,028,399</u>	<u>51,149,031</u>
1,549,326	16,963,450
32,919,574	70,129,949
-	9,955,299
-	40,669,949
-	31,411,557
<u>34,468,900</u>	<u>169,130,204</u>
<u>\$ 44,512,078</u>	<u>\$ 247,334,165</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total governmental fund balances		\$ 169,130,204
<i>Amounts reported for governmental activities on the statement of net position are different than the balance sheet because:</i>		
1. Capital assets used in governmental activities (excluding internal service funds capital assets) are not financial resources and therefore are not reported in the funds.		470,772,073
2. Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property and other local taxes receivable	\$ 11,746,722	
Municipal income taxes receivable	7,490,315	
Accounts receivable	2,989,982	
Special assessments receivable	635,622	
Accrued interest receivable	151,367	
Due from other governments	13,274,688	
Total		36,288,696
3. Internal service funds are used by management to charge the costs of fleet management fire fleet management, stores and reproduction, workers' compensation, health insurance and plumbing to individual funds. The assets and liabilities of the internal service funds are included in governmental activities on the statement of net position. The net position of the internal service funds, excluding internal balances of \$1,517,464 are:		29,595,149
4. In the statement of net position interest is accrued on bonds, whereas in governmental funds, interest is accrued when due.		(182,730)
5. Unamortized deferred amounts on refundings are not recognized in the governmental funds.		(2,248,745)
6. Unamortized premiums on bond issuances are not recognized in the governmental funds.		(3,669,558)
7. The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds		596,018
8. The net pension liability is not due and payable in the current period; therefore, the liability and related deferred outflows and inflows are not reported in the governmental funds.		(199,176,580)
9. The net OPEB liability is not due and payable in the current period; therefore, the liability and related deferred outflows and inflows are not reported in the governmental funds.		(55,692,969)
10. Long-term liabilities, including bonds and compensated absences are not due and payable in the current period and therefore are not reported in the funds (exclusive of internal service fund liabilities).		
General obligation bonds	(47,405,000)	
Revenue bonds	(19,205,000)	
State Infrastructure Bank Loan	(2,169,058)	
State Infrastructure Bank Bonds	(2,865,000)	
Compensated absences	(12,802,456)	
OPWC loans	(1,546,968)	
ODOD Loan	(1,489,311)	
Total		(87,482,793)
Net position of governmental activities		\$ 357,928,765

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvement</u>
Revenues:			
Municipal income taxes	\$ 133,500,732	\$ -	\$ -
Property and other taxes.	5,840,342	6,903,832	225,260
State shared taxes.	7,542,490	-	-
Charges for services.	25,900,996	160,000	70,294
Licenses and permits	2,257,013	-	-
Fines and forfeitures	1,702,624	-	-
Intergovernmental.	4,307,193	931,808	5,519,564
Special assessments	270,629	28,573	-
Investment income.	2,285,276	14,820	-
Payments in lieu of taxes.	-	-	2,046,235
Increase in fair value of investments.	655,595	-	-
Other	8,522,703	25,000	349,288
Total revenues	<u>192,785,593</u>	<u>8,064,033</u>	<u>8,210,641</u>
Expenditures:			
Current:			
Downtown	1,679,049	-	-
Youth, education and human services.	49,999	-	-
Community development and neighborhoods.	14,720,865	-	364,107
Economic development	9,667,465	-	1,458,541
Leadership and quality of life	26,378,153	-	1,204,266
Corporate responsibility.	16,633,706	277,203	30,504
Public safety and justice.	112,157,810	-	-
Capital outlay	-	-	20,873,490
Debt service:			
Bond issuance costs	-	241,655	-
Principal retirement.	-	5,987,680	255,000
Interest and fiscal charges	-	2,466,817	10,989
Total expenditures	<u>181,287,047</u>	<u>8,973,355</u>	<u>24,196,897</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>11,498,546</u>	<u>(909,322)</u>	<u>(15,986,256)</u>
Other financing sources (uses):			
Bond issuance.	-	22,040,400	17,809,600
Payment to refunded bond escrow agent	-	(23,863,009)	-
Issuance of loans.	-	-	739,155
Transfers in	-	935,300	11,719,997
Transfers (out).	(13,458,794)	-	(337,000)
Premium on bond issuance	-	2,155,372	-
Total other financing sources (uses)	<u>(13,458,794)</u>	<u>1,268,063</u>	<u>29,931,752</u>
Net change in fund balances	(1,960,248)	358,741	13,945,496
Fund balances at beginning of year	<u>77,276,403</u>	<u>24,860,218</u>	<u>20,180,694</u>
Fund balances at end of year	<u>\$ 75,316,155</u>	<u>\$ 25,218,959</u>	<u>\$ 34,126,190</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 133,500,732
-	12,969,434
6,999,360	14,541,850
1,364,741	27,496,031
31,419	2,288,432
277,308	1,979,932
27,329,630	38,088,195
2,847,969	3,147,171
192,009	2,492,105
-	2,046,235
86,399	741,994
8,318,681	17,215,672
<u>47,447,516</u>	<u>256,507,783</u>
100	1,679,149
-	49,999
5,361,301	20,446,273
1,714,962	12,840,968
19,930,232	47,512,651
589,604	17,531,017
6,252,692	118,410,502
-	20,873,490
-	241,655
-	6,242,680
-	2,477,806
<u>33,848,891</u>	<u>248,306,190</u>
<u>13,598,625</u>	<u>8,201,593</u>
-	39,850,000
-	(23,863,009)
-	739,155
1,090,497	13,745,794
-	(13,795,794)
-	2,155,372
<u>1,090,497</u>	<u>18,831,518</u>
14,689,122	27,033,111
19,779,778	142,097,093
<u>\$ 34,468,900</u>	<u>\$ 169,130,204</u>

**CITY OF DAYTON, OHIO
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net change in fund balances - total governmental funds		\$ 27,033,111
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
1. Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$28,930,054) exceeded depreciation expense (\$15,287,368) in the current period (exclusive of internal service fund activity).	13,642,686	
2. The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.	(2,317,314)	
3. The golf enterprise transferred operations to the general fund during the year, the net impact was an increase in net position.	2,809,772	
4. Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	\$ 327,119	
Property and other local taxes	1,964,163	
Charges for services	670,314	
Intergovernmental	8,565,752	
Special assessments	(2,845,023)	
Investment income	(146,820)	
Total	<u>8,535,505</u>	
5. Repayments of bond and loan principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities on the statement of net position.		
Bond principal payments	5,935,000	
Loan principal payments	307,680	
Total	<u>6,242,680</u>	
6. Issuance of bonds and loans are recorded as an other financing source in the funds; however, in the statement of activities, they are not reported as revenues as they increase liabilities on the statement of net position.	(40,589,155)	
7. Payment to refunded bond escrow agent for the retirement of bonds is an other use in the governmental funds but the payment reduces long-term liabilities on the statement of net position. Deferred charges related to bond refundings are amortized over the life of the issuance in the statement of activities. The following refunding transactions occurred during the year:		
Bonds refunded, including refunded unamortized premiums	26,878,653	
Deferred charges on refundings,	(3,015,644)	
Total	<u>23,863,009</u>	
8. Premiums and discounts on bonds and notes are amortized over the life of the issuance in the statement of activities.	(2,155,372)	
9. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is due to the following:		
Increase in accrued interest payable	2,343	
Amortization of bond premiums and discounts	112,045	
Amortization of deferred charges on refundings	(89,458)	
Total	<u>24,930</u>	
10. Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(886,188)	
11. Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	16,907,148	
OPEB	321,918	
Total	<u>17,229,066</u>	
12. Except for amounts reported as deferred inflows/outflows, changes in the net pension liability pension asset/liability and net OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	(28,495,902)	
OPEB	(7,198,460)	
Total	<u>(35,694,362)</u>	
13. Internal service funds used by management to charge the costs of fleet management, fire fleet management, stores and reproduction, workers' compensation, health insurance, and plumbing to individual funds are not reported in the entity-wide statement of activities. Governmental fund expenditures and the related internal service funds revenues are eliminated. The net revenue of the internal service funds, excluding internal balances of \$439,241, is allocated among governmental activities.	<u>6,807,805</u>	
Change in net position of governmental activities		<u>\$ 24,546,173</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 130,900,000	\$ 130,900,000	\$ 133,730,879	\$ 2,830,879
Property and other taxes	6,543,900	6,543,900	6,248,001	(295,899)
State shared taxes	7,274,200	7,274,200	6,995,548	(278,652)
Charges for services	26,212,800	27,486,800	26,383,451	(1,103,349)
Licenses and permits	3,020,000	3,020,000	2,257,013	(762,987)
Fines and forfeitures	430,000	1,200,100	1,564,683	364,583
Intergovernmental	4,155,500	4,155,500	3,273,665	(881,835)
Special assessments	385,000	385,000	416,029	31,029
Investment income	1,083,300	1,083,300	2,376,366	1,293,066
Other	5,332,500	5,332,500	8,917,441	3,584,941
Total revenues	<u>185,337,200</u>	<u>187,381,300</u>	<u>192,163,076</u>	<u>4,781,776</u>
Expenditures:				
Current:				
Downtown	2,512,000	2,072,500	1,969,057	103,443
Youth, education and human services	-	-	49,937	(49,937)
Community development and neighborhoods	15,543,000	15,397,700	14,796,372	601,328
Economic development	8,172,200	8,704,500	7,673,093	1,031,407
Leadership and quality of life	26,884,300	26,886,700	25,130,710	1,755,990
Corporate responsibility	18,442,900	18,279,200	17,836,840	442,360
Public safety and justice	106,804,000	110,381,600	107,669,617	2,711,983
Other	5,852,600	6,608,500	5,757,902	850,598
Total expenditures	<u>184,211,000</u>	<u>188,330,700</u>	<u>180,883,528</u>	<u>7,447,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,126,200</u>	<u>(949,400)</u>	<u>11,279,548</u>	<u>12,228,948</u>
Other financing uses:				
Transfers (out)	(8,092,400)	(14,878,800)	(14,878,794)	6
Total other financing uses	<u>(8,092,400)</u>	<u>(14,878,800)</u>	<u>(14,878,794)</u>	<u>6</u>
Net change in fund balances	(6,966,200)	(15,828,200)	(3,599,246)	12,228,954
Fund balance at beginning of year	68,597,894	68,597,894	68,597,894	-
Prior year encumbrances appropriated	4,648,007	4,648,007	4,648,007	-
Balance Sheet Adjustments	1,876,650	1,876,650	1,876,650	-
Fund balance at end of year	<u>\$ 68,156,351</u>	<u>\$ 59,294,351</u>	<u>\$ 71,523,305</u>	<u>\$ 12,228,954</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020

Business-type Activities - Enterprise Funds

	Dayton			Nonmajor Enterprise Funds
	International Airport	Water	Sewer	
Assets:				
Current assets:				
Equity in pooled cash and investments.	\$ 41,478,878	\$ 74,912,054	\$ 54,377,763	\$ 23,265,009
Receivables:				
Accounts.	3,549,136	6,740,385	4,446,894	1,631,054
Special assessments	-	658,017	291,133	557,802
Accrued interest	71,506	112,859	58,850	33,304
Due from other funds	-	3,903,350	-	-
Due from other governments.	5,494,256	306,864	-	-
Loans receivable.	-	558,551	-	-
Advances to other funds	-	-	-	-
Materials and supplies inventory.	11,625	1,953,858	-	-
Inventory held for resale.	-	-	-	-
Prepayments	193,414	190,965	78,788	-
Total current assets	<u>50,798,815</u>	<u>89,336,903</u>	<u>59,253,428</u>	<u>25,487,169</u>
Noncurrent assets:				
Net pension asset.	91,764	222,132	107,734	35,443
Capital assets:				
Land and construction in progress.	37,100,922	15,812,755	22,828,572	1,661,785
Depreciable capital assets, net.	257,898,281	152,908,934	102,480,810	10,938,911
Total capital assets, net.	<u>294,999,203</u>	<u>168,721,689</u>	<u>125,309,382</u>	<u>12,600,696</u>
Restricted assets:				
Equity in pooled cash and investments	1,067,100	184,334	-	-
Investments with fiscal and escrow agents	6,484,013	2,318,740	2,301,089	-
Total restricted assets.	<u>7,551,113</u>	<u>2,503,074</u>	<u>2,301,089</u>	<u>-</u>
Total noncurrent assets	<u>302,642,080</u>	<u>171,446,895</u>	<u>127,718,205</u>	<u>12,636,139</u>
Total assets	<u>353,440,895</u>	<u>260,783,798</u>	<u>186,971,633</u>	<u>38,123,308</u>
Deferred outflows of resources:				
Asset retirement obligation	420,000	65,000	25,000	-
Unamortized deferred charges on debt refunding	1,138,376	175,734	179,355	-
Pension.	2,056,520	3,418,347	1,657,891	624,595
OPEB.	1,455,453	2,460,788	1,191,182	394,341
Total deferred outflows of resources	<u>5,070,349</u>	<u>6,119,869</u>	<u>3,053,428</u>	<u>1,018,936</u>
Total assets and deferred outflows of resources	<u>358,511,244</u>	<u>266,903,667</u>	<u>190,025,061</u>	<u>39,142,244</u>

	Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$	194,033,704	\$ 37,297,702
	16,367,469	16,777
	1,506,952	-
	276,519	32,487
	3,903,350	-
	5,801,120	32,589
	558,551	-
	-	7,740,000
	1,965,483	-
	-	510,786
	463,167	2,083
	<u>224,876,315</u>	<u>45,632,424</u>
	457,073	45,382
	77,404,034	75,000
	524,226,936	1,002,925
	<u>601,630,970</u>	<u>1,077,925</u>
	1,251,434	-
	11,103,842	-
	<u>12,355,276</u>	<u>-</u>
	614,443,319	1,123,307
	<u>839,319,634</u>	<u>46,755,731</u>
	510,000	2,070,000
	1,493,465	-
	7,757,353	879,167
	5,501,764	672,988
	<u>15,262,582</u>	<u>3,622,155</u>
	<u>854,582,216</u>	<u>50,377,886</u>

- - Continued

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
DECEMBER 31, 2020

Business-type Activities - Enterprise Funds

	Dayton			Nonmajor Enterprise Funds
	International Airport	Water	Sewer	
Liabilities:				
Current liabilities:				
Accounts payable	244,410	1,570,400	1,092,842	560,952
Contracts payable	1,840,079	1,555,391	1,351,510	18,820
Retainage payable	253,541	147,774	822,163	2,899
Accrued wages and benefits payable	339,393	838,854	439,062	143,636
Due to other funds	181,898	112,166	3,276,599	728,649
Due to other governments	1,538,942	866,664	230,898	26,571
Accrued interest payable	260,020	126,015	149,505	8,224
Compensated absences payable - current	484,822	1,086,150	521,042	176,213
General obligation bonds payable	610,000	930,000	715,000	145,000
Revenue bonds payable	3,115,000	1,245,000	1,200,000	-
OWDA loans payable	-	-	1,005,692	-
OPWC loans payable	-	-	25,000	-
Other loans payable	71,402	-	-	-
Claims and judgments payable	-	-	-	-
Asset retirement obligations	420,000	65,000	25,000	-
Payable from restricted assets:				
Utility deposits	-	184,334	-	-
Total current liabilities	9,359,507	8,727,748	10,854,313	1,810,964
Long-term liabilities:				
Compensated absences payable	325,088	728,297	349,376	118,157
General obligation bonds payable	6,245,660	12,634,750	8,643,515	2,855,000
Revenue bonds payable	66,233,476	27,407,375	29,979,460	-
OWDA loans payable	-	-	2,324,425	-
Other loans payable	4,243,234	-	-	-
Net OPEB liability	6,886,538	15,271,689	7,406,739	2,436,733
Net pension liability	13,024,331	21,990,561	10,665,377	3,508,788
Claims and judgments payable	-	-	-	-
Total long-term liabilities	96,958,327	78,032,672	59,368,892	8,918,678
Total liabilities	106,317,834	86,760,420	70,223,205	10,729,642
Deferred inflows of resources:				
OPEB	2,079,111	2,597,601	1,226,931	404,006
Pension	4,670,477	5,302,714	2,515,592	838,946
Total deferred inflows of resources	6,749,588	7,900,315	3,742,523	1,242,952
Total liabilities and deferred inflows of resources.	113,067,422	94,660,735	73,965,728	11,972,594
Net position:				
Net investment in capital assets	213,525,187	124,977,133	79,421,972	9,578,977
Restricted for debt service	7,551,113	2,318,740	2,301,089	-
Unrestricted	24,367,522	44,947,059	34,336,272	17,590,673
Total net position	\$ 245,443,822	\$ 172,242,932	\$ 116,059,333	\$ 27,169,650

Adjustment to reflect the consolidation of the internal service funds activities related to enterprise funds.

Net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
3,468,604	160,195
4,765,800	5,201
1,226,377	-
1,760,945	113,955
4,299,312	-
2,663,075	34,219
543,764	-
2,268,227	194,114
2,400,000	-
5,560,000	-
1,005,692	-
25,000	-
71,402	-
-	5,262,722
510,000	2,070,000
184,334	-
<u>30,752,532</u>	<u>7,840,406</u>
1,520,918	130,160
30,378,925	-
123,620,311	-
2,324,425	-
4,243,234	-
32,001,699	3,120,007
49,189,057	4,492,671
-	1,437,901
<u>243,278,569</u>	<u>9,180,739</u>
<u>274,031,101</u>	<u>17,021,145</u>
6,307,649	816,048
13,327,729	1,428,080
<u>19,635,378</u>	<u>2,244,128</u>
<u>293,666,479</u>	<u>19,265,273</u>
427,503,269	1,077,925
12,170,942	-
<u>121,241,526</u>	<u>30,034,688</u>
560,915,737	<u>\$ 31,112,613</u>
<u>1,517,464</u>	
<u>\$ 562,433,201</u>	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	\$ 14,326,887	\$ 51,143,602	\$ 34,921,059	\$ 8,953,628
Other operating revenues	6,128,284	6,630,986	1,099,149	67,919
Total operating revenues.	<u>20,455,171</u>	<u>57,774,588</u>	<u>36,020,208</u>	<u>9,021,547</u>
Operating expenses:				
Personal services	7,793,393	16,404,318	8,032,153	3,043,996
Fringe benefits.	3,946,220	9,705,432	4,693,174	1,303,547
Contract services.	4,843,244	10,447,499	8,778,374	1,394,771
Materials and supplies.	919,851	4,546,052	2,515,168	203,932
Cost of sales.	-	-	-	-
Utilities	1,493,303	4,620,692	2,159,239	96,991
Claims expense	-	-	-	-
Depreciation.	15,643,759	7,696,870	5,561,662	1,802,607
Other	2,875,417	2,363,522	1,022,964	530,886
Total operating expenses.	<u>37,515,187</u>	<u>55,784,385</u>	<u>32,762,734</u>	<u>8,376,730</u>
Operating income (loss)	<u>(17,060,016)</u>	<u>1,990,203</u>	<u>3,257,474</u>	<u>644,817</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(3,212,963)	(1,371,401)	(719,194)	(8,224)
Gain (loss) on sale of capital assets.	238,332	(42,815)	-	(10,292)
Bond issuance costs	-	(72,376)	(289,781)	-
Interest income.	476,468	814,652	374,573	197,194
Intergovernmental	7,407,792	498,905	-	-
Increase in fair value of investments.	172,472	264,466	115,021	86,980
Total nonoperating revenues (expenses).	<u>5,082,101</u>	<u>91,431</u>	<u>(519,381)</u>	<u>265,658</u>
Income (loss) before contributions, transfers and special items	(11,977,915)	2,081,634	2,738,093	910,475
Transfer in	-	-	-	50,000
Special item - transfer of operations.	-	-	-	(2,809,772)
Capital contributions.	10,484,424	-	-	-
Change in net position	(1,493,491)	2,081,634	2,738,093	(1,849,297)
Net position at beginning of year.	<u>246,937,313</u>	<u>170,161,298</u>	<u>113,321,240</u>	<u>29,018,947</u>
Net position at end of year	<u>\$ 245,443,822</u>	<u>\$ 172,242,932</u>	<u>\$ 116,059,333</u>	<u>\$ 27,169,650</u>

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.

Change in net position of business-type activities

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ 109,345,176	\$ 41,283,825
13,926,338	1,923,219
<u>123,271,514</u>	<u>43,207,044</u>
35,273,860	3,422,485
19,648,373	1,897,974
25,463,888	2,077,297
8,185,003	369,585
-	3,579,335
8,370,225	18,092
-	24,999,923
30,704,898	85,429
6,792,789	65,351
<u>134,439,036</u>	<u>36,515,471</u>
(11,167,522)	6,691,573
(5,311,782)	-
185,225	-
(362,157)	-
1,862,887	464,479
7,906,697	-
638,939	90,994
<u>4,919,809</u>	<u>555,473</u>
(6,247,713)	7,247,046
50,000	-
(2,809,772)	-
<u>10,484,424</u>	<u>-</u>
1,476,939	7,247,046
	<u>23,865,567</u>
	<u>\$ 31,112,613</u>
<u>439,241</u>	
<u>\$ 1,916,180</u>	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Funds
Cash flows from operating activities:				
Cash received from customers.	\$ 16,259,890	\$ 51,211,387	\$ 33,970,848	\$ 8,810,261
Cash received from interfund services provided.	-	-	-	-
Cash received from other operations	4,242,404	6,670,011	1,099,149	67,919
Cash payments for personal services.	(8,198,384)	(16,620,113)	(8,029,503)	(3,158,256)
Cash payments for fringe benefits.	(3,518,811)	(6,888,953)	(3,328,236)	(1,409,205)
Cash payments for contractual services	(4,746,334)	(10,365,001)	(8,701,258)	(1,420,358)
Cash payments for materials and supplies	(809,678)	(4,545,307)	(2,421,209)	(197,241)
Cash payments for cost of goods sold.	-	-	-	-
Cash payments for utilities.	(1,484,152)	(4,320,203)	(2,356,477)	(116,326)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(2,879,775)	(2,390,608)	(1,022,801)	(535,132)
Net cash provided by (used in) operating activities.	<u>(1,134,840)</u>	<u>12,751,213</u>	<u>9,210,513</u>	<u>2,041,662</u>
Cash flows from noncapital financing activities:				
Cash received from loans to external party.	-	167,718	-	-
Cash payments for loans to external party.	-	(9,800)	-	-
Cash received from grants.	7,407,792	498,905	-	-
Cash received from transfers in	-	-	-	50,000
Cash received from interfund loans.	-	-	-	-
Net cash provided by noncapital financing activities.	<u>7,407,792</u>	<u>656,823</u>	<u>-</u>	<u>50,000</u>
Cash flows from capital and related financing activities:				
Capital contributions.	7,616,866	-	-	-
Cash received from the sale of capital assets.	238,332	-	(10,153,005)	-
Acquisition of capital assets	(14,206,004)	(11,436,797)	-	(1,063,594)
Principal paid on loans.	(141,220)	-	(993,119)	-
Interest paid on loans.	(58,590)	-	(92,968)	-
Principal paid on bonds.	(3,590,000)	(2,305,000)	(1,470,000)	-
Interest paid on bonds.	(3,235,452)	(1,462,038)	(650,722)	-
Bond issuance costs.	-	(72,376)	(289,781)	-
Loan proceeds.	-	-	896,764	-
Payment to refunded bond escrow agent	-	(8,921,963)	(9,105,609)	-
Premium on bonds.	-	1,584,633	3,597,090	-
Bond proceeds.	-	7,245,000	23,770,000	3,000,000
Net cash provided by (used in) capital and related financing activities.	<u>(13,376,068)</u>	<u>(15,368,541)</u>	<u>5,508,650</u>	<u>1,936,406</u>
Cash flows from investing activities:				
Interest received and fair value adjustment	746,154	1,209,316	573,986	319,321
Net cash provided by investing activities	<u>746,154</u>	<u>1,209,316</u>	<u>573,986</u>	<u>319,321</u>
Net increase (decrease) in cash and investments.	(6,356,962)	(751,189)	15,293,149	4,347,389
Cash and investments at beginning of year.	55,386,953	78,166,317	41,385,703	18,917,620
Cash and investments at end of year.	<u>\$ 49,029,991</u>	<u>\$ 77,415,128</u>	<u>\$ 56,678,852</u>	<u>\$ 23,265,009</u>

Business-type Activities Enterprise Funds Total		Governmental Activities - Internal Service Funds	
\$	110,252,386	\$	-
	-		41,317,827
	12,079,483		1,923,219
	(36,006,256)		(3,453,195)
	(15,145,205)		(1,471,234)
	(25,232,951)		(2,002,175)
	(7,973,435)		(367,525)
	-		(3,587,775)
	(8,277,158)		(18,470)
	-		(25,005,279)
	(6,828,316)		(65,406)
	<u>22,868,548</u>		<u>7,269,987</u>
	167,718		-
	(9,800)		-
	7,906,697		-
	50,000		-
	-		<u>1,420,000</u>
	<u>8,114,615</u>		<u>1,420,000</u>
	7,616,866		-
	(9,914,673)		-
	(26,706,395)		(232,880)
	(1,134,339)		-
	(151,558)		-
	(7,365,000)		-
	(5,348,212)		-
	(362,157)		-
	896,764		-
	(18,027,572)		-
	5,181,723		-
	<u>34,015,000</u>		-
	<u>(21,299,553)</u>		<u>(232,880)</u>
	<u>2,848,777</u>		<u>580,400</u>
	<u>2,848,777</u>		<u>580,400</u>
	12,532,387		9,037,507
	<u>193,856,593</u>		<u>28,260,195</u>
\$	<u><u>206,388,980</u></u>	\$	<u><u>37,297,702</u></u>

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**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (17,060,016)	\$ 1,990,203	\$ 3,257,474	\$ 644,817
Adjustments:				
Depreciation.	15,643,759	7,696,870	5,561,662	1,802,607
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable.	222,206	24,914	(910,892)	(151,105)
Increase in net pension asset.	(34,474)	(95,063)	(46,588)	(10,069)
Decrease in deferred outflows - pension.	4,116,121	6,228,670	2,945,085	1,319,746
Decrease (increase) in deferred outflows - OPEB	(214,403)	(1,014,115)	(521,396)	(84,003)
Decrease in due from other funds.	-	29,187	-	-
Decrease (increase) in due from other governments.	(175,083)	123,063	-	-
Decrease (increase) in prepayments.	(25,428)	(1,926)	45,123	7,595
Decrease (increase) in special assessments receivable.	-	(79,274)	(39,319)	7,738
Decrease in materials and supplies inventory.	26,979	31,954	-	-
Increase in inventory held for resale.	-	-	-	-
Increase (decrease) in accounts payable.	96,328	(623,283)	181,088	470,621
Increase (decrease) in contracts payable	1,348,406	(59,306)	(456,166)	(435,817)
Increase (decrease) in retainage payable	(1,455,897)	(175,916)	182,353	(81,923)
Increase (decrease) in accrued wages and benefits.	(354,669)	449,496	(120,084)	(76,462)
Increase (decrease) in due to other funds.	181,826	100,890	54,083	17,412
Decrease in net pension liability.	(7,524,801)	(9,209,609)	(4,348,105)	(2,721,618)
Increase (decrease) in net OPEB liability.	(999,295)	245,451	175,281	(657,819)
Increase in deferred inflows - pension.	3,569,551	4,389,702	2,068,127	1,305,113
Increase in deferred inflows - OPEB.	1,644,712	2,426,651	1,144,661	786,646
Increase (decrease) in due to other governments.	(6,210)	205,612	(57,825)	(57,858)
Increase (decrease) in compensated absences payable.	(134,452)	58,122	95,951	(43,959)
Increase in utility deposits.	-	8,920	-	-
Decrease in claims payable.	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ (1,134,840)</u>	<u>\$ 12,751,213</u>	<u>\$ 9,210,513</u>	<u>\$ 2,041,662</u>

Non-cash transactions:

During 2020, the Dayton International Airport and Storm Water funds received \$2,876,206 and \$68,451, respectively in capital grants, which were recognized as receivables in 2019. Receivables in the amount of \$5,743,764 have been recorded for capital grants in 2020 for the Dayton International Airport.

At December 31, 2020, the Dayton International Airport, Water, Sewer and Storm Water enterprise funds purchased \$1,482,664, \$1,612,266, \$2,352,490, and \$557,131 respectively, in capital assets on account. At December 31, 2019, the Dayton International Airport, Water, Sewer and Storm Water enterprise funds purchased \$3,158,660, \$2,086,620, \$2,601,853 and \$390,408, respectively, in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Business-type Activities Enterprise Funds Total	Governmental Activities - Internal Service Funds
\$ (11,167,522)	\$ 6,691,573
30,704,898	85,429
(814,877)	(14,460)
(186,194)	(18,327)
14,609,622	1,378,121
(1,833,917)	(189,773)
29,187	47,607
(52,020)	855
25,364	19,480
(110,855)	-
58,933	-
-	(8,440)
124,754	58,658
397,117	121
(1,531,383)	-
(101,719)	(37,329)
354,211	(800)
(23,804,133)	(2,150,321)
(1,236,382)	(76,570)
11,332,493	958,790
6,002,670	542,241
83,719	(10,442)
(24,338)	(1,070)
8,920	-
-	(5,356)
<u>\$ 22,868,548</u>	<u>\$ 7,269,987</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020

	Custodial
Assets:	
Equity in pooled cash and investments	\$ 3,107,584
Cash with fiscal agent	450,739
Investments	1,243,127
Receivables (net of allowances for uncollectibles):	
Special assessments.	16,082,441
Income taxes	38,785
Total assets	20,922,676
Liabilities:	
Due to other governments	35,157
Due to others	196,181
Total liabilities	231,338
Net position:	
Restricted for individuals, organizations and other governments .	20,691,338
Total net position	\$ 20,691,338

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial
Additions:	
From local sources:	
Amounts held for employees	\$ 256,601
Licenses, permits and fees for other governments	48,950
Fines and forfeitures for other governments	3,194,129
Income tax collection for other governments	154,294
Special assessments collections for other governments	13,080,369
Earnings on investments	57,969
Other custodial fund collections	2,050,594
Total additions	18,842,906
Deductions:	
Distributions to the State of Ohio	660,078
Distributions of state funds to other governments	65,851
Distributions to individuals	110,907
Fines and forfeitures distributions to other governments	2,869,971
Special assessment distributions to other governments	3,098,574
Other custodial fund disbursements	6,947
Total deductions	6,812,328
Net change in fiduciary net position	12,030,578
Net position beginning of year	8,660,760
Net position end of year	\$ 20,691,338

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1 - DESCRIPTION OF THE CITY

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements (BFS) of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental financial accounting principles.

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements 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, 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; or (3) the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) 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 does not have any component units.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The City is associated with the following eleven jointly governed organizations:

JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Regional Planning Commission - The Miami Valley Regional Planning Commission (the Commission) is a jointly governed organization between Preble, Clark, Clinton, Darke, Greene, Miami and Montgomery Counties, the City of 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 \$65,102 for the operation of the Commission during 2020. Financial information can be obtained from Brian O. Martin, Executive Director, at 10 N. Ludlow Street Suite 700, Dayton, Ohio 45402.

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 \$33,966 for the operation of the Alliance during 2020. Financial information can be obtained from Franklin E. Clay, Executive Director, at 444 W. Third Street, Sinclair Building 20, Room 231, Dayton, Ohio 45402.

Miami Township-Dayton Joint Economic Development District - In an effort to promote regional growth and economic development, the City has entered into a contract with Miami Township to create a Joint Economic Development District (JEDD). The City entered into a separate contract with Miami Township in July, 2005. In accordance with State law, the District's Board of Trustees levied a 1.75% income tax effective January 1, 2008. The proceeds of that tax are allocated, in accordance with the contract, primarily to the Township. In consideration for its receipt of a share of the District's income taxes, the City will receive 50% of the income tax revenue from parcels located within the District. The Township will utilize these JEDD revenues, in part, to construct infrastructure and improvement near the Dayton-Wright Brothers Airport. The City received \$81,882 in revenues through the JEDD in 2020. Financial information can be obtained from Clay McCord, Treasurer, at 2700 Lyons Road, Miamisburg, Ohio 45342.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Butler Township-Dayton Joint Economic Development District - In an effort to promote regional growth and economic development, the City has entered into a contract with Butler Township to create a Joint Economic Development District (JEDD). Financial information can be obtained from Erika Vogel, Fiscal Officer, 3510 Sudachi Drive, Dayton, Ohio 45414. The City entered into a separate contract with Butler Township in July, 2006. In accordance with State Law, the District's Board of Trustees levied a 1.75% income tax effective in 2008. The proceeds of that tax are allocated, in accordance with the contract, to the Township. In consideration for its receipt of a share of the District's income taxes, the City will receive 50% of the income tax revenue from parcels located within the District. The District will utilize these JEDD revenues to facilitate economic development to create or preserve jobs and employment opportunities and to improve economic welfare. The City received \$9,370 in revenues through the JEDD in 2020.

Economic Development/Government Equity Program - The Economic Development/Government Equity Program (ED/GE) was established pursuant to Ohio Revised Code Chapter 307 for the purpose of developing and promoting plans and programs designed to assure that County resources are efficiently used, economic growth is properly balanced, and that County economic development is coordinated with that of the State of Ohio and other local governments. Members include villages, townships, and cities within Montgomery County, and Montgomery County itself. Cooperation and coordination between the members is intended to promote economic health and improve the economic opportunities of the people in Montgomery County by assisting in the establishment or expansion within the County of industrial, commercial or research facilities and by creating and preserving job and employment opportunities for the people of the County. The ED/GE Advisory Committee, made up of alternating member entities representatives, decides which proposed projects will be granted each year. Sales tax revenues, set aside by Montgomery County, are used to fund the projects. Members annually contribute to or receive benefits based on an elaborate zero-based formula designed to distribute growth in contributing communities to those communities experiencing less economic growth. 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 2020. Financial information can be obtained from Dan Bish, Montgomery County, 451 W. Third Street, 10th Floor, Dayton, OH 45422, 937-224-3850, e-mail: bishd@mcoho.org

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. The City did not contribute to the operation of the Council during 2020. Financial information can be obtained from Tom Kelley, Executive Director, at 451 West Third Street, P.O. Box 972, Dayton, Ohio 45422-3100.

Hazardous Material Response Team - The City is a member of a Hazardous Material Response Team ("HAZMAT") 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 HAZMAT Advisory Board oversees the operation of HAZMAT and consists of representatives from sixteen organizations. The City's ability to affect operations is limited to its representation on the Board.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 HAZMAT. During 2020, the City contributed \$20,314 to HAZMAT. Financial information can be obtained from Danny Bristow, Coordinator, at 444 West Third Street, Suite 20-231, Dayton, Ohio 45402.

Montgomery County Office of Emergency Management - The Montgomery County Office of Emergency Management (MCOEM) is a jointly governed organization between various political subdivisions in the Miami Valley Region. The MCOEM is responsible for developing plans and programs that prepare the region to effectively prevent, respond to, and recover from catastrophic disasters.

The funding for the operation of the MCOEM is through contributions from each participating entity. Payments to the MCOEM are made from the general fund. The City did not contribute to the operations of MCOEM during 2020. Financial information can be obtained from Jeff Jordan, Executive Director, 117 South Main Street, Suite 721, Dayton, Ohio 45422.

Montgomery County Regional Radio Council - The Montgomery County Regional Radio Council (the Council) is a Council of Governments that has representatives from political jurisdictions in Montgomery County, local colleges and universities and other entities that use the radio system. The Council was established to provide oversight and direction for the county-wide 800 MHz P25 public safety communications system. The Council is responsible for recommending the operating, maintenance and capital replacement budgets, approve fees and/or fee structures, monitoring the contract with the State of Ohio's Multi-Agency Radio Communication System (MARCS) and recommending operational policies and procedures. The Montgomery County Sheriff has the responsibility of daily operations.

The funding for the operation of the Council is through user fees from each participating entity. Payments to the Agency are made from the general fund. The City did not contribute to the operations of the Council during 2020. Financial information can be obtained from Jay Weiskircher, MVCC Executive Director, 1195 Alex Bell Road, Centerville, Ohio 45459.

Preschool Promise - Preschool Promise began in 2016 when the City of Dayton voters passed a 0.25% income tax increase to support critical city services and to offer 1 year of affordable, quality Preschool to all Dayton families with a 4-year-old. This move institutionalized Preschool Promise in Dayton and provides sustained funding. Dayton made this bold leap after our community successfully implemented Preschool Promise demonstration programs in Northwest Dayton in the 2016-17 school year. These pilot efforts were made possible by multiple public and private funders, with the City of Dayton funding at the forefront. Because of the overwhelming support of Dayton voters - 56% voted "yes" for Issue 9 - Preschool Promise was expanded to all of Dayton beginning in the 2107-18 school year.

In 2017, Preschool Promise became a stand-alone 501(c)(3) organization, and is now led by a 5-member board of directors. It is fiscally separate from Learn to Earn Dayton, though it remains a close partner. The funding for the operation of the Preschool Promise is through contributions from each participating entity. Payments to Preschool Promise are made from the City's general fund. The City paid \$3,328,987 to Preschool Promise during 2020. Financial information can be obtained from Robyn Lightcap, Executive Director, 4801 Springfield Street, Dayton, Ohio 45431. Robyn.Lightcap@preschoolpromise.org.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Dayton Arcade New Community Authority Financing Authority - The Dayton Arcade New Community Authority Financing Authority ("NCA") was established under Chapter 349 of the Ohio Revised Code. The NCA is a quasi-governing body put in place that allows the City to fund part of the community benefits agreement related to the Arcade Building complex. It is a revenue-generating structure, so it helps support the sustainability of the Arcade development project. The Board of Trustees of the NCA is comprised of seven members, appointed by the City Commission. These members include a representative from the University of Dayton and two other developer members, three citizen members and one representative from the City.

The arcade development is a \$95 million public-private partnership, including a loan agreement that provides \$11 million to be loaned to Citywide, who, in turn, will lend the funds into the Arcade new market tax credit structure for seven years. This amount includes \$1 million in funding from Montgomery County. The City part of the leveraged investment. The Community Benefits Agreement extends benefits from the Arcade Innovation Hub into Dayton's neighborhoods. The organizations behind the innovation hub — the University of Dayton and The Entrepreneurs Center — signed a 10-year lease for the Arcade. The Community Reinvestment Area abatements provide real property tax incentives to the project in accordance with the City's agreement with Dayton Public Schools. Resolutions on the energy and public improvements will fund energy improvements, with repayment of private debt generated from a special assessment on the properties. Financial Information can be obtained from Todd Kinskey, Secretary of the Board, and Diane Shannon, Treasurer of the Board, 101 W. Third Street, Dayton, Ohio 45402.

B. Basis of Presentation

The City's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities.

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

C. Fund Accounting

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

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

General fund - The general fund accounts for all financial resources except those required to be accounted for in another fund.

Debt service fund - To account for various revenues collected for payment of general obligation debt principal, interest and related costs.

Capital improvement fund - To account for resources used to purchase equipment and construct capital assets.

Other governmental funds of the City are used to account for grants and other resources whose use is restricted to a particular purpose. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the BFS.

2. **Proprietary Funds** - Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.
 - a. **Enterprise Funds** - The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Sewer - To account for the provision of sanitary sewer service to the residential, commercial, and industrial consumers of the City 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.

Other enterprise funds of the City are used to account for the provision of storm sewers to the residents of the City and to account for the operations of the City's golf courses. This fund was closed during 2020 and the golf operations were transferred to the general fund. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the BFS.

- b. *Internal Service Funds* - The internal service funds 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. The City's internal service funds include programs for fleet maintenance, fire fleet maintenance, plumbing services, workers' compensation, health insurance and stores and reproduction services.
3. *Fiduciary Funds* - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. Custodial funds are custodial in nature and are prepared using the economic resources measurement focus. The City's only fiduciary funds are custodial funds which are used to account for items such as building permit surcharges, municipal court accounts, JEDD activity, and other situations where the City's role is purely custodial, such as the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, and other governments.

D. Measurement Focus

Government-Wide Financial Statements - The government-wide and proprietary fund financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the City are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for the airport, water, sewer, storm water and golf enterprise funds and charges for services to other departments for goods and services provided by the internal service funds for fleet management, fire fleet management, stores and reproduction services, health insurance, a Workers' Compensation program and plumbing shop services. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

Custodial funds use the economic resources measurement focus.

E. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, available means expected to be received within sixty days of year end.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from income taxes is recognized in the period in which the income is earned (See Note 7). Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: income tax, State-levied locally shared taxes (including gasoline tax, local government funds and permissive tax), fines and forfeitures, interest, grants, fees and rentals.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, See Notes 17 and 18 for deferred outflows of resources related to the City's net pension liability and net OPEB liability, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, payments in lieu of taxes, unavailable revenue and unamortized deferred loss on refunding. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the City, unavailable revenue includes, but is not limited to, income taxes, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 17 and 18 for deferred inflows of resources related to the City's net pension liability and net OPEB liability, respectively. This deferred inflow of resources is only reported on the government-wide statement of net position and proprietary fund statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

F. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code, the City's Charter and City Ordinances and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget rate resolution, 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 custodial funds, are legally required to be budgeted. The Capital Improvement fund and the HUD Programs fund, pursuant to the City's charter, are not required to be budgeted annually.

These funds' appropriations, after their initial appropriations by City Commission at the time capital monies/grants are received (bond proceeds, etc.), remain intact until they are expended or modified by City Commission. Such monies are appropriated on a project level with specific identification of each project being budgeted.

The City prepares its budget on a non-GAAP budgetary basis which is the modified accrual basis with certain exceptions. 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 BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 unassigned 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 2020.

Appropriations - A temporary appropriation measure to control expenditures may be passed prior to 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 Department of Procurement, Management & Budget. All other modifications may only be made by ordinance of City Commission. During the year, several supplemental appropriation measures were passed. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

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 assign 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 assignments of fund balances for subsequent-year expenditures for the general fund.

Lapsing of Appropriations - At the close of each year, the unencumbered balance of each operating 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.

G. Cash and Cash Equivalents

Cash balances of the City's funds, except cash and cash equivalents and investments held by fiscal and escrow agents, 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 investments" on the statement of net position.

During 2020, investments were limited to federal agency securities, U.S. Treasury notes, commercial paper, City owned debt, U.S. Government money market mutual funds, corporate notes, municipal bonds, negotiable certificates of deposit and the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for non-participating investment contracts, investments are stated at fair value which is based on quoted market prices. For U.S. Government money market mutual funds, fair value is determined by the fund's share price at December 31, 2020. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

STAR Ohio (the State Treasury Asset Reserve of 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 has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The City measures its investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

For purposes of the statement of cash flows and for presentation on the financial statements, 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.

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, money held by the Dayton Foundation and money in the executive savings plan are shown as "cash with fiscal and escrow agents" and "investments with fiscal and escrow agents" and "cash with fiscal agent".

Interest income is distributed to the funds according to City Ordinance and statutory requirements. Interest revenue earned during 2020 was \$2,285,276 in the general fund, which includes \$1,520,498 assigned from other City funds.

H. Inventory of Supplies

Inventories held for resale are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Materials and supplies are reported at cost.

I. 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 "equity in pooled cash and investments" and "investments with fiscal and escrow agents". The "equity in pooled cash and investments" represent utility deposits held by the City and the collateral account for the Jobs Ohio Loan. The "investment with fiscal and escrow agents" are the proceeds from bond and loan issues that are required by the investment indenture or loan agreement to be held by a financial services corporation.

J. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The City maintains a capitalization threshold of \$5,000. The City’s infrastructure consists of bridges, curbs, lighting, sidewalks, and roads. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest incurred during the construction of capital assets is capitalized in the proprietary funds.

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

<u>Description</u>	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Improvements other than buildings	5 - 40 years	5 - 50 years
Buildings and improvements	5 - 50 years	5 - 50 years
Equipment	3 - 30 years	3 - 40 years
Vehicles	3 - 20 years	3 - 25 years
Software	3 - 5 years	3 - 5 years
Infrastructure	25 - 50 years	

K. Interfund Balances

On fund financial statements, long-term interfund loans are classified as “advances to/from other funds” on the balance sheet. All other outstanding balances between funds are reported as “due to/from other funds”. These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

L. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount at the time of the purchase and the expenditure/expense in the year in which services are consumed.

M. 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

The entire compensated absence liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

N. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full, from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases and long-term loans are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

O. Bond Premium and Discount/Accounting Gain or Loss

Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds. Bond discounts are presented as a reduction to the face amount of the bonds.

For advance refundings resulting in the defeasance of debt reported in the government-wide financial statements and in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow or deferred outflow of resources

On the governmental fund financial statements, bond premiums and discounts are recognized in the current period. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 14.

P. Interfund Activity

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

Q. Fund Balance

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

Restricted - Fund balance is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments, imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance) of City Commission (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless City Commission removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In accordance with the City’s fund balance policy, assigned amounts represent intended uses established by policies of City Commission, which includes giving the Finance Director the authority to constrain monies for intended purposes.

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

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

R. Estimates

The preparation of the BFS in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the BFS and accompanying notes. Actual results may differ from those estimates.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

S. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

T. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The City did not have any net position restricted by enabling legislation.

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

U. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

V. Asset Retirement Obligations

The City owns and maintains underground storage tanks at several locations throughout the City, including at the Dayton International Airport and the Fleet Maintenance Garage at Ottawa Yards. The City and the State of Ohio follow federal financial responsibility rules for underground storage tanks. In accordance with GASB Statement No. 83, an asset retirement obligation liability in the amount of \$2,835,000 was recorded on the Statement of Net Position based on construction estimates and was offset with a deferred outflow of resources. The storage tanks do not have an estimated date for remediation.

W. Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

Change in Accounting Principles

For 2020, the City has implemented GASB Statement No. 83, "Certain Asset Retirement Obligations".

GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability. The City reported an ARO liability on the Statement of Net Position

For 2020, the City has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 87 and 89, which were originally due to be implemented in 2020. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The following pronouncement is postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2021:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

The following pronouncements are postponed by eighteen months and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

NOTE 4 - DEPOSITS AND INVESTMENTS

State Statutes classify monies held by the City into three categories:

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

Inactive deposits are public deposits not required for use within the current five year period of designation of depositories as defined by the City's investment policy. Inactive deposits must either be evidenced by certificates of deposit maturing no 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 in interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

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

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

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

In addition to the securities listed above, the City may also invest any monies not required to be used for a period of six months or more in the following:

1. Securities Lending Agreements with institutions having a signed securities lending agreement on file with the Director of Finance;
2. Corporate obligations rated at least "AA" or the equivalent, by a nationally recognized rating agency at the time of purchase.
3. Interest Bearing Demand Deposit Accounts, provided that such accounts are fully collateralized in excess of the FDIC maximum coverage.

Protection of the deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City and must be purchased with the expectation that it will be held to maturity.

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

A. Cash on Hand

At year-end, the City had \$46,925 in undeposited cash on hand which is included on the financial statements of the City as part of “equity in pooled cash and investments”.

B. Cash and Investments with Fiscal and Escrow Agents

At year-end, the City had \$21,866 held by the Dayton Foundation for donations related to Golf operations and the Rails to Trails program. In addition, there was \$7 held by Huntington Bank related to the State Infrastructure Bank bonds.

C. Deposits with Financial Institutions

At December 31, 2020, the carrying amount of all City deposits was \$2,634,742. As of December 31, 2020, \$12,989,525 of the City’s bank balance of \$13,659,306 was exposed to custodial risk as discussed below, while \$669,781 was covered by the FDIC.

Custodial credit risk is the risk that, in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. The City has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the City’s and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the OPCS, a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the City’s financial institutions were approved for a reduced collateral rate through the OPCS. 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 FDIC.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of December 31, 2020, the City had the following investments and maturities:

Measurement/ Investment type	Investment Maturities					
	Measurement Amount	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
FFCB	\$ 72,861,594	\$ 6,268,297	\$ 6,814,861	\$ 5,968,060	\$ 2,248,965	\$ 51,561,410
FHLB	16,225,144	3,508,520	760,643	-	2,088,362	9,867,619
FHLMC	74,176,111	3,007,950	5,461,237	-	2,001,700	63,705,224
FNMA	44,625,978	1,012,400	4,038,160	2,044,200	1,531,920	35,999,298
FAMCA	3,767,238	-	-	-	-	3,767,238
U.S. Treasury Notes	7,502,258	3,353,049	2,054,909	-	-	2,094,300
Municipal Bond	1,891,620	1,005,750	-	-	-	885,870
Negotiable CDs	5,101,066	-	-	501,819	253,980	4,345,267
Commercial Paper	24,068,325	10,489,000	13,579,325	-	-	-
Corporate Notes	11,682,134	1,254,749	2,010,360	-	350,641	8,066,383
City Owned Debt	270,000	-	270,000	-	-	-
Bond funds						
Money Market	1,243,127	1,243,127	-	-	-	-
U.S. Government						
Money Market	11,819,308	11,819,308	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	115,816,671	115,816,671	-	-	-	-
Total	<u>\$ 391,050,574</u>	<u>\$ 158,778,821</u>	<u>\$ 34,989,495</u>	<u>\$ 8,514,079</u>	<u>\$ 8,475,568</u>	<u>\$ 180,292,609</u>

The weighted average maturity of investments is 1.75 years.

The City's investments are valued using quoted market prices (Level 2 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The City's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the City's name. The City has no investment policy dealing with investment custodial risk beyond the requirement in Ohio law that prohibits payments for investments prior to the delivery of the securities representing such investments to the Finance Director or qualified trustee.

Credit Risk: STAR Ohio carries a rating of AAAM (strongest rating) by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The City's investment policy limits its investments in federal agency securities to ratings of A or better by Standard & Poor's and Moody's Investor Services. The City's investments in federal agency securities and its investments in U.S. Government money market funds were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The City’s investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities.

The following table includes the percentage of each investment type held by the City at December 31, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FFCB	\$ 72,861,594	18.63
Commercial Paper	24,068,325	6.15
Corporate Notes	11,682,134	2.99
FAMCA	3,767,238	0.96
FHLB	16,225,144	4.15
FHLMC	74,176,111	18.97
FNMA	44,625,978	11.41
UST	7,502,258	1.92
Municipal Bond	1,891,620	0.49
Negotiable CDs	5,101,066	1.30
City Owned Debt	270,000	0.07
Executive Severance Money Market	1,243,127	0.32
US Government Money Market	11,819,308	3.02
<i>Amortized Cost:</i>		
STAR Ohio	<u>115,816,671</u>	<u>29.62</u>
Total	<u>\$ 391,050,574</u>	<u>100.00</u>

E. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of December 31, 2020:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 2,634,742
Investments	389,807,447
Investments - Cash with fiscal agent	1,243,127
Cash on hand	46,925
Cash in segregated accounts	169,422
Cash with fiscal agent	21,866
Total	<u>\$ 393,923,529</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 182,733,099
Business type activities	206,388,980
Custodial funds	<u>4,801,450</u>
Total	<u>\$ 393,923,529</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - INTERFUND TRANSACTIONS

- A. Due from/to other funds consisted of the following at December 31, 2020, as reported on the fund statements:

<u>Due to</u>	<u>Due from</u>				
	Dayton				Due from
	International				
	<u>Airport</u>	<u>Water</u>	<u>Sewer</u>	<u>Enterprise</u>	<u>Total</u>
General	\$ 181,898	\$ 112,166	\$ 101,898	\$ -	\$ 395,962
Water	-	-	3,174,701	728,649	3,903,350
Due to total	<u>\$ 181,898</u>	<u>\$ 112,166</u>	<u>\$ 3,276,599</u>	<u>\$ 728,649</u>	<u>\$ 4,299,312</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Amounts due to/from other funds between governmental funds are eliminated on the government-wide financial statements. Amounts due to/from other funds between governmental activities and business-type activities are reported as an internal balance on the statement of net position.

- B. Interfund transfers for the year ended December 31, 2020, consisted of the following, as reported on the fund statements:

<u>Transfer from</u>	<u>Transfer to</u>				
	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
General	\$ 598,300	\$ 11,719,997	\$ 1,090,497	\$ 50,000	\$ 13,458,794
Capital Improvement	337,000	-	-	-	337,000
Total	<u>\$ 935,300</u>	<u>\$ 11,719,997</u>	<u>\$ 1,090,497</u>	<u>\$ 50,000</u>	<u>\$ 13,795,794</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers between governmental funds are eliminated on the government-wide financial statements. Transfers between governmental activities and business-type activities are reported as transfers on the statement of activities.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

- C. Advances to/from other funds for the year ended December 31, 2020, consisted of the following, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 580,000
Capital Improvements	General fund	500,000
Worker's Compensation	General fund	<u>7,740,000</u>
Total		<u>\$ 8,820,000</u>

Advances from the general fund to the HUD fund (a nonmajor governmental fund) are for long-term interfund loans. These advances were made to fund HUD eligible projects and the City is anticipating reimbursement from HUD. The \$7,740,000 advance from worker's compensation fund to the general fund was for manuscript bonds related to the Arcade development funds. Advances between governmental funds are eliminated on the government-wide financial statements.

The City also has \$2,027,340 in manuscript bonds outstanding related to the recreational facilities project. The loan was made between sub-funds within the capital projects fund. Intrafund loans are not presented on the basic financial statements.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real and public utility property located in the City. Taxes collected from real property taxes (other than public utility) in one calendar year are levied in the preceding calendar year on the assessed value as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revaluated every six years. 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. For Montgomery County, the first half payment is due the middle of February and the second half payment is due the middle of July.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Public utility tangible personal property is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes became a lien at December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes. Public utility property taxes are payable on the same dates as real property taxes described previously.

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 represents real property taxes, public utility taxes, delinquent tangible personal property taxes and other outstanding delinquencies which are measurable as of December 31, 2020 and for which there is an enforceable legal claim. In the governmental funds, the current portion receivable has been offset by deferred inflows of resources since the current taxes were not levied to finance 2020 operations and the collection of delinquent taxes has been offset by deferred inflows of resources since the collection of the taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is a deferred inflow of resources.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 6 - PROPERTY TAXES – (Continued)

The full tax rate for all City operations for the year ended December 31, 2020 was \$10.00 per \$1,000 of assessed value. The assessed values of real and public utility property for tax year 2020 are as follows:

Real property

Residential/agricultural	\$ 1,024,178,700
Commercial/industrial	457,054,490

Public utility

Real	1,907,910
Personal	128,251,780
Total assessed value	<u><u>\$ 1,611,392,880</u></u>

NOTE 7 - INCOME TAX

On March 27, 1984, the City Commission levied a municipal income tax of 1.75% on substantially all income earned within the City. On May 6, 2014, at the regular primary election, the voters of the City approved a Charter Amendment authorizing the City Commission to levy an income tax at the annual rate of 2.25% for a continuing period commencing January 1, 2015. Ordinance 31288-14, being approved by the electorate, became effective January 1, 2015. On November 8, 2016, at the regular general election, the voters of the City approved a Charter Amendment authorizing the City Commission to levy an income tax at the annual rate of 2.5% for a period of eight (8) years commencing January 1, 2018 (2.25% is permanent and .25% is for a period of 8 years). Ordinance 31501-16, being approved by the electorate, became effective January 1, 2018. 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% 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 2020, as reported in the governmental fund financial statements on the modified accrual basis of accounting, was \$133,500,732.

NOTE 8 - TAX INCREMENT FINANCING DISTRICT (TIF)

The City, pursuant to the Ohio Revised Code and City ordinances, has four active TIFs. A TIF represents a geographic area wherein property values created after the commencement date of the TIF are exempt, in whole or in part, from property taxes. Owners of such property, however, must pay amounts equal to the property taxes, known as “payments in lieu of taxes (PILOT)”, as though the TIF had not been established. These “PILOTS” are then dedicated to the payments for various public improvements within or adjacent to the TIF area. Property values existing before the commencement date of a TIF continue to be subjected to property taxes.

PILOT revenue was \$2,046,235 in 2020 as reported in the fund financial statements. The TIF has a longevity of up to 30 years or until the public improvements are paid for. The property tax exemption then ceases; PILOT's cease and property taxes then apply to the increased property values.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 9 - TAX ABATEMENTS

As of December 31, 2020, the City provides tax abatements through two programs—Community Reinvestment Area (CRA) and Enterprise Zone (Ezone). These programs relate to the abatement of property taxes.

CRA - Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA’s are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity’s property tax bill.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investment. An Ezone’s geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the “Agreement”) with the business, which may include tax sharing with the Board of Education. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement is deducted from the business’s property tax bill.

The City has entered into agreements to abate property taxes through these programs. There are 9 parcels that have taxes abated through Ezone agreements and 300 parcels that have taxes abated through CRAs. During 2020, the City’s property tax revenues were reduced as a result of these agreements as follows:

<u>Tax Abatement Program</u>	<u>City Taxes Abated</u>
CRA	\$ 477,079
Ezone	<u>39,195</u>
Total	<u>\$ 516,274</u>

NOTE 10 - RECEIVABLES

Receivables at December 31, 2020, consisted of taxes, accounts (billings for user charged services), special assessments, payments in lieu of taxes, accrued interest, loans and intergovernmental receivables arising from grants, entitlements, and shared revenue. All intergovernmental receivables have been classified as “due from other governments” on the basic financial statements. Receivables have been recorded to the extent that they are both measurable and available at December 31, 2020, as well as intended to finance 2020 operations.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 10 - RECEIVABLES - (Continued)

A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property and other local taxes	\$ 21,183,052
Municipal income taxes	20,168,707
Accounts	5,648,211
Payments in lieu of taxes	1,159,852
Special assessments	635,622
Accrued interest	306,731
Loans	27,038,847
Due from other governments	22,280,131

Business-type activities:

Accounts	16,367,469
Special assessments	1,506,952
Accrued interest	276,519
Due from other governments	5,801,120
Loans	558,551

Receivables have been disaggregated on the face of the basic financial statements. Amounts reported as “due from other governments” in the governmental activities include local government and local government revenue assistance from the State of Ohio, motor vehicle license and gasoline taxes, homestead and rollback, grants and estate taxes. The amounts reported as “due from other governments” in the business-type activities include various State and federal grants whose eligibility requirements have been met by year end. The only receivables not expected to be collected within the subsequent year are the special assessments and the loans. The special assessments are collected over the term of the assessment and the loans receivable which will be collected annually through 2040 (See Note 11).

NOTE 11 - LOANS RECEIVABLE

A. Dayton-Montgomery County Port Authority

During 2008, the City issued \$32,000,000 in economic development revenue bonds payable from nontax revenues of the City. The City loaned \$20,100,000 of the proceeds to the Dayton-Montgomery County Port Authority (the “Port Authority”) to assist in financing the costs of constructing a parking facility to be used by CareSource, a nonprofit corporation. The Port Authority will make loan payments semi-annually on July 1 and December 1 at a 4.67% interest rate. The final loan payment is due December 1, 2028. The Port Authority is currently in default of this loan and unpaid interest adds to the principal outstanding on the loan. At December 31, 2020, the amount owed to the City was \$20,340,626. However, the City reports loans receivable net of uncollectible amounts. Due to the non-recourse language in the loan and the Port Authority’s current state of default, the City has recorded a receivable of \$10,605,000 for this loan and considers \$9,735,626 uncollectible. However, the Port Authority remains liable for the entire balance of the loan, including the portion in default.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 11 - LOANS RECEIVABLE – (Continued)

B City-Wide Development Corporation (CWDC)

The City has various loans outstanding with City-Wide Development Corporation. CWDC is a private, non-profit development organization. The City received \$284,431 in loan payments during 2020, and made \$9,800 in new loans. A summary of the loans receivable outstanding by project are as follows:

<u>Project Name</u>	<u>Loan Receivable</u>
Arcade	\$ 11,000,000
Wellfield	558,551
Hawthorne School	681,584
Phoenix Redevelopment	2,272,699
Tech Town	1,715,000
Tech Town 2	550,000
Total	<u>\$ 16,777,834</u>

C Other Loans Receivable

The City has economic development loans with the Friends of Levitt for \$139,939 and with Tangram Flex for \$74,625. A receivable is recorded in the general fund for these loans. The loan agreement with the Friends of Levitt has a ten year repayment schedule through 2031. The original loan proceeds were used for design costs of the Levitt Pavilion. The Tangram Flex loan is forgivable loan with capitalized interest based on income tax withholdings. The loan proceeds were used for facilities expansion.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - CAPITAL ASSETS

- A. Capital asset activity for the governmental activities for the year ended December 31, 2020 were as follows in the chart below. Included in the additions are transfers of the Golf fund assets of \$9,956,681 and depreciation of \$5,996,090.

	<u>Balance 12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/20</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 52,191,437	\$ 3,182,635	\$ (751,163)	\$ 54,622,909
Construction in progress	14,236,130	22,281,110	(26,499,254)	10,017,986
Right-of-ways	<u>14,007,402</u>	<u>-</u>	<u>-</u>	<u>14,007,402</u>
Total capital assets, not being depreciated	<u>80,434,969</u>	<u>25,463,745</u>	<u>(27,250,417)</u>	<u>78,648,297</u>
<i>Capital assets, being depreciated:</i>				
Building improvements	166,657,653	6,683,586	(113,455)	173,227,784
Improvements other than buildings	62,712,351	7,123,846	(1,060,900)	68,775,297
Equipment	20,745,067	1,393,519	(281,109)	21,857,477
Software	1,817,677	-	(545,793)	1,271,884
Vehicles	48,580,035	4,933,154	(2,859,240)	50,653,949
Infrastructure	<u>379,240,437</u>	<u>20,021,019</u>	<u>(465,468)</u>	<u>398,795,988</u>
Total capital assets, being depreciated	<u>679,753,220</u>	<u>40,155,124</u>	<u>(5,325,965)</u>	<u>714,582,379</u>
<i>Less: accumulated depreciation</i>				
Building improvements	(88,492,769)	(4,228,750)	46,727	(92,674,792)
Improvements other than buildings	(40,946,749)	(3,686,704)	129,020	(44,504,433)
Equipment	(18,034,404)	(697,471)	280,999	(18,450,876)
Software	(1,345,223)	(193,069)	527,947	(1,010,345)
Vehicles	(30,961,413)	(4,270,982)	2,643,128	(32,589,267)
Infrastructure	<u>(123,991,047)</u>	<u>(8,291,912)</u>	<u>131,994</u>	<u>(132,150,965)</u>
Total accumulated depreciation	<u>(303,771,605)</u>	<u>(21,368,888)</u>	<u>3,759,815</u>	<u>(321,380,678)</u>
Total capital assets being depreciated, net	<u>375,981,615</u>	<u>18,786,236</u>	<u>(1,566,150)</u>	<u>393,201,701</u>
Governmental activities capital assets, net	<u>\$ 456,416,584</u>	<u>\$ 44,249,981</u>	<u>\$ (28,816,567)</u>	<u>\$ 471,849,998</u>

Depreciation expense was charged to functions of the governmental activities as follows:

<u>Governmental activities:</u>	
Downtown	\$ 393,573
Youth, education and human services	3,514
Community development and neighborhoods	714,488
Economic development	640,403
Leadership and quality of life	10,775,905
Corporate responsibility	546,274
Public safety and justice	2,298,641
Golf fund transfer of operations	<u>5,996,090</u>
Total depreciation expense - governmental activities	<u>\$ 21,368,888</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the business-type activities for the year ended December 31, 2020, were as follows:

	Balance <u>12/31/19</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>12/31/20</u>
Business-type activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 41,829,382	\$ -	\$ (565,614)	\$ 41,263,768
Construction in progress	<u>43,365,955</u>	<u>28,548,459</u>	<u>(35,774,148)</u>	<u>36,140,266</u>
Total capital assets, not being depreciated	<u>85,195,337</u>	<u>28,548,459</u>	<u>(36,339,762)</u>	<u>77,404,034</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	280,764,532	7,110,634	(3,498,474)	284,376,692
Improvements other than buildings	830,460,858	28,678,930	(4,389,883)	854,749,905
Equipment	21,987,344	2,074,020	(133,287)	23,928,077
Software	1,560,198	12,154	-	1,572,352
Vehicles	<u>39,649,711</u>	<u>3,976,362</u>	<u>(2,632,631)</u>	<u>40,993,442</u>
Total capital assets, being depreciated	<u>1,174,422,643</u>	<u>41,852,100</u>	<u>(10,654,275)</u>	<u>1,205,620,468</u>
<i>Less: accumulated depreciation</i>				
Buildings and improvements	(119,500,762)	(6,568,170)	2,270,839	(123,798,093)
Improvements other than buildings	(496,182,733)	(20,543,938)	2,525,468	(514,201,203)
Equipment	(16,303,051)	(1,234,994)	133,287	(17,404,758)
Software	(1,105,925)	(162,116)	-	(1,268,041)
Vehicles	<u>(24,802,353)</u>	<u>(2,195,680)</u>	<u>2,276,596</u>	<u>(24,721,437)</u>
Total accumulated depreciation	<u>(657,894,824)</u>	<u>(30,704,898)</u>	<u>7,206,190</u>	<u>(681,393,532)</u>
Total capital assets being depreciated, net	<u>516,527,819</u>	<u>11,147,202</u>	<u>(3,448,085)</u>	<u>524,226,936</u>
Business-type activities capital assets, net	<u>\$ 601,723,156</u>	<u>\$ 39,695,661</u>	<u>\$ (39,787,847)</u>	<u>\$ 601,630,970</u>

Depreciation expense was charged to the enterprise funds as follows:

Business-type Activities:

Dayton International Airport	\$ 15,643,759
Water	7,696,870
Sewer	5,561,662
Storm water	1,595,187
Golf	<u>207,420</u>
Total depreciation expense - business-type activities	<u>\$ 30,704,898</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 12 - CAPITAL ASSETS - (Continued)

- C. Outstanding contractual commitments related to construction in progress for the year ended December 31, 2020, was as follows:

Governmental activities	\$ 6,316,287
Water	17,645,781
Sewer	12,420,755
Dayton International Airport	7,064,878
Nonmajor enterprise funds	<u>1,023,894</u>
Total outstanding contractual commitments	<u>\$ 44,471,595</u>

NOTE 13 - OPERATING LEASE - LESSEE AND LESSOR DISCLOSURE

- A. The City is the lessor of land and space at the Dayton International Airport (the "Airport") under noncancellable leases. The leases are between the Dayton International Airport and various vendors that use the Airport for their operations. The cost of the leased area, the carrying value and the annual depreciation expense cannot be accurately determined as they represent varying percentages of the overall land and building assets of the Airport. The leases have varying terms from one to six years. The future minimum lease payments as of December 31, 2020, are as follows:

<u>Year Ending December 31,</u>	<u>Minimum Lease Payments</u>
2021	\$ 263,542
2022	255,993
2023	264,935
2024	274,191
2025	<u>136,052</u>
Totals	<u>\$ 1,194,713</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 13 - OPERATING LEASE - LESSEE AND LESSOR DISCLOSURE - (Continued)

- B.** The City is the lessor of various parcels of lands and buildings for multiple purposes within the governmental activities, including economic development, recreation services, and public works. The leases are between the City and various vendors. The leases have varying terms from one to 99 years. The future minimum lease payments as of December 31, 2020, are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Minimum</u> <u>Lease Payments</u>
2021	\$ 588,835
2022	335,490
2023	168,893
2024	83,890
2025	81,316
2026 - 2030	374,613
2031 - 2035	445,934
2036 - 2040	530,835
2041 - 2045	631,899
2046 - 2050	752,206
2051 - 2055	895,416
2056 - 2060	1,065,893
2061 - 2065	1,268,827
2066 - 2070	1,510,396
2071 - 2075	1,797,958
2076 - 2080	2,140,268
2081 - 2085	2,547,750
2086 - 2090	2,109,994
2091 - 2095	497,036
2096 - 2099	464,761
Totals	<u>\$ 18,292,210</u>

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the City's governmental activities long-term obligations during the year consist of the following:

<i>Governmental activities:</i>	Issue	Maturity	Interest	Original	Balance	Increase	Decrease	Balance	Amounts
	Date	Date	Rate (%)	Issue Amount	12/31/19			12/31/20	Due in One Year
General obligation bonds:									
Various purpose and refunding	07/28/09	12/01/29	2.5 - 5.0	26,483,111	5,865,000	-	(5,865,000)	-	-
Various Purpose GO Bonds	12/15/16	12/01/36	2.0 - 5.0	12,210,000	9,275,000	-	(955,000)	8,320,000	790,000
Energy conservation bonds	06/11/11	12/01/25	4.98	1,615,000	730,000	-	(115,000)	615,000	120,000
Various purpose bonds	10/11/12	12/01/32	3.0 - 4.0	11,385,000	5,325,000	-	(5,325,000)	-	-
Various purpose bonds	09/09/14	12/01/34	1.25 - 4.0	5,700,000	4,075,000	-	(350,000)	3,725,000	355,000
Various purpose bonds	11/13/18	12/01/38	2.5-4.0	10,705,000	9,935,000	-	(815,000)	9,120,000	845,000
Various purpose bonds	11/12/20	12/1/2032	1.0-4.0	25,625,000	-	25,625,000	-	25,625,000	1,890,000
Total general obligation bonds					35,205,000	25,625,000	(13,425,000)	47,405,000	4,000,000
Revenue bonds:									
Economic development	09/22/10	12/1/31	2.0 - 4.125	2,500,000	1,635,000	-	(110,000)	1,525,000	115,000
2020 Economic development refunding	11/12/20	12/1/28	.04 - 1.8	14,225,000	-	14,225,000	-	14,225,000	1,725,000
Economic development refunding bonds	11/14/12	12/01/28	3.0 - 5.0	24,170,000	15,515,000	-	(15,515,000)	-	-
Economic development	11/13/18	12/01/38	3.75 - 5.0	3,700,000	3,585,000	-	(130,000)	3,455,000	135,000
Total revenue bonds					20,735,000	14,225,000	(15,755,000)	19,205,000	1,975,000

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS

	Issue	Maturity	Original Issue	Balance			Balance	Amounts Due in
<i>Governmental activities:</i>	<u>Date</u>	<u>Date</u>	<u>Amount</u>	<u>12/31/19</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/20</u>	<u>One Year</u>
Ohio Public Works Commission loans:								
<u>Direct Borrowings:</u>								
Ohio Public Works								
Commission loan	1/1/2016	1/1/2031	323,885	\$ 248,312	\$ -	\$ (10,796)	\$ 237,516	\$ 21,592
Ohio Public Works								
Commission loan	7/1/2016	7/1/2031	133,189	106,551	-	(4,440)	102,111	8,879
Ohio Public Works								
Commission loan	7/1/2016	7/1/2031	642,814	514,251	-	(21,427)	492,824	42,855
Ohio Public Works								
Commission loan	7/1/2019	7/1/2035	366,855	-	366,855	(12,228)	354,627	24,457
Ohio Public Works								
Commission loan	7/1/2019	7/1/2035	372,300	-	372,300	(12,410)	359,890	24,820
Total Ohio Public Works Commission loans				<u>869,114</u>	<u>739,155</u>	<u>(61,301)</u>	<u>1,546,968</u>	<u>122,603</u>
Other long-term obligations:								
<u>Direct Borrowings:</u>								
Ohio Department of								
Development loan	04/01/10	04/21/25	2,860,000	1,631,424	-	(142,113)	1,489,311	295,079
State Infrastructure								
Bank loan	12/4/2014	11/15/2036	2,500,000	2,273,324	-	(104,266)	2,169,058	107,418
State Infrastructure								
Bank bonds	12/4/14	11/15/2036	3,540,000	3,015,000	-	(150,000)	2,865,000	150,000
Net pension liability				259,148,050	-	(52,569,145)	206,578,905	-
Net OPEB liability				59,715,901	5,360,608	-	65,076,509	-
Judgments				41,933	245,185	(273,015)	14,103	14,103
Claims				6,705,979	24,891,223	(24,896,579)	6,700,623	4,804,501
Compensated absences				<u>12,241,610</u>	<u>11,264,420</u>	<u>(10,364,535)</u>	<u>13,141,495</u>	<u>7,872,583</u>
Total other long-term obligations				<u>344,773,221</u>	<u>41,761,436</u>	<u>(88,499,653)</u>	<u>298,035,004</u>	<u>13,243,684</u>
Total governmental activities				<u>\$ 401,582,335</u>	<u>\$ 82,350,591</u>	<u>\$ (117,740,954)</u>	<u>366,191,972</u>	<u>\$ 19,341,287</u>
Add: unamortized bond premiums and discounts							<u>3,669,558</u>	
Total on statement of net position							<u>\$ 369,861,530</u>	

General obligation bonds were used to construct street improvements and government construction projects. All general obligation bonds will be paid through the debt service fund from property tax revenues and other revenue sources of the City.

On July 28, 2009, the City issued general obligation bonds (Series 2009 various purpose and refunding bonds) in the amount of \$27,255,000. The refunding issue for governmental activities is comprised of current interest bonds, par value \$26,483,111. The interest rates on the current interest bonds range from 2.50% - 5.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated on the issue is December 1, 2029. These bonds were refunded during 2020. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

On October 11, 2012, the City issued \$42,285,000 in various purpose bonds (Series 2012 various purpose bonds). Of this issue, \$15,300,000 is reported as a liability in the water fund, \$15,600,000 is reported as a liability in the sewer fund and the remaining \$11,385,000 is a liability in the governmental activities. The Series 2012 bonds were refunded during 2020.

The City has pledged future nontax revenues in the City's general fund to repay \$32,000,000 in Series 2008 economic development revenue bonds. The proceeds were used for the construction of parking facilities and a loan to the Dayton-Montgomery County Port Authority related to the construction of the parking facility. On November 14, 2012, the City issued revenue bonds (Series 2012 economic development refunding bonds) to advance refund the Series 2008 economic development bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2008 economic development revenue bonds at December 31, 2020 is \$18,030,000. On November 12, 2020, the City issued \$14,225,000 in economic development bonds to advance refund the series 2012 revenue bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2012 economic development revenue bonds at December 31, 2020 is \$14,050,000.

The net carrying amount exceeded the reacquisition value of the old debt by \$2,085,970. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. This refunding resulted in a net present value savings of \$1,112,537 over the next eight years.

The Series 2020 revenue bonds are payable solely from nontax revenues in the general fund and are payable through 2028. The most significant amounts of nontax revenues in the City's general fund which are pledged for these purposes are derived from charges for services, investment earnings, fines and forfeitures, and license and permit fees. Annual principal and interest payments on the revenues bonds are expected to require less than 4.89 percent of general fund nontax revenues. The City has designated, through authorizing legislation, nontax revenues from the loan payments made by the Port Authority and income and profit related to the parking facility to be used for the debt repayment. The total principal and interest remaining to be paid on the Series 2020 revenue bonds is \$15,072,403. Principal and interest paid for the current year on the revenue bonds, prior to the refunding, was \$1,465,000 and \$567,300. General fund nontax revenues for the current year were \$41,594,836.

The City has pledged future nontax revenues in the City's general fund to repay \$2,500,000 in Series 2010 economic development revenue bonds. The proceeds were used to assist in financing the costs of the demolition, site remediation and construction of public and private infrastructure improvements located in the Tech Town commercial park. The Series 2010 revenue bonds are payable solely from nontax revenues in the general fund and are payable through 2031. The most significant amounts of nontax revenues in the City's general fund which are pledged for these purposes are derived from charges for services, investment earnings, fines and forfeitures, and license and permit fees. Annual principal and interest payments on the revenue bonds are expected to require less than .42 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2010 revenue bonds is \$1,917,049. Principal and interest paid for the current year was \$110,000 and \$64,341. General fund nontax revenues for the current year were \$41,594,836.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The City has pledged future nontax revenues in the City's general fund to repay \$3,700,000 in Series 2018 economic development revenue bonds. The proceeds were used for the Oregon District parking garage project. The Series 2018 revenue bonds are payable solely from nontax revenues in the general fund and are payable through 2038. The most significant amounts of nontax revenues in the City's general fund which are pledged for these purposes are derived from charges for services, investment earnings, fines and forfeitures and license and permit fees. Annual principal and interest payments on the revenue bonds are expected to require less than .67 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2018 revenue bonds is \$4,972,838. Principal and interest paid for the current year was \$130,000 and \$147,050. General fund nontax revenues for the current year were \$41,594,836.

On September 9, 2014, the City issued various purpose general obligation bonds, par value \$5,700,000. The interest rates on the current interest bonds range from 1.25% to 4.0%. Interest payments of the current interest bonds are due on June 1 and December 1 of each year. The final maturity date stated on the issue is December 1, 2034.

On December 15, 2016, the City issued \$18,110,000 in various purpose bonds (Series 2016 various purpose bonds). Of this issue, \$5,900,000 is reported as a liability in the water fund and the remaining \$12,210,000 is a liability of the governmental activities. \$2,710,000 was used to advance refund the callable portion of the Series 2007 capital facilities bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2007 capital facilities general obligation bonds at December 31, 2020, is \$13,065,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$101,310. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

On November 13, 2018, the City issued \$10,705,000 in various purpose bonds (Series 2018 various purpose bonds). Of this issue, \$1,185,000 was used to advance refund a portion of the Series 2007 capital facilities bonds. The remaining amount of \$9,520,000 were used for various capital improvement projects. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2007 capital facilities general obligation bonds at December 31, 2020, is \$960,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$26,639. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

On November 12, 2020 the City issued \$43,260,000 in various purpose bonds (Series 2020 various purpose bonds). Of this issue, \$7,245,000 is reported as a liability in the water fund, \$7,390,000 is reported as a liability in the sewer fund, \$3,000,000 is reported as a liability in the storm water fund and the remaining \$25,625,000 is a liability of the governmental activities. \$27,015,000 was used to advance refund the Series 2009 capital facilities bonds, the series 2012 various purpose bonds, the series 2012 water bonds and the series 2012 sewer bonds. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2012 general obligation bonds at December 31, 2020 is \$22,485,000 and the balance of the refunded series 2009 bonds at December 31, 2020 is \$4,530,000.

The reacquisition price exceeded the net carrying amount of the old debt by \$355,089 in the enterprise funds and the net carrying amount exceeded the reacquisition price by \$887,429 in the governmental activities. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This refunding resulted in a net present value savings of \$3,834,909 over the next nine years.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The City has five Ohio Public Works Commission loans, direct borrowings, that will be repaid from the debt service fund. The first loan was issued at 0% interest rate with a maturity date of January 1, 2031 for Keowee Street rehabilitation. The second loan was issued at 0% interest rate with a maturity date of July 1, 2031 for River Corridor Drive rebuild. The third loan was issued at 0% interest rate with a maturity date of July 1, 2031 for South Smithville Road project phase I. The fourth loan was issued at 0% interest rate with a maturity date of July 1, 2035 for Valley Street Reconstruction. The fifth loan was issued at 0% interest rate with a maturity date of July 1, 2035 for Wayne Avenue Reconstruction. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

The Ohio Department of Development loan, a direct borrowing, was issued for development of the Tech-Town project. The loan was issued at a 0% interest rate for the first sixty months and 3% for the remainder of the loan. There are no principal payments due on the loan for the first sixty months. The maturity date is April 21, 2025. In the event of default, ODOD may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

Compensated absences will be paid from the fund from which the employees' salaries are paid, which for the City, is primarily the general fund, the Street fund (a nonmajor governmental fund) and the HUD Programs fund (a nonmajor governmental fund). The net pension and net OPEB liability will be paid from the general fund and the Street fund.

The judgments payable liability will be paid from the general fund. The claims payable liability will be paid from the Worker's Compensation Internal Service fund and the Health Insurance Internal Service fund.

See Notes 17 and 18 for details on the net pension liability and net OPEB liability, respectively.

On December 4, 2014, the Ohio Department of Transportation ("ODOT") issued the City bonds, par value \$3,540,000 and a loan in the amount of \$2,500,000 and capitalized interest of \$68,125 through the State Infrastructure Bank ("SIB"). The bonds have a final maturity date of November 15, 2036 and an interest rate of 3.428%, with semi-annual principal and interest payments. The loan has a maturity date of November 15, 2036, with a 3.0% interest rate, beginning December 4, 2015. Principal and interest payments are due semi-annually. The loan had a zero percent interest rate until December 4, 2015.

The Ohio Revised Code provides that the net debt of a municipal corporation, whether or not approved by the electors, shall not exceed 10.5% of the total value of all property in the municipal corporation as listed and assessed for taxation. In addition, the unvoted net debt of municipal corporations cannot exceed 5.5% of the total taxation value of property. The assessed valuation used in determining the City's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006.

In accordance with House Bill 530, the assessed valuation used in calculating the City's legal debt margin calculation excludes tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At December 31, 2020, the City's total debt margin was \$127,160,344 and the unvoted debt margin was \$47,030,909

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2020 for the governmental activities:

Year Ending December 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 4,000,000	\$ 1,674,220	\$ 5,674,220	\$ 1,975,000	\$ 359,769	\$ 2,334,769
2022	4,025,000	1,518,490	5,543,490	2,005,000	394,914	2,399,914
2023	4,075,000	1,377,079	5,452,079	2,015,000	316,446	2,331,446
2024	3,820,000	1,286,763	5,106,763	2,040,000	295,009	2,335,009
2025	3,715,000	1,183,438	4,898,438	2,070,000	268,341	2,338,341
2026 - 2030	13,735,000	3,985,088	17,720,088	7,095,000	806,467	7,901,467
2031 - 2035	8,385,000	1,779,649	10,164,649	1,240,000	311,894	1,551,894
2036 - 2040	5,650,000	486,824	6,136,824	765,000	64,450	829,450
Totals	\$ 47,405,000	\$ 13,291,551	\$ 60,696,551	\$ 19,205,000	\$ 2,817,290	\$ 22,022,290

Year Ending December 31,	Ohio Public Works Commission Loans			Ohio Department of Development Loan		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 122,603	\$ -	\$ 122,603	\$ 295,079	\$ 39,340	\$ 334,419
2022	122,602	-	122,602	304,055	29,617	333,672
2023	122,603	-	122,603	313,305	19,600	332,905
2024	122,603	-	122,603	322,834	9,296	332,130
2025	122,603	-	122,603	254,038	744	254,782
2026 - 2030	613,014	-	613,014	-	-	-
2031 - 2036	320,940	-	320,940	-	-	-
Totals	\$ 1,546,968	\$ -	\$ 1,546,968	\$ 1,489,311	\$ 98,597	\$ 1,587,908

Year Ending December 31,	State Infrastructure Bank Bonds			State Infrastructure Bank Loan		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 150,000	\$ 94,494	\$ 244,494	\$ 107,418	\$ 64,272	\$ 171,690
2022	150,000	90,744	240,744	110,664	61,026	171,690
2023	150,000	86,807	236,807	114,009	57,681	171,690
2024	160,000	82,232	242,232	117,456	54,234	171,690
2025	160,000	77,432	237,432	121,005	50,685	171,690
2026 - 2030	855,000	309,871	1,164,871	662,150	196,300	858,450
2031 - 2035	1,015,000	148,425	1,163,425	768,454	89,996	858,450
2036 - 2037	225,000	6,375	231,375	167,902	3,788	171,690
Totals	\$ 2,865,000	\$ 896,380	\$ 3,761,380	\$ 2,169,058	\$ 577,982	\$ 2,747,040

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

A. The changes in the City's business-type activities long-term obligations during the year consist of the following:

	Issue Date	Maturity Date	Interest Rate (%)	Original			Amounts		
				Issue Amount	Balance 12/31/19	Increase	Decrease	Balance 12/31/20	Due in One Year
Business-type activities:									
General obligation bonds:									
Water	10/11/2012	12/1/2032	3.0 - 4.0	\$15,300,000	\$ 9,540,000	\$ -	\$ (9,540,000)	\$ -	\$ -
Sewer	10/11/2012	12/1/2032	3.0 - 4.0	15,600,000	9,735,000	-	(9,735,000)	-	-
Dayton International Airport									
refunding bonds	12/3/2015	12/1/2029	1.0 to 4.0	8,045,000	7,030,000	-	(595,000)	6,435,000	610,000
Wellfield	12/15/2016	12/1/2036	2.0 to 5.0	5,900,000	5,050,000	-	(305,000)	4,745,000	225,000
2020 Bonds - Storm	11/12/2020	12/1/2040	1.0 to 4.0	3,000,000	-	3,000,000	-	3,000,000	145,000
2020 Bonds - Water	11/12/2020	12/1/2040	1.0 to 4.0	7,245,000	-	7,245,000	-	7,245,000	705,000
2020 Bonds - Sewer	11/12/2020	12/1/2040	1.0 to 4.0	7,390,000	-	7,390,000	-	7,390,000	715,000
Total general obligation bonds					<u>31,355,000</u>	<u>17,635,000</u>	<u>(20,175,000)</u>	<u>28,815,000</u>	<u>2,400,000</u>
Revenue bonds:									
Water	12/3/2015	12/1/2035	1.0 to 4.0	15,090,000	12,780,000	-	(630,000)	12,150,000	645,000
Sewer	12/3/2015	12/1/2035	1.0 to 4.0	15,770,000	13,360,000	-	(660,000)	12,700,000	670,000
Dayton International Airport	12/30/2015	12/1/2035	3.0 to 5.0	21,545,000	18,420,000	-	(880,000)	17,540,000	915,000
Dayton International Airport	9/9/2014	12/01/2032	2.30 to 5.00	26,950,000	21,095,000	-	(1,230,000)	19,865,000	1,290,000
Dayton International Airport	12/15/2016	12/1/2041	3.0 to 5.0	33,050,000	30,970,000	-	(885,000)	30,085,000	910,000
Water	11/13/18	12/01/38	3.0 to 5.0	16,430,000	15,900,000	-	(575,000)	15,325,000	600,000
Sewer	10/30/20	12/1/40	3.0 to 4.0	16,380,000	-	16,380,000	-	16,380,000	530,000
Total revenue bonds					<u>112,525,000</u>	<u>16,380,000</u>	<u>(4,860,000)</u>	<u>124,045,000</u>	<u>5,560,000</u>
Other long-term obligations									
<u>Direct borrowings:</u>									
Ohio water development									
authority loan	01/01/2003	07/01/2053	3.80 to 3.95	27,634,900	3,401,472	896,764	(968,119)	3,330,117	1,005,692
Ohio public works									
Commission loan	07/01/1997	01/01/2020	0.00	1,000,000	50,000	-	(25,000)	25,000	25,000
JOBS Ohio loan	09/01/2016	04/01/2037	2.0 to 3.0	5,000,000	4,455,856	-	(141,220)	4,314,636	71,402
Compensated absences payable					3,813,483	2,182,771	(2,207,109)	3,789,145	2,268,227
Net pension liability					72,993,190	-	(23,804,133)	49,189,057	-
Net OPEB liability					33,238,081	-	(1,236,382)	32,001,699	-
Total other long-term obligations					<u>117,952,082</u>	<u>3,079,535</u>	<u>(28,381,963)</u>	<u>92,649,654</u>	<u>3,370,321</u>
Total business-type activities					<u>\$ 261,832,082</u>	<u>\$ 37,094,535</u>	<u>\$ (53,416,963)</u>	<u>245,509,654</u>	<u>\$ 11,330,321</u>
Add: unamortized bond premiums and discounts								<u>9,099,236</u>	
Total on statement of net position								<u>\$ 254,608,890</u>	

Enterprise fund general obligation bonds were used for capital improvements related to water and sewer, and construction of a parking facility at the Dayton International Airport. The bonds will be paid from the water fund, the sewer fund and the Dayton International Airport fund, respectively.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

On December 3, 2015, the City issued airport refunding bonds (Series 2015 Airport Refunding Bonds), par value \$8,045,000. The interest rates on the current interest bonds range from 1.0 to 4.0%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The proceeds were used to advance refund a portion of the Series 2009 Dayton Internal Airport parking garage bonds. The issuance proceeds were deposited into an escrow trust fund, which consists of cash and direct or guaranteed non-callable government obligations. The principal of this escrow trust, when due, will be sufficient to pay on the redemption date the principal of, redemption premium and interest on the Series 2009 bonds. This refunded debt is considered defeased (in substance) and accordingly, has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,236,884. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

On December 3, 2015, the City issued \$15,090,000 in water revenue bonds. The interest rates on the current interest bonds range from 1.0% to 4.0%. The City has pledged future water revenues, net of specified operating expenses, to repay the Series 2015 water system revenue bonds. The proceeds were used for water capital improvements.

On November 13, 2018, the City issued \$16,430,000 in water revenue bonds. The interest rates on the current interest bonds range from 3.0% to 5.0%. The City has pledged future water revenues, net of specified operating expenses, to repay the Series 2018 water system revenue bonds. The proceeds were used for water capital improvements.

The Series 2015 and Series 2018 revenue bonds are payable solely from revenues in the water fund and are payable through 2038. Annual principal and interest payments on the bonds are expected to require 21.38 percent of net customer revenues. The total principal and interest remaining to be paid on the Series 2015 and 2018 revenue bonds is \$38,266,850. Principal and interest paid for the current year and total customer net revenues were \$2,302,212 and \$10,766,191, respectively.

On December 3, 2015, the City issued \$15,770,000 in sewer revenue bonds. The interest rates on the current interest bonds range from 1.0% to 4.0%. The City has pledged future sewer revenues, net of specified operating expenses, to repay the Series 2015 sewer system revenue bonds. The proceeds were used for sewer capital improvements.

On October 30, 2020, the City issued \$16,380,000 in sewer revenue bonds. The interest rates on the current interest bonds range from 3.0% to 4.0%. The City has pledged future sewer revenues, net of specified operating expenses, to repay the Series 2015 sewer system revenue bonds. The proceeds were used for sewer capital improvements.

The Series 2015 and Series 2020 revenue bonds are payable solely from revenues in the sewer fund and are payable through 2040. Annual principal and interest payments on the bonds are expected to require 12.38 percent of net customer revenues. The total principal and interest remaining to be paid on the Series 2015 and 2020 revenue bonds is \$33,976,640. Principal and interest paid for the current year and total customer net revenues were \$1,152,813 and \$9,308,730, respectively.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

On December 30, 2015, the City issued \$21,545,000 in Airport revenue bonds. The interest rates on the current interest bonds range from 3.0% to 5.0%. The City has pledged future airport revenues, net of specified operating expenses, to repay the Series 2015 Airport revenue bonds. The proceeds were used for the acquisition and construction of airport improvements. The Series 2015 revenue bonds are payable solely from revenues from the airport fund and are payable through 2035.

On December 15, 2016, the City issued \$33,050,000 in Airport revenue bonds. The interest rates on the current interest bonds range from 3.0% to 5.0%. The City has pledged future airport revenues, net of specified operating expenses, to repay the Series 2016 Airport revenue bonds. The proceeds were used for the acquisition and construction of airport improvements. The Series 2016 revenue bonds are payable solely from revenues from the airport fund and are payable through 2041.

On September 9, 2014, the City issued airport revenue bonds (Series 2014 Bonds), par value \$26,950,000. The proceeds were used to advance refund the Series 2003A and 2003C revenue bonds. The issuance proceeds were deposited into an escrow trust fund, which consists of cash and direct or guaranteed non-callable government obligations. The principal of this escrow trust, when due, will be sufficient to pay on the redemption date the principal of, redemption premium and interest on the Series 2003A and 2003C bonds. This refunded debt is considered defeased (in substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2003A and 2003C airport revenue bonds at December 31, 2020 is \$21,250,000

The reacquisition price exceeded the net carrying amount of the old debt by \$534,479. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

The City has pledged future airport revenues, net of specified operating expenses, to repay the Series 2014, 2015 and 2016 airport revenue bonds. The Series 2014, 2015, and 2016 airport revenue bonds are payable solely from airport net revenues and are payable through 2041. Annual principal and interest payments on the bonds are expected to require 58.73 percent of net customer revenues. Net customer revenues included both PFC and CFC charges that were used for debt service. The total principal and interest remaining to be paid on the Series 2014, 2015 and 2016 airport revenue bonds is \$96,759,599. Principal and interest paid for the current year and total customer net revenues were \$5,974,036 and \$10,171,784, respectively.

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 Loans are direct borrowings that will be paid from the sewer enterprise fund. At December 31, 2020, the City had outstanding borrowings of \$3,330,117 amount, \$896,764 was disbursed during 2020. These loans are considered open and an amortization schedule is not available. In the event of default, the OWDA may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

The City has pledged future sewer revenues to repay OWDA loans. The loans are payable solely from sewer fund revenues and are payable through 2023. Annual principal and interest payments on the loans are expected to require 11.51 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$3,434,173. Principal and interest paid for the current year were \$1,071,899 and customer net revenues were \$9,308,730.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

In 1997, the City was granted a \$1,000,000 loan from the Ohio Public Works Commission, a direct borrowing. 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. In the event of default, the OPWC may (1) charge an 8% default interest rate from the date of the default to the date of the payment and charge the City for all costs incurred by the OPWC in curing the default, (2) in accordance with Ohio Revised Code 164.05, direct the county treasurer of the county in which the City is located to pay the amount of the default from funds that would otherwise be appropriated to the City from such county's undivided local government fund pursuant to ORC 5747.51-5747.53, or (3) at its discretion, declare the entire principal amount of loan then remaining unpaid, together with all accrued interest and other charges, become immediately due and payable.

In 2016, the City received a \$5,000,000 loan from Jobs Ohio. This is a direct borrowing. The purpose of the loan is to build a maintenance hangar at the airport. The loan is being paid out of Dayton International Airport fund. The final maturity is April 1, 2037 and the interest rate on the loan is 2 to 3 percent. In the event of default, Jobs Ohio may declare the full amount of the then unpaid original loan amount to be immediately due and payable and/or require the City to pay any fines, penalties, interest, or late charges associated with the default.

Compensated absences, net pension liability and net OPEB liability will be paid from the fund from which the employees' salaries are paid which are the Dayton International Airport fund, the Water fund, the Sewer fund, and the Storm Water fund.

See Notes 17 and 18 for details on the net pension liability and net OPEB liability, respectively.

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2020 for the business-type activities.

Year Ending December 31,	Revenue Bonds			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 5,560,000	\$ 4,987,602	\$ 10,547,602	\$ 2,400,000	\$ 1,387,282	\$ 3,787,282
2022	5,770,000	4,782,537	10,552,537	2,060,000	946,611	3,006,611
2023	5,950,000	4,595,331	10,545,331	2,125,000	875,405	3,000,405
2024	6,165,000	4,385,986	10,550,986	2,165,000	834,500	2,999,500
2025	6,385,000	4,157,255	10,542,255	2,220,000	782,650	3,002,650
2026 - 2030	36,280,000	16,440,843	52,720,843	11,320,000	2,535,081	13,855,081
2031 - 2035	37,760,000	8,579,199	46,339,199	5,275,000	647,593	5,922,593
2036 - 2040	18,025,000	2,609,962	20,634,962	1,250,000	93,038	1,343,038
2041 - 2042	2,150,000	102,125	2,252,125	-	-	-
Totals	<u>\$ 124,045,000</u>	<u>\$ 50,640,840</u>	<u>\$ 174,685,840</u>	<u>\$ 28,815,000</u>	<u>\$ 8,102,160</u>	<u>\$ 36,917,160</u>

Year Ending December 31,	OWDA Loan		
	Principal	Interest	Total
2021	\$ 1,005,692	\$ 63,645	\$ 1,069,337
2022	1,044,725	33,185	1,077,910
2023	320,102	7,226	327,328
Totals	<u>\$ 2,370,519</u>	<u>\$ 104,056</u>	<u>\$ 2,474,575</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	JOBS Ohio		
	Principal	Interest	Total
2021	\$ 71,402	\$ 28,586	\$ 99,988
2022	217,445	82,880	300,325
2023	222,389	78,486	300,875
2024	227,444	73,992	301,436
2025	232,615	69,396	302,011
2026 - 2030	1,218,979	340,823	1,559,802
2031 - 2035	1,392,856	218,756	1,611,612
2036 - 2038	731,506	26,839	758,345
Totals	<u>\$ 4,314,636</u>	<u>\$ 919,758</u>	<u>\$ 5,234,394</u>

NOTE 15 - RISK MANAGEMENT

A. Property and Liability

The City does not have municipal liability insurance. The City is self-insured for the purpose of handling, processing, and paying general municipality liability insurance claims in lieu of purchasing general municipality liability insurance. All claims activity is accounted for in the general fund.

The City is fully insured through premium-based insurance policies for all other types of insurance. In 2020, 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
Excess of Airport Policy	50,000,000
Property	928,776,387
General Liability (North West Railway)	10,000,000
Commercial Liability (Convention Center)	2,000,000
Vehicle Liability	12,000,000
Errors and Omissions (Ambulance Attendants)	3,000,000
Errors and Omissions (Municipal Court)	500,000
Dayton Municipal Clerk of Courts Bonds	27,000
Clerk of Courts Crime Coverage/Bonds	2,000,000
Garagekeepers: Liability	2,000,000
Garagekeepers: Test Driving	1,000,000
General Liability (Community Service Program for Dayton Municipal Court)	5,000,000
(Community Service Program for Dayton Municipal Court - Additional various coverages)	100,000
Travel (AD&D)	100,000,000
Executive Management Liability Policy	1,000,000
Employment Practices Liability	2,000,000
Public Officials Bond	27,000
Schedule Positions/Bonds	2,500,000
WRAP	1,000,000

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15 - RISK MANAGEMENT - (Continued)

The City’s policy for reporting a claims liability is based on the requirements GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. It is the opinion of the City’s legal counsel that, as of December 31, 2020, there were \$11,364 in outstanding claims and judgments pending that are reported as a component of claimants payable in the general fund. Claims activity for 2020 and 2019 are as follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2020	\$ 4,997	\$ 278,112	\$ (271,745)	\$ 11,364
2019	1,702,828	91,658	(1,789,489)	4,997

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.

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. After ten years, 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 \$3,334,023 reported at December 31, 2020, as estimated by the third party administrator, is based on the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB Statement No. 30, “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims. Of the \$3,334,023 claims liability, \$1,896,122 of the liability is due within one year and is reported as a current liability in the statement of net position for the proprietary funds. The remaining portion is a noncurrent liability of \$1,437,901. The estimate was not affected by non-incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 15 - RISK MANAGEMENT - (Continued)

Changes in the funds' claims liability amount in 2020 and 2019 were as follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2020	\$ 3,230,679	\$ 2,476,478	\$ (2,373,134)	\$ 3,334,023
2019	2,710,750	2,851,307	(2,331,378)	3,230,679

C. Health Insurance

On January 1, 2012, the City became self-insured for medical and prescription drug benefits (the "Program"). The Program is administered through a third-party administrator who manages and processes the claims. The City makes required payments to the third-party administrator to reimburse them for the claim payments. The City's stop-loss coverage through the Program is limited to \$200,000 per claim with a stop-loss annual coverage aggregate that is 115% of the expected annual claims amounts in the Program. The city has reported a liability in both the health insurance internal service fund and government-wide financial statements amounting to \$3,366,600 for the claims payable liability.

Changes in the claims payable liability in 2020 and 2019 were as follows:

<u>Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2020	\$ 3,475,300	\$ 22,523,445	\$ (22,632,145)	\$ 3,366,600
2019	2,935,932	23,525,024	(22,985,656)	3,475,300

NOTE 16 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation, compensatory time and sick leave components are derived from negotiated agreements, personnel policies and State laws. Vacation time is accrued at the rate of one credit per month, plus one to ten additional credits per year for all employees except police, who receive up to 12 additional days per year, depending upon the length of service. A credit is generally equal to one complete work shift of eight (8) hours, but maybe worth additional periods for fire personnel. The maximum accrual which can be carried forward into January is thirty credits. Accumulated unused vacation time is paid to employees upon separation from the City.

Compensatory time off in lieu of overtime pay is an option given to uniformed Police and Fire Personnel under union contract. It is given on the basis of time and one-half for actual hours worked. Police officers, sergeants, and lieutenants may use up to 136 hours in any year, and accumulate up to 272 hours in any year. An employee may only carry forward 136 hours in a calendar year. 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.

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 16 - OTHER EMPLOYEE BENEFITS - (Continued)

Sick leave is accrued at the rate of one and one-fourth credits per month. The maximum sick leave accrual which can be carried forward into January is 125 credits. Accrued sick leave in excess of 125 credits must be converted to vacation credits in January at the rate of two sick leave days for one vacation day. A credit is generally equal to one complete work shift of eight (8) hours, but may be worth additional periods for fire personnel. Upon retirement, payment may be made for one-half of the total sick leave accumulation, up to a maximum of 140 days.

B. Insurance Benefits

The City is self-insured for medical benefits through Anthem Blue Cross/Blue Shield Health Maintenance insurance plans as described in Note 15.C. Dental insurance is provided to employees through Superior and Ohio AFSCME Care. Group Life and Accidental Death and Dismemberment insurance is provided to employees through Hartford Life and Accident Insurance Company. The City provided life insurance coverage amounts range from \$20,000 to \$300,000 according to employee position and employees may purchase additional supplemental coverage.

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 separation from the City, retirement, death or an unforeseeable emergency.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability/Asset and Net OPEB Liability

Pensions and OPEB are a component of exchange transactions – between an employer and its employees – of salaries and benefits for employee services. Pensions are provided to an employee – on a deferred-payment basis – as part of the total compensation package offered by an employer for employee services each financial period.

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

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

GASB 68/75 assumes the liability/asset is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability. Resulting adjustments to the net pension/OPEB liability would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide health care to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 18 for the OPEB disclosures.

Plan Description - Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3.00%.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

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

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension	14.0 %
Post-employment Health Care Benefits ****	0.0 %
Total Employer	14.0 %
Employee	10.0 %

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

**** This employer health care rate is for the traditional and combined plans. The employer contribution for the member-directed plan is 4.00%.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan was \$10,920,188 for 2020. Of this amount, \$809,594 is reported as due to other governments.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

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

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.00% for each of the next five years of service credit and 1.50% for each year of service credit in excess of 25 years. The maximum pension of 72.00% of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either 3.00% or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3.00% of their base pension or disability benefit.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	<u>Police</u>	<u>Firefighters</u>
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50 %</u>	<u>0.50 %</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	12.25 %	12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$11,284,390 for 2020. Of this amount, \$877,373 is reported as due to other governments.

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

The net pension liability and net pension asset for the OPERS were measured as of December 31, 2019, and the total pension liability or asset used to calculate the net pension liability or asset was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability or asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>OPERS - Traditional</u>	<u>OPERS - Combined</u>	<u>OPERS - Member- Directed</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net pension liability/asset prior measurement date	0.56320700%	0.55145000%	0.50799900%	2.17932200%	
Proportion of the net pension liability/asset current measurement date	<u>0.55017700%</u>	<u>0.51798500%</u>	<u>0.48546700%</u>	<u>2.18245380%</u>	
Change in proportionate share	<u>-0.01303000%</u>	<u>-0.03346500%</u>	<u>-0.02253200%</u>	<u>0.00313180%</u>	
Proportionate share of the net pension liability	\$ 108,746,216	\$ -	\$ -	\$ 147,021,746	\$ 255,767,962
Proportionate share of the net pension asset	-	(1,080,123)	(18,350)	-	(1,098,473)
Pension expense	17,040,985	123,747	(10,812)	18,759,453	35,913,373

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred outflows of resources					
Differences between expected and actual experience	\$ -	\$ -	\$ 61,323	\$ 5,565,246	\$ 5,626,569
Changes of assumptions	5,808,322	111,372	2,978	3,609,001	9,531,673
Changes in employer's proportionate percentage/ difference between employer contributions	578,811	-	-	2,278,304	2,857,115
Contributions subsequent to the measurement date	10,336,925	304,955	278,308	11,284,390	22,204,578
Total deferred outflows of resources	<u>\$ 16,724,058</u>	<u>\$ 416,327</u>	<u>\$ 342,609</u>	<u>\$ 22,736,941</u>	<u>\$ 40,219,935</u>

	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
Deferred inflows of resources					
Differences between expected and actual experience	\$ 1,374,941	\$ 253,576	\$ -	\$ 7,582,507	\$ 9,211,024
Net difference between projected and actual earnings on pension plan investments	21,692,423	140,095	5,768	7,102,335	28,940,621
Changes in employer's proportionate percentage/ difference between employer contributions	2,824,235	-	-	2,453,682	5,277,917
Total deferred inflows of resources	<u>\$ 25,891,599</u>	<u>\$ 393,671</u>	<u>\$ 5,768</u>	<u>\$ 17,138,524</u>	<u>\$ 43,429,562</u>

\$22,204,578 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability/asset in the year ending December 31, 2021.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31:	OPERS - Traditional	OPERS - Combined	OPERS - Member- Directed	OP&F	Total
2021	\$ (4,178,241)	\$ (68,830)	\$ 7,213	\$ (1,527,351)	\$ (5,767,209)
2022	(7,611,186)	(66,201)	7,327	(391,998)	(8,062,058)
2023	898,277	(27,139)	8,790	3,197,205	4,077,133
2024	(8,613,316)	(78,428)	6,560	(6,335,414)	(15,020,598)
2025	-	(14,631)	7,872	(628,415)	(635,174)
Thereafter	-	(27,070)	20,771	-	(6,299)
Total	\$ (19,504,466)	\$ (282,299)	\$ 58,533	\$ (5,685,973)	\$ (25,414,205)

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 10.75% including wage inflation Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 1.40%, simple through 2020, then 2.15% simple
Investment rate of return	
Current measurement date	7.20%
Prior measurement date	7.20%
Actuarial cost method	Individual entry age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3.00% simple through 2018 then 2.15% simple to 1.40% simple through 2020 the 2.15% simple.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.20% for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed income	25.00 %	1.83 %
Domestic equities	19.00	5.75
Real estate	10.00	5.20
Private equity	12.00	10.70
International equities	21.00	7.66
Other investments	13.00	4.98
Total	100.00 %	5.61 %

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Discount Rate - The discount rate used to measure the total pension liability/asset was 7.20%, post-experience study results, for the Traditional Pension Plan, the Combined Plan and Member-Directed Plan. The discount rate used to measure total pension liability prior to December 31, 2019 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Traditional Pension Plan, Combined Plan and Member-Directed Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability/Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net pension liability/asset calculated using the current period discount rate assumption of 7.20%, as well as what the proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.20%) or one-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 179,357,702	\$ 108,746,216	\$ 45,268,564
Combined Plan	(652,661)	(1,080,123)	(1,388,200)
Member-Directed Plan	(9,709)	(18,350)	(24,273)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2019, are presented below.

Valuation date	1/1/19 with actuarial liabilities rolled forward to 12/31/19
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increases	3.75% - 10.50%
Payroll increases	3.25% per annum, compounded annually, consisting of
	inflation rate of 2.75% plus productivity increase rate of 0.50%
Cost of living adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted and projected with the Buck Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

Age	Police	Fire
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy and Guidelines. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019 are summarized below:

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return and creating a more risk-balanced portfolio based on the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - The total pension liability was calculated using the discount rate of 8.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00%), or one percentage point higher (9.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net pension liability	\$ 203,767,028	\$ 147,021,746	\$ 99,559,943

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in due to other governments on both the accrual and modified accrual basis of accounting.

Plan Description - Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.00% of earnable salary and public safety and law enforcement employers contributed at 18.10%. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care was 0.00% for the Traditional and Combined plans. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the Member-Directed Plan for 2020 was 4.00%.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

The City's contractually required contribution was \$111,323 for 2020. Of this amount, \$8,253 is reported as due to other governments.

Plan Description - Ohio Police & Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.50% and 24.00% of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.50% of covered payroll for police employer units and 24.00% of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.50% of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

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

The City's contractually required contribution to OP&F was \$268,716 for 2020. Of this amount, \$20,893 is reported as due to other governments.

Net OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the net OPEB liability prior measurement date	0.56074500%	2.17932200%	
Proportion of the net OPEB liability current measurement date	<u>0.54675100%</u>	<u>2.18245380%</u>	
Change in proportionate share	<u>-0.01399400%</u>	<u>0.00313180%</u>	
Proportionate share of the net OPEB liability	\$ 75,520,518	\$ 21,557,690	\$ 97,078,208
OPEB expense	\$ 8,204,868	\$ 2,259,984	\$ 10,464,852

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 2,025	\$ -	\$ 2,025
Changes of assumptions	11,954,097	12,603,460	24,557,557
Changes in employer's proportionate percentage/difference between employer contributions	815,207	792,501	1,607,708
Contributions subsequent to the measurement date	111,323	268,716	380,039
Total deferred outflows of resources	<u>\$ 12,882,652</u>	<u>\$ 13,664,677</u>	<u>\$ 26,547,329</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 6,906,699	\$ 2,318,321	\$ 9,225,020
Net difference between projected and actual earnings on OPEB plan investments	3,845,485	992,005	4,837,490
Changes of assumptions	-	4,594,269	4,594,269
Changes in employer's proportionate percentage/ difference between employer contributions	2,152,924	423,044	2,575,968
Total deferred inflows of resources	<u>\$ 12,905,108</u>	<u>\$ 8,327,639</u>	<u>\$ 21,232,747</u>

\$380,039 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	\$ 1,045,069	\$ 904,341	\$ 1,949,410
2022	461,307	904,343	1,365,650
2023	3,058	1,107,829	1,110,887
2024	(1,643,213)	787,022	(856,191)
2025	-	897,923	897,923
Thereafter	-	466,864	466,864
Total	<u>\$ (133,779)</u>	<u>\$ 5,068,322</u>	<u>\$ 4,934,543</u>

Actuarial Assumptions - OPERS

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	3.25%
Projected Salary Increases, including inflation	3.25 to 10.75% including wage inflation
Single Discount Rate:	
Current measurement date	3.16%
Prior Measurement date	3.96%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.75%
Prior Measurement date	3.71%
Health Care Cost Trend Rate	
Current measurement date	10.50% initial, 3.50% ultimate in 2030
Prior Measurement date	7.50%, initial 3.25%, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five-year period ended December 31, 2015.

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.70% for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)
Fixed Income	36.00 %	1.53 %
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	<u>100.00 %</u>	<u>4.55 %</u>

Discount Rate - A single discount rate of 3.16% was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96% was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.75%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

- The following table presents the proportionate share of the net OPEB liability calculated using the single discount rate of 3.16%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16%) or one-percentage-point higher (4.16%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 98,830,711	\$ 75,520,518	\$ 56,856,636

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

- Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.00% lower or 1.00% higher than the current rate.

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50%. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50% in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 73,291,972	\$ 75,520,518	\$ 77,720,655

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	3.56%
Prior measurement date	4.66%
Cost of Living Adjustments	3.00% simple; 2.20% simple for increases based on the lesser of the increase in CPI and 3.00%

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120%.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105%	87%
78 and up	115%	120%

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60%	45%
70-79	75%	70%
80 and up	100%	90%

The most recent experience study was completed for the five-year period ended December 31, 2016.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes.

Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation		
Linked Bonds *	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	120.00 %	

Note: assumptions are geometric.

* levered 2x

** numbers include inflation

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.20 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. For 2018, the total OPEB liability was calculated using the discount rate of 4.66%. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8.00%. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75% at December 31, 2019 and 4.13% at December 31, 2018, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 3.56% for 2019 and 4.66% for 2018. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56%), or one percentage point higher (4.56%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
City's proportionate share of the net OPEB liability	\$ 26,730,145	\$ 21,557,690	\$ 17,259,742

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate - The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

NOTE 19 - BUDGETARY BASIS OF ACCOUNTING

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a modified accrual basis with exceptions. The statement of revenues, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The adjustments necessary to convert the results of operations of the general fund for the year ended December 31, 2020, on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance

		General
Budget basis	\$	(3,599,246)
Net adjustment for revenues		622,517
Net adjustment for expenditures		(11,230,569)
Net adjustment for other sources/uses		1,420,000
Adjustment for encumbrances		10,827,050
GAAP basis	\$	(1,960,248)

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 20 - FUND BALANCE

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

Fund balance	General	Debt Service Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepays	\$ 596,585	\$ -	\$ -	\$ 246,991	\$ 843,576
Materials and supplies inventory	13,581	-	26,242	1,200,107	1,239,930
Advances to other funds	580,000	-	-	-	580,000
Perpetual care	-	-	-	102,228	102,228
Loans receivable	13,479,564	-	-	-	13,479,564
Unclaimed monies	718,152	-	-	-	718,152
Total nonspendable	<u>15,387,882</u>	<u>-</u>	<u>26,242</u>	<u>1,549,326</u>	<u>16,963,450</u>
Restricted:					
Street and highway programs	-	-	-	2,200,017	2,200,017
Special projects	-	-	-	18,138,699	18,138,699
Housing and urban development	-	-	-	1,976,707	1,976,707
Debt service	-	24,761,009	-	-	24,761,009
Capital projects	-	-	11,051,244	-	11,051,244
Fire escrow	1,398,122	-	-	-	1,398,122
Other purposes	-	-	-	10,519,666	10,519,666
Permanent fund	-	-	-	84,485	84,485
Total restricted	<u>1,398,122</u>	<u>24,761,009</u>	<u>11,051,244</u>	<u>32,919,574</u>	<u>70,129,949</u>
Committed:					
Capital projects	-	-	7,849,429	-	7,849,429
Community development	93,658	-	-	-	93,658
Economic development	41,145	-	-	-	41,145
Leadership and quality of life	615,132	-	-	-	615,132
Corporate responsibility	584,999	-	-	-	584,999
Other purposes	8,064	-	-	-	8,064
Public safety	304,922	-	-	-	304,922
Special assessments	-	457,950	-	-	457,950
Total committed	<u>1,647,920</u>	<u>457,950</u>	<u>7,849,429</u>	<u>-</u>	<u>9,955,299</u>
Assigned:					
Community development	12,895	-	-	-	12,895
Economic development	24,667	-	-	-	24,667
Leadership and quality of life	515,737	-	-	-	515,737
Corporate responsibility	548,482	-	-	-	548,482
Public safety	350,080	-	-	-	350,080
Special payroll	2,620,291	-	-	-	2,620,291
Termination pay	208,993	-	-	-	208,993
Unemployment	660,623	-	-	-	660,623
Other purposes	796,025	-	-	-	796,025
Police professional development	56,019	-	-	-	56,019
Sunrise Bomberger Center	240,816	-	-	-	240,816
Community policing council (CIRGV)	128,089	-	-	-	128,089
Mediation center	253,339	-	-	-	253,339
Professional development	349,507	-	-	-	349,507
Nationwide settlement	141,789	-	-	-	141,789
Executive savings	885,066	-	-	-	885,066
Judgments	1,425,682	-	-	-	1,425,682
Development	3,987,447	-	-	-	3,987,447
Real estate development	400,056	-	-	-	400,056
Subsequent year appropriations	8,577,516	-	-	-	8,577,516
Preschool promise	1,562,365	-	-	-	1,562,365
Public safety photo enforcement	855,968	-	-	-	855,968
Water Street Parking	34,455	-	-	-	34,455
Community golf and recreation	781,247	-	-	-	781,247
Urban renewal	53,520	-	-	-	53,520
Capital projects	-	-	15,199,275	-	15,199,275
Total assigned	<u>25,470,674</u>	<u>-</u>	<u>15,199,275</u>	<u>-</u>	<u>40,669,949</u>
Unassigned	<u>31,411,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,411,557</u>
Total fund balances	<u>\$ 75,316,155</u>	<u>\$ 25,218,959</u>	<u>\$ 34,126,190</u>	<u>\$ 34,468,900</u>	<u>\$ 169,130,204</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 21 - COMMITMENTS

The City utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the City's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 7,391,662
Debt service	9,984
Capital improvement	7,593,275
Nonmajor governmental	<u>18,917,108</u>
Total	<u>\$ 33,912,029</u>

NOTE 22 - CONTINGENCIES

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. Grants

For the period January 1, 2020 to December 31, 2020, 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.

On February 19, 2021, the City requested a voluntary grant reduction of HOME program funds as a repayment of the outstanding findings from the 2018 HUD monitoring. The City requested HUD to de-obligate \$2,686,143 of funding from grant years 2014-2018.

C. Asset Retirement Obligations

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewage treatment system to the Ohio Environmental Protection Agency (Ohio EPA) for approval. Through this permitting process, the City would be responsible to address any public safety issues associated with their sewage treatment facilities and the permit would specify the procedures required to dispose of all or part of the sewage treatment plant. Due to the lack of specific legal requirements for retiring the sewage treatment plant, the City has determined that the associated asset retirement obligation can not be reasonably estimated.

NOTE 23- COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. The City's investment portfolio and the pension and other employee benefits plan in which the City participate fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the City received \$17,459,714 as an on-behalf of grant for Coronavirus Relief from another government. This amount is recorded as revenue in the Miscellaneous Grants Special Revenue Fund (a nonmajor governmental fund).

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 24- SIGNIFICANT SUBSEQUENT EVENTS

The City entered into a ground lease, effective April 1, 2021 with the Montgomery County Convention Facilities Authority (“CFA”). This agreement transfers the Convention Center facility, furniture and fixtures from the City to the CFA. The City also entered into a Cooperative Agreement effective April 1, 2021 with the CFA which addresses operational issues including debt service payments on existing debt, rental fees, parking license agreement, and taxes.

As part of the American Rescue Plan of 2021, the City was placed in the “Metropolitan City” category as a direct recipient of Federal funding. In May of 2021, the City received \$68.9 million in funding. The City is slated to receive \$136,000,000 to be obligated for expenditure by December 31, 2024.

On February 25, 2021, House Bill 157 was introduced to the 134th General Assembly. The Bill allows Ohioans to file municipal income taxes refunds for any days they worked from home during 2021. If passed, the City of Dayton estimates a permanent loss of income tax revenues that could be as high as \$25 million annually.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY/NET PENSION ASSET
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.550177%	0.563207%	0.571533%	0.555800%
City's proportionate share of the net pension liability	\$ 108,746,216	\$ 154,250,979	\$ 89,662,448	\$ 126,212,728
City's covered payroll	\$ 77,640,136	\$ 74,225,779	\$ 73,469,231	\$ 71,961,283
City's proportionate share of the net pension liability as a percentage of its covered payroll	140.06%	207.81%	122.04%	175.39%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	74.70%	84.66%	77.25%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.005180%	0.551450%	0.569155%	0.533340%
City's proportionate share of the net pension asset	\$ 1,080,123	\$ 616,644	\$ 774,804	\$ 296,841
City's covered payroll	\$ 2,263,643	\$ 2,358,507	\$ 2,330,962	\$ 2,073,725
City's proportionate share of the net pension asset as a percentage of its covered payroll	47.72%	26.15%	33.24%	14.31%
Plan fiduciary net position as a percentage of the total pension asset	145.28%	126.64%	137.28%	116.55%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.485467%	0.507999%	0.507183%	0.481132%
City's proportionate share of the net pension asset	\$ 18,350	\$ 11,575	\$ 17,701	\$ 2,004
City's covered payroll	\$ 2,885,760	\$ 2,899,690	\$ 2,767,440	\$ 2,484,105
City's proportionate share of the net pension asset as a percentage of its covered payroll	0.64%	0.40%	0.64%	0.08%
Plan fiduciary net position as a percentage of the total pension asset	118.84%	113.42%	124.46%	103.40%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.567394%	0.560246%	0.560246%
\$	98,279,795	\$ 67,571,930	\$ 66,045,704
\$	72,324,850	\$ 67,411,033	\$ 66,466,608
	135.89%	100.24%	99.37%
	81.08%	86.45%	86.36%
	0.506860%	0.475603%	0.475603%
\$	246,649	\$ 183,119	\$ 49,906
\$	1,645,667	\$ 1,738,508	\$ 1,438,292
	14.99%	10.53%	3.47%
	116.90%	114.83%	104.56%
	0.424314%	n/a	n/a
\$	1,622	n/a	n/a
\$	2,984,958	n/a	n/a
	0.05%	n/a	n/a
	103.91%	n/a	n/a

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST SEVEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net pension liability	2.18245380%	2.17932200%	2.17672700%	2.16452900%
City's proportionate share of the net pension liability	\$ 147,021,746	\$ 177,890,261	\$ 133,595,564	\$ 137,099,085
City's covered payroll	\$ 52,739,394	\$ 49,732,902	\$ 47,884,272	\$ 46,850,076
City's proportionate share of the net pension liability as a percentage of its covered payroll	278.77%	357.69%	279.00%	292.63%
Plan fiduciary net position as a percentage of the total pension liability	69.89%	63.07%	70.91%	68.36%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
2.20264200%	2.41510400%	2.24151040%
\$ 141,697,531	\$ 116,119,585	\$ 109,168,588
\$ 46,805,467	\$ 42,914,752	\$ 43,695,379
302.74%	270.58%	249.84%
66.77%	72.20%	73.00%

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 10,336,925	\$ 10,869,619	\$ 10,391,609	\$ 9,551,000
Contributions in relation to the contractually required contribution	<u>(10,336,925)</u>	<u>(10,869,619)</u>	<u>(10,391,609)</u>	<u>(9,551,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 73,835,179	\$ 77,640,136	\$ 74,225,779	\$ 73,469,231
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 304,955	\$ 316,910	\$ 330,191	\$ 303,025
Contributions in relation to the contractually required contribution	<u>(304,955)</u>	<u>(316,910)</u>	<u>(330,191)</u>	<u>(303,025)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,178,250	\$ 2,263,643	\$ 2,358,507	\$ 2,330,962
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	13.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 278,308	\$ 288,576	\$ 289,969	\$ 276,744
Contributions in relation to the contractually required contribution	<u>(278,308)</u>	<u>(288,576)</u>	<u>(289,969)</u>	<u>(276,744)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,783,080	\$ 2,885,760	\$ 2,899,690	\$ 2,767,440
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 8,635,354	\$ 8,678,982	\$ 8,089,324	\$ 8,640,659	\$ 6,878,420	\$ 6,823,221
<u>(8,635,354)</u>	<u>(8,678,982)</u>	<u>(8,089,324)</u>	<u>(8,640,659)</u>	<u>(6,878,420)</u>	<u>(6,823,221)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 71,961,283	\$ 72,324,850	\$ 67,411,033	\$ 66,466,608	\$ 68,784,200	\$ 68,232,210
12.00%	12.00%	12.00%	13.00%	10.00%	10.00%
\$ 248,847	\$ 197,480	\$ 208,621	\$ 186,978	\$ 98,164	\$ 105,120
<u>(248,847)</u>	<u>(197,480)</u>	<u>(208,621)</u>	<u>(186,978)</u>	<u>(98,164)</u>	<u>(105,120)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,073,725	\$ 1,645,667	\$ 1,738,508	\$ 1,438,292	\$ 1,234,767	\$ 1,322,264
12.00%	12.00%	12.00%	13.00%	7.95%	7.95%
\$ 235,990	\$ 283,571				
<u>(235,990)</u>	<u>(283,571)</u>				
<u>\$ -</u>	<u>\$ -</u>				
\$ 2,484,105	\$ 2,984,958				
9.50%	9.50%				

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY PENSION CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 5,679,933	\$ 5,627,059	\$ 5,295,638	\$ 5,068,477
Contributions in relation to the contractually required contribution	<u>(5,679,933)</u>	<u>(5,627,059)</u>	<u>(5,295,638)</u>	<u>(5,068,477)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 29,894,384	\$ 29,616,100	\$ 27,871,779	\$ 26,676,195
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 5,604,457	\$ 5,433,974	\$ 5,137,364	\$ 4,983,898
Contributions in relation to the contractually required contribution	<u>(5,604,457)</u>	<u>(5,433,974)</u>	<u>(5,137,364)</u>	<u>(4,983,898)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 23,848,753	\$ 23,123,294	\$ 21,861,123	\$ 21,208,077
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 4,938,796	\$ 4,997,877	\$ 4,599,130	\$ 3,876,616	\$ 3,123,636	\$ 3,108,863
<u>(4,938,796)</u>	<u>(4,997,877)</u>	<u>(4,599,130)</u>	<u>(3,876,616)</u>	<u>(3,123,636)</u>	<u>(3,108,863)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 25,993,663	\$ 26,304,616	\$ 24,205,947	\$ 24,406,816	\$ 24,499,106	\$ 24,383,239
19.00%	19.00%	19.00%	15.88%	12.75%	12.75%
\$ 4,901,257	\$ 4,817,700	\$ 4,396,569	\$ 3,931,652	\$ 3,466,063	\$ 3,403,911
<u>(4,901,257)</u>	<u>(4,817,700)</u>	<u>(4,396,569)</u>	<u>(3,931,652)</u>	<u>(3,466,063)</u>	<u>(3,403,911)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,856,413	\$ 20,500,851	\$ 18,708,805	\$ 19,288,563	\$ 20,093,119	\$ 19,732,817
23.50%	23.50%	23.50%	20.38%	17.25%	17.25%

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	0.546751%	0.560745%	0.569300%	0.551043%
City's proportionate share of the net OPEB liability	\$ 75,520,518	\$ 73,107,912	\$ 61,821,787	\$ 55,657,232
City's covered payroll	\$ 82,789,539	\$ 79,483,976	\$ 78,567,633	\$ 76,519,113
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	91.22%	91.98%	78.69%	72.74%
Plan fiduciary net position as a percentage of the total OPEB liability	47.80%	46.33%	54.14%	54.05%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST FOUR YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	2.18245380%	2.17932200%	2.17672700%	2.16452900%
City's proportionate share of the net OPEB liability	\$ 21,557,690	\$ 19,846,070	\$ 123,330,304	\$ 102,745,324
City's covered payroll	\$ 52,739,394	\$ 49,732,902	\$ 47,884,272	\$ 46,850,076
City's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.88%	39.91%	257.56%	219.31%
Plan fiduciary net position as a percentage of the total OPEB liability	47.08%	46.57%	14.13%	15.96%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Amounts presented for each fiscal year were determined as of the City's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 111,323	\$ 115,431	\$ 115,989	\$ 868,701
Contributions in relation to the contractually required contribution	<u>(111,323)</u>	<u>(115,431)</u>	<u>(115,989)</u>	<u>(868,701)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 78,796,459	\$ 82,789,539	\$ 79,483,976	\$ 78,567,633
Contributions as a percentage of covered payroll	0.14%	0.14%	0.15%	1.11%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 1,592,485	\$ 1,479,410	\$ 1,407,023	\$ 630,293	\$ 2,826,071	\$ 2,809,285
<u>(1,592,485)</u>	<u>(1,479,410)</u>	<u>(1,407,023)</u>	<u>(630,293)</u>	<u>(2,826,071)</u>	<u>(2,809,285)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 76,519,113	\$ 76,955,475	\$ 69,149,541	\$ 67,904,900	\$ 70,018,967	\$ 69,554,474
2.08%	1.92%	2.03%	0.93%	4.04%	4.04%

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CITY OPEB CONTRIBUTIONS
OHIO POLICE AND FIRE (OP&F) PENSION FUND

LAST TEN YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<i>Police:</i>				
Contractually required contribution	\$ 149,472	\$ 148,081	\$ 139,359	\$ 133,381
Contributions in relation to the contractually required contribution	<u>(149,472)</u>	<u>(148,081)</u>	<u>(139,359)</u>	<u>(133,381)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 29,894,384	\$ 29,616,100	\$ 27,871,779	\$ 26,676,195
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 119,244	\$ 115,616	\$ 109,306	\$ 106,040
Contributions in relation to the contractually required contribution	<u>(119,244)</u>	<u>(115,616)</u>	<u>(109,306)</u>	<u>(106,040)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 23,848,753	\$ 23,123,294	\$ 21,861,123	\$ 21,208,077
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 129,968	\$ 131,523	\$ 121,030	\$ 883,527	\$ 1,653,689	\$ 1,645,869
<u>(129,968)</u>	<u>(131,523)</u>	<u>(121,030)</u>	<u>(883,527)</u>	<u>(1,653,689)</u>	<u>(1,645,869)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 25,993,663	\$ 26,304,616	\$ 24,205,947	\$ 24,406,816	\$ 24,499,106	\$ 24,383,239
0.50%	0.50%	0.50%	3.62%	6.75%	6.75%
\$ 104,282	\$ 102,504	\$ 93,544	\$ 698,246	\$ 1,356,286	\$ 1,331,965
<u>(104,282)</u>	<u>(102,504)</u>	<u>(93,544)</u>	<u>(698,246)</u>	<u>(1,356,286)</u>	<u>(1,331,965)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 20,856,413	\$ 20,500,851	\$ 18,708,805	\$ 19,288,563	\$ 20,093,119	\$ 19,732,817
0.50%	0.50%	0.50%	3.62%	6.75%	6.75%

CITY OF DAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2020

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2016. For 2017, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.00% down to 7.50%, (b) for defined benefit investments, decreasing the wage inflation from 3.75% to 3.25% and (c) changing the future salary increases from a range of 4.25%-10.05% to 3.25%-10.75%. There were no changes in assumptions for 2018. For 2019, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date: (a) the assumed rate of return and discount rate were reduced from 7.50% down to 7.20%. There were no changes in assumptions for 2020.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2014-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2014-2017. For 2018, the following were the most significant changes of assumptions that affected the total pension since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 8.50% down to 8.00%, (b) changing the future salary increases from a range of 4.25%-11.00% to 3.75%-10.50%, (c) reduction in payroll increases from 3.75% down to 3.25%, (d) reduction in inflation assumptions from 3.25% down to 2.75% and (e) Cost of Living Adjustments (COLA) were reduced from 2.60% and 3.00% simple to 2.20% and 3.00% simple. There were no changes in assumptions for 2019-2020.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) reduction in the actuarially assumed rate of return from 4.23% down to 3.85%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.85% up to 3.96%, (b) The investment rate of return was decreased from 6.50% percent down to 6.00%, (c) the municipal bond rate was increased from 3.31% up to 3.71% and (d) the health care cost trend rate was increased from 7.50%, initial/3.25%, ultimate in 2028 up to 10.00%, initial/3.25% ultimate in 2029. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 3.96% up to 3.16%, (b) the municipal bond rate was decreased from 3.71% up to 2.75% and (c) the health care cost trend rate was increased from 10.00%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms : There were no changes in benefit terms from the amounts reported for 2017-2018. For 2019, OP&F changed its retiree health care model from a self-insured health care plan to a stipend-based health care model. There were no changes in benefit terms for 2020.

Changes in assumptions : There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for 2017. For 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date: (a) DROP interest rate was reduced from 4.50% to 4.00%, (b) CPI-based COLA was reduced from 2.60% to 2.20%, (c) investment rate of return was reduced from 8.25% to 8.00%, (d) salary increases were reduced from 3.75% to 3.25% and (e) payroll growth was reduced from 3.75% to 3.25%. For 2019, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.24% up to 4.66%. For 2020, the following were the most significant changes of assumptions that affect the total OPEB liability since the prior measurement date: (a) the discount rate was decreased from 4.66% up to 3.56%.



Combining Statements and Schedules

**COMBINING STATEMENTS
AND SCHEDULES**

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COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 130,900,000	\$ 130,900,000	\$ 133,730,879	\$ 2,830,879
Property and other taxes	6,543,900	6,543,900	6,248,001	(295,899)
State shared taxes	7,274,200	7,274,200	6,995,548	(278,652)
Charges for services	26,212,800	27,486,800	26,383,451	(1,103,349)
Licenses and permits	3,020,000	3,020,000	2,257,013	(762,987)
Fines and forfeitures	430,000	1,200,100	1,564,683	364,583
Intergovernmental	4,155,500	4,155,500	3,273,665	(881,835)
Special assessments	385,000	385,000	416,029	31,029
Investment income	1,083,300	1,083,300	2,376,366	1,293,066
Other	5,332,500	5,332,500	8,917,441	3,584,941
Total revenues	185,337,200	187,381,300	192,163,076	4,781,776
Expenditures:				
General operating:				
General government:				
Clerk of commission	1,302,500	1,285,000	1,193,301	91,699
Civil service board	1,525,100	1,441,400	1,385,726	55,674
Human relations council	1,001,100	821,600	792,155	29,445
City manager's office	1,593,300	1,718,300	1,545,341	172,959
Office of public affairs	1,260,800	1,274,700	1,208,490	66,210
Department of planning & community development	3,427,000	3,102,300	3,346,738	(244,438)
Clerk of courts	3,891,900	3,835,700	3,734,508	101,192
Municipal court	4,909,600	4,847,800	4,756,971	90,829
Department of economic development	3,691,000	3,526,200	3,428,142	98,058
Department of procurement, management and budget	1,852,000	1,627,600	1,585,285	42,315
Department of water	118,400	112,300	109,912	2,388
Department of law	2,903,600	2,924,500	2,809,514	114,986
Department of finance	4,050,400	3,886,500	3,802,218	84,282
Department of human resources	1,164,500	1,364,500	1,293,781	70,719
Department of information technology	7,022,100	6,698,700	6,591,707	106,993
Department of police	53,121,200	54,517,400	53,405,916	1,111,484
Department of fire	42,853,900	43,523,900	42,822,737	701,163
Department of public works	26,625,400	26,885,100	26,032,797	852,303
Department of recreation and youth services	5,726,700	4,941,600	4,300,354	641,246
Non-departmental	1,607,600	2,363,500	1,807,723	555,777
Special projects	14,562,900	17,632,100	14,930,212	2,701,888
Total expenditures	184,211,000	188,330,700	180,883,528	7,447,172
Excess (deficiency) of revenues over (under) expenditures	1,126,200	(949,400)	11,279,548	12,228,948
Other financing uses:				
Transfers (out)	(8,092,400)	(14,878,800)	(14,878,794)	6
Total other financing (uses)	(8,092,400)	(14,878,800)	(14,878,794)	6
Net change in fund balances	(6,966,200)	(15,828,200)	(3,599,246)	12,228,954
Fund balance at beginning of year	68,597,894	68,597,894	68,597,894	-
Prior year encumbrances appropriated	4,648,007	4,648,007	4,648,007	-
Balance sheet adjustments	1,876,650	1,876,650	1,876,650	-
Fund balance at end of year	\$ 68,156,351	\$ 59,294,351	\$ 71,523,305	\$ 12,228,954

CITY OF DAYTON, OHIO

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The following are the nonmajor special revenue funds which the City of Dayton operates:

Street

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

Other Special Revenue

To account for monies restricted by City Ordinance to finance various special projects undertaken by the City.

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 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 (ESG) 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.

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, Transportation, Ohio Departments of Education, Development, Highway Safety, the Department of Treasury and Natural Resources.

Nonmajor Permanent Fund

Permanent funds are used to account for resources that are legally restricted to the extent that earnings, and not principal, may be used for purposes that support City programs. Included in the permanent fund is the Schantz Waldruhe Park Trust which accounts for interest earned on Dayton Power & Light stock that is used for the improvement, care and maintenance of Waldruhe Park and the Forrest B. Lucas Foundation which accounts for interest earned on a contribution made by Forrest B. Lucas that is to be used for fire department training purposes.

The City reports only one permanent fund to account for the above activity. No combining schedules are required.

CITY OF DAYTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 30,906,988	\$ 186,661	\$ 31,093,649
Receivables:			
Accounts	485,753	-	485,753
Accrued interest	25,663	116	25,779
Due from other governments	9,187,100	-	9,187,100
Loans receivable	2,272,699	-	2,272,699
Materials and supplies inventory	1,200,107	-	1,200,107
Prepayments	246,991	-	246,991
	<u>\$ 44,325,301</u>	<u>\$ 186,777</u>	<u>\$ 44,512,078</u>
Liabilities:			
Accounts payable	\$ 371,655	\$ -	\$ 371,655
Contracts payable	810,354	-	810,354
Accrued wages and benefits payable	132,940	-	132,940
Retainage payable	46,612	-	46,612
Advances from other funds	580,000	-	580,000
Due to other governments	73,218	-	73,218
	<u>2,014,779</u>	<u>-</u>	<u>2,014,779</u>
Deferred inflows of resources:			
Accrued interest not available	14,164	64	14,228
Miscellaneous revenue not available	461,691	-	461,691
Intergovernmental revenue not available	7,552,480	-	7,552,480
	<u>8,028,335</u>	<u>64</u>	<u>8,028,399</u>
Fund Balances:			
Nonspendable	1,447,098	102,228	1,549,326
Restricted	32,835,089	84,485	32,919,574
Total fund balances	<u>34,282,187</u>	<u>186,713</u>	<u>34,468,900</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,325,301</u>	<u>\$ 186,777</u>	<u>\$ 44,512,078</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
State shared taxes.	\$ 6,999,360	\$ -	\$ 6,999,360
Charges for services.	1,364,741	-	1,364,741
Licenses and permits	31,419	-	31,419
Fines and forfeitures	277,308	-	277,308
Intergovernmental.	27,329,630	-	27,329,630
Special assessments	2,847,969	-	2,847,969
Investment income	191,245	764	192,009
Increase in fair value of investments.	86,091	308	86,399
Other	8,318,681	-	8,318,681
Total revenues	47,446,444	1,072	47,447,516
Expenditures:			
Current:			
General government:			
Downtown.	100	-	100
Community development and neighborhoods.	5,361,301	-	5,361,301
Economic development	1,714,962	-	1,714,962
Leadership and quality of life	19,930,232	-	19,930,232
Corporate responsibility.	589,604	-	589,604
Public safety and justice.	6,252,692	-	6,252,692
Total expenditures.	33,848,891	-	33,848,891
Excess (deficiency) of revenues over (under) expenditures.	13,597,553	1,072	13,598,625
Other financing sources:			
Transfers in	1,090,497	-	1,090,497
Total other financing sources	1,090,497	-	1,090,497
Net change in fund balances	14,688,050	1,072	14,689,122
Fund balances at beginning of year	19,594,137	185,641	19,779,778
Fund balances at end of year	\$ 34,282,187	\$ 186,713	\$ 34,468,900

CITY OF DAYTON, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Assets:			
Equity in pooled cash and investments	\$ 667,359	\$ 565,565	\$ 18,574,999
Receivables:			
Accounts	166,226	-	312,355
Accrued interest	-	-	22,863
Due from other governments	2,939,781	235,472	48,499
Loans receivable	-	-	-
Materials and supplies inventory	1,117,677	-	82,430
Prepayments	-	-	-
Total assets	<u>\$ 4,891,043</u>	<u>\$ 801,037</u>	<u>\$ 19,041,146</u>
Liabilities:			
Accounts payable	\$ 21,555	\$ 2,671	\$ 22,759
Contracts payable	20,569	8,190	416,598
Accrued wages and benefits payable	93,883	-	14,410
Retainage payable	-	-	20,926
Advances from other funds	-	-	-
Due to other governments	22,730	1,552	14,154
Total liabilities	<u>158,737</u>	<u>12,413</u>	<u>488,847</u>
Deferred inflows of resources:			
Accrued interest not available	-	-	12,619
Miscellaneous revenue not available	156,045	-	297,927
Intergovernmental revenue not available	1,893,743	153,448	20,624
Total deferred inflows of resources	<u>2,049,788</u>	<u>153,448</u>	<u>331,170</u>
Fund Balances:			
Nonspendable	1,117,677	-	82,430
Restricted	1,564,841	635,176	18,138,699
Total fund balances	<u>2,682,518</u>	<u>635,176</u>	<u>18,221,129</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,891,043</u>	<u>\$ 801,037</u>	<u>\$ 19,041,146</u>

HUD Programs	Miscellaneous Grants	Total
\$ 244,689	\$ 10,854,376	\$ 30,906,988
2,928	4,244	485,753
-	2,800	25,663
3,145,326	2,818,022	9,187,100
2,272,699	-	2,272,699
-	-	1,200,107
186,301	60,690	246,991
<u>\$ 5,851,943</u>	<u>\$ 13,740,132</u>	<u>\$ 44,325,301</u>
\$ 9,387	\$ 315,283	\$ 371,655
76,583	288,414	810,354
10,736	13,911	132,940
25,686	-	46,612
580,000	-	580,000
12,107	22,675	73,218
<u>714,499</u>	<u>640,283</u>	<u>2,014,779</u>
-	1,545	14,164
3,475	4,244	461,691
2,970,961	2,513,704	7,552,480
<u>2,974,436</u>	<u>2,519,493</u>	<u>8,028,335</u>
186,301	60,690	1,447,098
1,976,707	10,519,666	32,835,089
<u>2,163,008</u>	<u>10,580,356</u>	<u>34,282,187</u>
<u>\$ 5,851,943</u>	<u>\$ 13,740,132</u>	<u>\$ 44,325,301</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Revenues:			
State shared taxes	\$ 6,511,861	\$ 487,499	\$ -
Charges for services	18,945	-	618,799
Licenses and permits	-	-	31,419
Fines and forfeitures	-	-	24,539
Intergovernmental	-	-	50,000
Special assessments	-	-	2,827,485
Investment income	-	-	160,236
Increase in fair value of investments	-	-	76,234
Other	260,592	55,969	7,611,918
Total revenues	<u>6,791,398</u>	<u>543,468</u>	<u>11,400,630</u>
Expenditures:			
Current:			
General government:			
Downtown	-	-	-
Community development and neighborhoods	-	-	285,379
Economic development	-	-	353,150
Leadership and quality of life	7,248,279	590,418	3,334,734
Corporate responsibility	821	-	-
Public safety and justice	-	-	2,888,415
Total expenditures	<u>7,249,100</u>	<u>590,418</u>	<u>6,861,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(457,702)</u>	<u>(46,950)</u>	<u>4,538,952</u>
Other financing sources:			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(457,702)	(46,950)	4,538,952
Fund balances at beginning of year	<u>3,140,220</u>	<u>682,126</u>	<u>13,682,177</u>
Fund balances at end of year	<u>\$ 2,682,518</u>	<u>\$ 635,176</u>	<u>\$ 18,221,129</u>

HUD Programs	Miscellaneous Grants	Total
\$ -	\$ -	\$ 6,999,360
474,188	252,809	1,364,741
-	-	31,419
-	252,769	277,308
5,991,178	21,288,452	27,329,630
20,484	-	2,847,969
-	31,009	191,245
-	9,857	86,091
177,096	213,106	8,318,681
<u>6,662,946</u>	<u>22,048,002</u>	<u>47,446,444</u>
-	100	100
4,588,857	487,065	5,361,301
650,498	711,314	1,714,962
1,209,629	7,547,172	19,930,232
-	588,783	589,604
11,219	3,353,058	6,252,692
<u>6,460,203</u>	<u>12,687,492</u>	<u>33,848,891</u>
202,743	9,360,510	13,597,553
-	1,090,497	1,090,497
-	1,090,497	1,090,497
202,743	10,451,007	14,688,050
1,960,265	129,349	19,594,137
<u>\$ 2,163,008</u>	<u>\$ 10,580,356</u>	<u>\$ 34,282,187</u>

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 STREET FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
State shared taxes	\$ 7,631,800	\$ 7,631,800	\$ 6,602,646	\$ (1,029,154)
Charges for services	115,000	115,000	32,576	(82,424)
Other	229,100	229,100	375,341	146,241
Total revenues.	<u>7,975,900</u>	<u>7,975,900</u>	<u>7,010,563</u>	<u>(965,337)</u>
Expenditures:				
Department of public works	7,965,700	7,965,700	7,424,006	541,694
Total expenditures.	<u>7,965,700</u>	<u>7,965,700</u>	<u>7,424,006</u>	<u>541,694</u>
Net change in fund balance	10,200	10,200	(413,443)	(423,643)
Fund balance at beginning of year.	1,413,653	1,413,653	1,413,653	-
Prior year encumbrances appropriated.	(37,030)	(37,030)	(37,030)	-
Fund balance at end of year.	<u>\$ 1,386,823</u>	<u>\$ 1,386,823</u>	<u>\$ 963,180</u>	<u>\$ (423,643)</u>

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 HIGHWAY MAINTENANCE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
State shared taxes	\$ 539,600	\$ 539,600	\$ 550,313	\$ 10,713
Other	30,500	30,500	-	(30,500)
Total revenues.	<u>570,100</u>	<u>570,100</u>	<u>550,313</u>	<u>(19,787)</u>
Expenditures:				
Department of public works	<u>722,900</u>	<u>737,900</u>	<u>657,732</u>	<u>80,168</u>
Total expenditures.	<u>722,900</u>	<u>737,900</u>	<u>657,732</u>	<u>80,168</u>
Net change in fund balance	(152,800)	(167,800)	(107,419)	60,381
Fund balance at beginning of year.	616,860	616,860	616,860	-
Prior year encumbrances appropriated.	56,100	56,100	56,100	-
Fund balance at end of year.	<u>\$ 520,160</u>	<u>\$ 505,160</u>	<u>\$ 565,541</u>	<u>\$ 60,381</u>

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OTHER SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 962,600	\$ 970,000	\$ 618,799	\$ (351,201)
Fines and forfeitures	20,000	20,000	24,539	4,539
Special assessments	-	-	2,827,485	2,827,485
Other	6,476,400	6,476,400	7,819,787	1,343,387
Total revenues.	<u>7,459,000</u>	<u>7,466,400</u>	<u>11,290,610</u>	<u>3,824,210</u>
Expenditures:				
Various departments	10,520,000	11,474,500	8,278,472	3,196,028
Total expenditures.	<u>10,520,000</u>	<u>11,474,500</u>	<u>8,278,472</u>	<u>3,196,028</u>
Net change in fund balance.	(3,061,000)	(4,008,100)	3,012,138	7,020,238
Fund balance at beginning of year.	12,031,543	12,031,543	12,031,543	-
Prior year encumbrances appropriated.	3,508,618	3,508,618	3,508,618	-
Balance Sheet Adjustments.	363,596	363,596	363,596	-
Fund balance at end of year.	<u>\$ 12,842,757</u>	<u>\$ 11,895,657</u>	<u>\$ 18,915,895</u>	<u>\$ 7,020,238</u>

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 MISCELLANEOUS GRANTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 11,758,200	\$ 30,684,900	\$ 21,352,602	\$ (9,332,298)
Fines and forfeitures	235,300	235,300	252,769	17,469
Charges for services	1,299,100	1,299,100	252,809	(1,046,291)
Other	<u>2,637,800</u>	<u>2,999,600</u>	<u>247,917</u>	<u>(2,751,683)</u>
Total revenues.	<u>15,930,400</u>	<u>35,218,900</u>	<u>22,106,097</u>	<u>(13,112,803)</u>
Expenditures:				
Other grants	15,636,400	35,862,600	22,766,242	13,096,358
Total expenditures.	<u>15,636,400</u>	<u>35,862,600</u>	<u>22,766,242</u>	<u>13,096,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>294,000</u>	<u>(643,700)</u>	<u>(660,145)</u>	<u>(16,445)</u>
Other financing sources:				
Transfers in	<u>910,700</u>	<u>1,090,500</u>	<u>1,090,497</u>	<u>(3)</u>
Total other financing sources	<u>910,700</u>	<u>1,090,500</u>	<u>1,090,497</u>	<u>(3)</u>
Net change in fund balances	1,204,700	446,800	430,352	(16,448)
Fund balance at beginning of year.	1,812,717	1,812,717	1,812,717	-
Prior year encumbrances appropriated.	8,951,200	8,951,200	8,951,200	-
Balance Sheet Adjustments	<u>(362,321)</u>	<u>(362,321)</u>	<u>(362,321)</u>	<u>-</u>
Fund balance at end of year	<u>\$ 11,606,296</u>	<u>\$ 10,848,396</u>	<u>\$ 10,831,948</u>	<u>\$ (16,448)</u>

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 PERMANENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues:				
Other	\$ -	\$ -	\$ 813	\$ 813
Total revenues.	-	-	813	813
Expenditures:				
Other	50,000	50,000	-	50,000
Total expenditures.	50,000	50,000	-	50,000
Net change in fund balances	(50,000)	(50,000)	813	50,813
Fund balance at beginning of year.	<u>250,962</u>	<u>250,962</u>	<u>250,962</u>	<u>-</u>
Fund balance at end of year	<u>\$ 200,962</u>	<u>\$ 200,962</u>	<u>\$ 251,775</u>	<u>\$ 50,813</u>

CITY OF DAYTON, OHIO

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 DEBT SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Property and other taxes.	\$ 7,678,800	\$ 7,678,800	\$ 7,129,091	\$ (549,709)
Intergovernmental.	-	-	931,809	931,809
Other	280,000	280,000	288,573	8,573
Total revenues.	<u>7,958,800</u>	<u>7,958,800</u>	<u>8,349,473</u>	<u>390,673</u>
Expenditures:				
Department of finance	<u>10,447,300</u>	<u>10,447,300</u>	<u>9,100,059</u>	<u>1,347,241</u>
Total expenditures.	<u>10,447,300</u>	<u>10,447,300</u>	<u>9,100,059</u>	<u>1,347,241</u>
Excess of expenditures over revenues	<u>(2,488,500)</u>	<u>(2,488,500)</u>	<u>(750,586)</u>	<u>1,737,914</u>
Other financing sources (uses):				
Premium on bond issuance.	-	4,832,049	2,155,372	(2,676,677)
Bond issuance.	-	36,665,000	22,040,400	(14,624,600)
Payment to refunded bond escrow agent . . .	-	(41,890,581)	(23,863,009)	18,027,572
Transfers in	<u>935,300</u>	<u>935,300</u>	<u>935,300</u>	<u>-</u>
Total other financing sources	<u>935,300</u>	<u>541,768</u>	<u>1,268,063</u>	<u>726,295</u>
Net change in fund balance	(1,553,200)	(1,946,732)	517,477	2,464,209
Fund balance at beginning of year.	30,853,684	30,853,684	30,853,684	-
Prior year encumbrances appropriated.	<u>9,984</u>	<u>9,984</u>	<u>9,984</u>	<u>-</u>
Fund balance at end of year	<u>\$ 29,310,468</u>	<u>\$ 28,916,936</u>	<u>\$ 31,381,145</u>	<u>\$ 2,464,209</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENTS - NONMAJOR ENTERPRISE FUNDS

Nonmajor 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. The following are the nonmajor enterprise funds which the City of Dayton operates:

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 three golf courses. Revenue is generated by golf fees charged for the use of the facilities. The three golf courses provide needed green space inside the City.

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2020

	Storm Water	Golf	Total
Assets:			
Current assets:			
Equity in pooled cash and investments	\$ 23,265,009	\$ -	\$ 23,265,009
Receivables:			
Accounts	1,631,054	-	1,631,054
Special assessments	557,802	-	557,802
Accrued interest	33,304	-	33,304
Total current assets.	<u>25,487,169</u>	<u>-</u>	<u>25,487,169</u>
Noncurrent assets:			
Net pension asset	35,443	-	35,443
Capital assets:			
Land and construction in progress.	1,661,785	-	1,661,785
Depreciable capital assets, net	10,938,911	-	10,938,911
Total capital assets, net.	<u>12,600,696</u>	<u>-</u>	<u>12,600,696</u>
Total noncurrent assets.	<u>12,636,139</u>	<u>-</u>	<u>12,636,139</u>
Total assets.	<u>38,123,308</u>	<u>-</u>	<u>38,123,308</u>
Deferred outflows of resources:			
Pension.	624,595	-	624,595
OPEB.	394,341	-	394,341
Total deferred outflows of resources	<u>1,018,936</u>	<u>-</u>	<u>1,018,936</u>
Total assets and deferred outflows of resources	<u>39,142,244</u>	<u>-</u>	<u>39,142,244</u>
Liabilities:			
Current liabilities:			
Accounts payable.	560,952	-	560,952
Contracts payable.	18,820	-	18,820
Retainage payable.	2,899	-	2,899
Accrued wages and benefits payable	143,636	-	143,636
Due to other funds	728,649	-	728,649
Due to other governments	26,571	-	26,571
Accrued interest payable	8,224	-	8,224
Compensated absences payable - current	176,213	-	176,213
General obligation bonds payable.	145,000	-	145,000
Total current liabilities.	<u>1,810,964</u>	<u>-</u>	<u>1,810,964</u>
Long-term liabilities:			
Compensated absences payable	118,157	-	118,157
General obligation notes payable.	2,855,000	-	2,855,000
Net OPEB liability	2,436,733	-	2,436,733
Net pension liability	3,508,788	-	3,508,788
Total long-term liabilities	<u>8,918,678</u>	<u>-</u>	<u>8,918,678</u>
Total liabilities.	<u>10,729,642</u>	<u>-</u>	<u>10,729,642</u>
Deferred inflows of resources:			
OPEB.	404,006	-	404,006
Pension.	838,946	-	838,946
Total deferred inflows of resources	<u>1,242,952</u>	<u>-</u>	<u>1,242,952</u>
Total liabilities and deferred inflows of resources	<u>11,972,594</u>	<u>-</u>	<u>11,972,594</u>
Net position:			
Net investment in capital assets	9,578,977	-	9,578,977
Unrestricted	17,590,673	-	17,590,673
Total net position	<u>\$ 27,169,650</u>	<u>\$ -</u>	<u>\$ 27,169,650</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Storm Water	Golf	Total
Operating revenues:			
Charges for services.	\$ 8,223,565	\$ 730,063	\$ 8,953,628
Other operating revenues	67,919	-	67,919
Total operating revenues.	<u>8,291,484</u>	<u>730,063</u>	<u>9,021,547</u>
Operating expenses:			
Personal services	2,677,942	366,054	3,043,996
Fringe benefits.	1,737,880	(434,333)	1,303,547
Contract services.	1,138,427	256,344	1,394,771
Materials and supplies	151,371	52,561	203,932
Utilities	51,352	45,639	96,991
Depreciation	1,595,187	207,420	1,802,607
Other.	461,274	69,612	530,886
Total operating expenses.	<u>7,813,433</u>	<u>563,297</u>	<u>8,376,730</u>
Operating income (loss).	<u>478,051</u>	<u>166,766</u>	<u>644,817</u>
Nonoperating revenues (expenses):			
Interest and fiscal charges	(8,224)	-	(8,224)
Loss on sale of capital assets.	(10,292)	-	(10,292)
Interest income.	197,194	-	197,194
Increase in fair value of investments.	86,980	-	86,980
Total nonoperating revenues (expenses)	<u>265,658</u>	<u>-</u>	<u>265,658</u>
Income before transfers and special items	743,709	166,766	910,475
Transfer in	-	50,000	50,000
Special item - transfer of operations	-	(2,809,772)	(2,809,772)
Change in net position	743,709	(2,593,006)	(1,849,297)
Net position at beginning of year.	<u>26,425,941</u>	<u>2,593,006</u>	<u>29,018,947</u>
Net position at end of year	<u>\$ 27,169,650</u>	<u>\$ -</u>	<u>\$ 27,169,650</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Storm Water</u>	<u>Golf</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers.	\$ 8,080,198	\$ 730,063	\$ 8,810,261
Cash received from other operations.	67,919	-	67,919
Cash payments for personal services.	(2,638,270)	(519,986)	(3,158,256)
Cash payments for fringe benefits	(1,211,978)	(197,227)	(1,409,205)
Cash payments for contractual services	(1,123,560)	(296,798)	(1,420,358)
Cash payments for materials and supplies	(145,601)	(51,640)	(197,241)
Cash payments for utilities.	(55,532)	(60,794)	(116,326)
Cash payments for other expenses	(461,295)	(73,837)	(535,132)
Net cash provided by (used in) operating activities.	<u>2,511,881</u>	<u>(470,219)</u>	<u>2,041,662</u>
Cash flows from noncapital financing activities:			
Transfers in.	-	50,000	50,000
Net cash provided by noncapital financing activities	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(1,063,594)	-	(1,063,594)
Proceeds from bonds.	3,000,000	-	3,000,000
Net cash provided by capital and related financing activities	<u>1,936,406</u>	<u>-</u>	<u>1,936,406</u>
Cash flows from investing activities:			
Interest received.	319,321	-	319,321
Net cash provided by investing activities	<u>319,321</u>	<u>-</u>	<u>319,321</u>
Net increase (decrease) in cash and cash equivalents.	4,767,608	(420,219)	4,347,389
Cash and cash equivalents at beginning of year.	<u>18,497,401</u>	<u>420,219</u>	<u>18,917,620</u>
Cash and cash equivalents at end of year	<u>\$ 23,265,009</u>	<u>\$ -</u>	<u>\$ 23,265,009</u>
Reconciliation of operating loss to net cash provided by operating activities:			
Operating income.	\$ 478,051	\$ 166,766	\$ 644,817
Adjustments:			
Depreciation	1,595,187	207,420	1,802,607
Changes in assets and liabilities:			
(Increase) in accounts receivable.	(151,105)	-	(151,105)
(Increase) decrease in net pension asset	(16,320)	6,251	(10,069)
Decrease in deferred outflows for pension	858,909	460,837	1,319,746
(Increase) decrease in deferred outflows for OPEB	(144,649)	60,646	(84,003)
Decrease in prepayments.	-	7,595	7,595
Decrease in special assessments receivable.	7,738	-	7,738
Increase (decrease) in accounts payable.	496,271	(25,650)	470,621
(Decrease) in contracts payable.	(414,405)	(21,412)	(435,817)
(Decrease) in retainage payable	(81,923)	-	(81,923)
(Decrease) in accrued wages and benefits.	(36,878)	(39,584)	(76,462)
Increase (decrease) in due to other funds.	17,749	(337)	17,412
(Decrease) in net pension liability.	(1,186,688)	(1,534,930)	(2,721,618)
Increase (decrease) in net OPEB liability.	56,754	(714,573)	(657,819)
Increase in deferred inflows - pension.	595,276	709,837	1,305,113
Increase in deferred inflows - OPEB.	376,927	409,719	786,646
(Decrease) in due to other governments	(8,543)	(49,315)	(57,858)
Increase (decrease) in compensated absences payable	69,530	(113,489)	(43,959)
Net cash provided by (used in) operating activities.	<u>\$ 2,511,881</u>	<u>\$ (470,219)</u>	<u>\$ 2,041,662</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENTS - INTERNAL SERVICE FUNDS

The 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.

Fire Fleet Management

To account for the maintenance of City fire vehicles and to charge for maintenance of fire vehicles from other municipalities. A majority of the maintenance will be provided to City fire vehicles. Revenues are derived from direct charges to the fire department within the general fund and from fees charged to other municipalities.

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 print, 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.

Health Insurance

To account for claims and administrative payments to cover the cost of servicing the City's self-insured insurance program for medical and prescription drug benefits.

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.

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CITY OF DAYTON, OHIO

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2020

	<u>Fleet Management</u>	<u>Fire Fleet Management</u>	<u>Stores and Reproduction</u>	<u>Health Insurance</u>
Assets:				
Current assets:				
Equity in pooled cash and investments.	\$ 1,541,668	\$ 256,380	\$ 311,805	\$ 15,297,656
Receivables:				
Accounts.	731	16,046	-	-
Accrued interest	-	-	-	-
Due from other governments.	4,762	27,827	-	-
Inventory held for resale	185,083	325,703	-	-
Prepayments	2,083	-	-	-
Advances to other funds	-	-	-	-
Total current assets.	<u>1,734,327</u>	<u>625,956</u>	<u>311,805</u>	<u>15,297,656</u>
Noncurrent assets:				
Net pension asset	25,765	6,818	1,363	2,062
Capital assets:				
Land	-	75,000	-	-
Depreciable capital assets, net	336,241	535,332	-	-
Total noncurrent assets.	<u>362,006</u>	<u>617,150</u>	<u>1,363</u>	<u>2,062</u>
Total assets.	<u>2,096,333</u>	<u>1,243,106</u>	<u>313,168</u>	<u>15,299,718</u>
Deferred outflows of resources:				
Asset retirement obligation	2,070,000	-	-	-
Pension	396,497	255,019	22,107	33,646
OPEB	286,005	222,841	15,221	22,740
Total deferred outflows of resources	<u>2,752,502</u>	<u>477,860</u>	<u>37,328</u>	<u>56,386</u>
Total assets and deferred outflows of resources	<u>4,848,835</u>	<u>1,720,966</u>	<u>350,496</u>	<u>15,356,104</u>
Liabilities:				
Current liabilities:				
Accounts payable.	81,822	46,994	1,403	-
Contracts payable.	-	1,695	-	-
Accrued wages and benefits payable.	70,010	18,615	904	2,432
Due to other governments	19,614	5,076	1,015	1,535
Asset retirement obligations	2,070,000	-	-	-
Compensated absences payable - current.	101,218	35,627	3,262	11,331
Claims and judgments payable	-	-	-	3,366,600
Total current liabilities	<u>2,342,664</u>	<u>108,007</u>	<u>6,584</u>	<u>3,381,898</u>
Long-term liabilities:				
Compensated absences payable	67,869	23,889	2,187	7,599
Net OPEB liability	1,771,379	468,712	93,736	141,732
Net pension liability	2,550,708	674,924	134,975	204,088
Claims and judgements payable	-	-	-	-
Total long-term liabilities	<u>4,389,956</u>	<u>1,167,525</u>	<u>230,898</u>	<u>353,419</u>
Total liabilities	<u>6,732,620</u>	<u>1,275,532</u>	<u>237,482</u>	<u>3,735,317</u>
Deferred inflows of resources:				
OPEB.	395,571	279,692	21,940	23,496
Pension.	765,839	359,255	46,999	55,636
Total deferred inflows of resources.	<u>1,161,410</u>	<u>638,947</u>	<u>68,939</u>	<u>79,132</u>
Total liabilities and deferred inflows of resources	<u>7,894,030</u>	<u>1,914,479</u>	<u>306,421</u>	<u>3,814,449</u>
Net position:				
Net investment in capital assets	336,241	610,332	-	-
Unrestricted (deficit).	<u>(3,381,436)</u>	<u>(803,845)</u>	<u>44,075</u>	<u>11,541,655</u>
Total net position (deficit)	<u>\$ (3,045,195)</u>	<u>\$ (193,513)</u>	<u>\$ 44,075</u>	<u>\$ 11,541,655</u>

<u>Workers'</u> <u>Compensation</u>	<u>Plumbing</u> <u>Shop</u>	<u>Total</u>
\$ 19,661,571	\$ 228,622	\$ 37,297,702
-	-	16,777
32,487	-	32,487
-	-	32,589
-	-	510,786
-	-	2,083
<u>7,740,000</u>	<u>-</u>	<u>7,740,000</u>
<u>27,434,058</u>	<u>228,622</u>	<u>45,632,424</u>
4,691	4,683	45,382
-	-	75,000
-	131,352	1,002,925
<u>4,691</u>	<u>136,035</u>	<u>1,123,307</u>
<u>27,438,749</u>	<u>364,657</u>	<u>46,755,731</u>
-	-	2,070,000
72,230	99,668	879,167
<u>54,044</u>	<u>72,137</u>	<u>672,988</u>
<u>126,274</u>	<u>171,805</u>	<u>3,622,155</u>
<u>27,565,023</u>	<u>536,462</u>	<u>50,377,886</u>
4,803	25,173	160,195
3,506	-	5,201
7,911	14,083	113,955
3,493	3,486	34,219
-	-	2,070,000
14,597	28,079	194,114
<u>1,896,122</u>	<u>-</u>	<u>5,262,722</u>
<u>1,930,432</u>	<u>70,821</u>	<u>7,840,406</u>
9,788	18,828	130,160
322,511	321,937	3,120,007
464,402	463,574	4,492,671
<u>1,437,901</u>	<u>-</u>	<u>1,437,901</u>
<u>2,234,602</u>	<u>804,339</u>	<u>9,180,739</u>
<u>4,165,034</u>	<u>875,160</u>	<u>17,021,145</u>
48,329	47,020	816,048
<u>100,315</u>	<u>100,036</u>	<u>1,428,080</u>
<u>148,644</u>	<u>147,056</u>	<u>2,244,128</u>
<u>4,313,678</u>	<u>1,022,216</u>	<u>19,265,273</u>
-	131,352	1,077,925
<u>23,251,345</u>	<u>(617,106)</u>	<u>30,034,688</u>
<u>\$ 23,251,345</u>	<u>\$ (485,754)</u>	<u>\$ 31,112,613</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Fleet Management</u>	<u>Fire Fleet Management</u>	<u>Stores and Reproduction</u>	<u>Health Insurance</u>
Operating revenues:				
Charges for services	\$ 7,147,890	\$ 1,368,817	\$ 94,872	\$ 27,812,807
Other operating revenues	16,095	33,443	392,939	18,312
Total operating revenues.	<u>7,163,985</u>	<u>1,402,260</u>	<u>487,811</u>	<u>27,831,119</u>
Operating expenses:				
Personal services	1,999,814	511,252	70,225	215,599
Fringe benefits.	1,099,241	243,764	61,643	92,177
Contract services.	836,748	166,979	405,332	466
Materials and supplies	194,226	14,256	3,943	3,927
Cost of sales	3,215,562	344,805	18,968	-
Utilities	1,445	16,647	-	-
Claims expense	-	-	-	22,523,445
Depreciation	48,378	22,346	-	-
Other.	21,931	7,252	7,948	14,942
Total operating expenses.	<u>7,417,345</u>	<u>1,327,301</u>	<u>568,059</u>	<u>22,850,556</u>
Operating income (loss)	<u>(253,360)</u>	<u>74,959</u>	<u>(80,248)</u>	<u>4,980,563</u>
Nonoperating revenues:				
Interest income.	-	-	-	-
Increase in fair market value of investments	-	-	-	-
Total nonoperating revenues.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position.	(253,360)	74,959	(80,248)	4,980,563
Net position at beginning of year.	<u>(2,791,835)</u>	<u>(268,472)</u>	<u>124,323</u>	<u>6,561,092</u>
Net position at end of year	<u>\$ (3,045,195)</u>	<u>\$ (193,513)</u>	<u>\$ 44,075</u>	<u>\$ 11,541,655</u>

Workers' Compensation	Plumbing Shop	Total
\$ 4,373,787	\$ 485,652	\$ 41,283,825
1,442,278	20,152	1,923,219
<u>5,816,065</u>	<u>505,804</u>	<u>43,207,044</u>
257,015	368,580	3,422,485
146,656	254,493	1,897,974
653,354	14,418	2,077,297
66,298	86,935	369,585
-	-	3,579,335
-	-	18,092
2,476,478	-	24,999,923
-	14,705	85,429
13,278	-	65,351
<u>3,613,079</u>	<u>739,131</u>	<u>36,515,471</u>
<u>2,202,986</u>	<u>(233,327)</u>	<u>6,691,573</u>
464,479	-	464,479
90,994	-	90,994
<u>555,473</u>	<u>-</u>	<u>555,473</u>
2,758,459	(233,327)	7,247,046
<u>20,492,886</u>	<u>(252,427)</u>	<u>23,865,567</u>
<u>\$ 23,251,345</u>	<u>\$ (485,754)</u>	<u>\$ 31,112,613</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Fleet Management</u>	<u>Fire Fleet Management</u>	<u>Stores and Reproduction</u>	<u>Health Insurance</u>
Cash flows from operating activities:				
Cash received from interfund services provided . . .	\$ 7,143,446	\$ 1,359,656	\$ 107,675	\$ 27,812,807
Cash received from other operations	16,095	33,443	392,939	18,312
Cash payments for personal services	(1,919,689)	(508,609)	(101,528)	(221,756)
Cash payments for fringe benefits.	(875,302)	(199,964)	(55,494)	(68,866)
Cash payments for contractual services	(813,510)	(112,714)	(405,519)	(466)
Cash payments for materials and supplies	(211,307)	(11,624)	(5,404)	(3,927)
Cash payments for cost of goods sold	(3,239,062)	(329,745)	(18,968)	-
Cash payments for utilities.	(1,290)	(17,180)	-	-
Cash payments for claims.	-	-	-	(22,632,145)
Cash payments for other expenses	(21,931)	(7,307)	(7,948)	(14,942)
Net cash provided by (used in) operating activities. .	<u>77,450</u>	<u>205,956</u>	<u>(94,247)</u>	<u>4,889,017</u>
Cash flows from noncapital financing activities:				
Cash received from interfund loans.	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(167,980)	-	-	-
Net cash used in capital and related financing activities	<u>(167,980)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Interest received and fair value adjustment	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents. . . .	(90,530)	205,956	(94,247)	4,889,017
Cash and cash equivalents				
at beginning of year.	1,632,198	50,424	406,052	10,408,639
Cash and cash equivalents at end of year	<u>\$ 1,541,668</u>	<u>\$ 256,380</u>	<u>\$ 311,805</u>	<u>\$ 15,297,656</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (253,360)	\$ 74,959	\$ (80,248)	\$ 4,980,563
Adjustments:				
Depreciation	48,378	22,346	-	-
Changes in assets and liabilities:				
(Increase) in net pension asset.	(9,841)	(2,880)	(443)	(810)
(Increase) decrease in deferred outflows for OPEB. . . .	(98,477)	(1,867)	(4,126)	(10,572)
(Increase) decrease in deferred outflows for pension. . .	818,643	234,587	51,137	64,820
(Increase) in accounts receivable.	(731)	(13,729)	-	-
Decrease in due from other funds.	-	-	12,803	-
(Increase) decrease in due from other governments . . .	(3,713)	4,568	-	-
(Increase) in prepayments.	6	19,474	-	-
Increase (decrease) in inventory held for resale.	(23,500)	15,060	-	-
Increase (decrease) in accounts payable	6,563	37,387	(1,648)	-
Increase (decrease) in contracts payable	-	(533)	-	-
Increase (decrease) in accrued wages and benefits. . . .	(11,429)	(1,520)	(7,385)	(7,599)
(Decrease) in due to other funds	(412)	(19)	-	-
(Decrease) in due to other governments.	(4,632)	(850)	(940)	(1,130)
(Decrease) in net pension liability	(1,359,206)	(292,088)	(90,916)	(103,293)
Increase (decrease) in net OPEB liability	(132,490)	(13,972)	(8,735)	3,285
Increase in deferred inflows - pension.	633,552	71,118	43,664	51,098
Increase in deferred inflows - OPEB.	373,912	49,784	20,774	21,921
Increase (decrease) in compensated absences payable. .	94,187	4,131	(28,184)	(566)
Increase (decrease) in claims payable.	-	-	-	(108,700)
Net cash provided by (used in) operating activities	<u>\$ 77,450</u>	<u>\$ 205,956</u>	<u>\$ (94,247)</u>	<u>\$ 4,889,017</u>

	Workers' Compensation	Plumbing Shop	Total
\$	4,373,787	\$ 520,456	\$ 41,317,827
	1,442,278	20,152	1,923,219
	(351,623)	(349,990)	(3,453,195)
	(123,501)	(148,107)	(1,471,234)
	(658,019)	(11,947)	(2,002,175)
	(66,298)	(68,965)	(367,525)
	-	-	(3,587,775)
	-	-	(18,470)
	(2,373,134)	-	(25,005,279)
	(13,278)	-	(65,406)
	<u>2,230,212</u>	<u>(38,401)</u>	<u>7,269,987</u>
	<u>1,420,000</u>	<u>-</u>	<u>1,420,000</u>
	<u>1,420,000</u>	<u>-</u>	<u>1,420,000</u>
	<u>-</u>	<u>(64,900)</u>	<u>(232,880)</u>
	<u>-</u>	<u>(64,900)</u>	<u>(232,880)</u>
	<u>580,400</u>	<u>-</u>	<u>580,400</u>
	<u>580,400</u>	<u>-</u>	<u>580,400</u>
	4,230,612	(103,301)	9,037,507
	15,430,959	331,923	28,260,195
<u>\$</u>	<u>19,661,571</u>	<u>\$ 228,622</u>	<u>\$ 37,297,702</u>
\$	2,202,986	\$ (233,327)	\$ 6,691,573
	-	14,705	85,429
	(2,065)	(2,288)	(18,327)
	(30,043)	(44,688)	(189,773)
	120,823	88,111	1,378,121
	-	-	(14,460)
	-	34,804	47,607
	-	-	855
	-	-	19,480
	-	-	(8,440)
	(6,070)	22,426	58,658
	1,774	(1,120)	121
	(11,617)	2,221	(37,329)
	(369)	-	(800)
	(1,953)	(937)	(10,442)
	(180,255)	(124,563)	(2,150,321)
	22,520	52,822	(76,570)
	68,239	91,119	958,790
	31,893	43,957	542,241
	(88,995)	18,357	(1,070)
	103,344	-	(5,356)
<u>\$</u>	<u>2,230,212</u>	<u>\$ (38,401)</u>	<u>\$ 7,269,987</u>

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CITY OF DAYTON, OHIO

COMBINING STATEMENTS - FIDUCIARY FUNDS

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

Municipal Courts
Executive Severance
Miami Township-Dayton JEDD
Building Permit Surcharge

Butler Township-Dayton JEDD
Special Improvement District
Energy Special Improvement District
Police Property Room Deposits

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

	<u>Municipal Court</u>	<u>Executive Severance</u>	<u>Miami Township Dayton JEDD</u>	<u>Building Permit Surcharge</u>
Assets:				
Equity in pooled cash and investments	\$ -	\$ -	\$ 898,732	\$ 53,722
Cash with fiscal agent	450,739	-	-	-
Investments	-	1,243,127	-	-
Receivables:				
Special assessments	-	-	-	-
Income taxes	-	-	33,285	-
Total assets	<u>\$ 450,739</u>	<u>\$ 1,243,127</u>	<u>\$ 932,017</u>	<u>\$ 53,722</u>
Liabilities:				
Due to other governments	\$ 31,379	\$ -	\$ -	\$ 3,778
Due to other funds	196,181	-	-	-
Total liabilities	<u>227,560</u>	<u>-</u>	<u>-</u>	<u>3,778</u>
Net Position:				
Restricted for individuals, organizations and other governments .	<u>223,179</u>	<u>1,243,127</u>	<u>932,017</u>	<u>49,944</u>
	<u>\$ 223,179</u>	<u>\$ 1,243,127</u>	<u>\$ 932,017</u>	<u>\$ 49,944</u>

Butler Township Dayton JEDD	Special Improvement District	Energy Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ 75,261	\$ -	\$ 9,463	\$ 2,070,406	\$ 3,107,584
-	-	-	-	450,739
-	-	-	-	1,243,127
-	8,410,126	7,672,315	-	16,082,441
5,500	-	-	-	38,785
<u>\$ 80,761</u>	<u>\$ 8,410,126</u>	<u>\$ 7,681,778</u>	<u>\$ 2,070,406</u>	<u>\$ 20,922,676</u>
\$ -	\$ -	\$ -	\$ -	\$ 35,157
-	-	-	-	196,181
-	-	-	-	231,338
<u>80,761</u>	<u>8,410,126</u>	<u>7,681,778</u>	<u>2,070,406</u>	<u>20,691,338</u>
<u>\$ 80,761</u>	<u>\$ 8,410,126</u>	<u>\$ 7,681,778</u>	<u>\$ 2,070,406</u>	<u>\$ 20,691,338</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Municipal Court</u>	<u>Executive Severance</u>	<u>Miami Township Dayton JEDD</u>
Additions:			
Amounts held for employees	\$ -	\$ 256,601	\$ -
Licenses, permits and fees for other governments	-	-	-
Fines and forfeitures for other governments	3,050,789	-	-
Income tax collection for other governments	-	-	144,362
Special assessments collections for other governments	-	-	-
Earnings on investments	-	57,969	-
Other custodial fund collections	-	-	-
Total additions	<u>3,050,789</u>	<u>314,570</u>	<u>144,362</u>
Deductions:			
<i>Current:</i>			
Distributions to the State of Ohio	629,924	-	-
Distributions of state funds to other governments	-	-	65,851
Distributions to individuals	-	110,907	-
Fines and forfeitures distributions to other governments	2,746,443	-	-
Special assessment distributions to other governments	-	-	-
Other custodial fund disbursements	-	6,947	-
Total deductions	<u>3,376,367</u>	<u>117,854</u>	<u>65,851</u>
Net change in fiduciary net position	(325,578)	196,716	78,511
Net position at beginning of year	<u>548,757</u>	<u>1,046,411</u>	<u>853,506</u>
Net position at end of year	<u>\$ 223,179</u>	<u>\$ 1,243,127</u>	<u>\$ 932,017</u>

Building Permit Surcharge	Butler Township Dayton JEDD	Special Improvement District	Engergy Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 256,601
48,950	-	-	-	-	48,950
-	-	-	-	143,340	3,194,129
-	9,932	-	-	-	154,294
-	-	6,925,816	6,154,553	-	13,080,369
-	-	-	-	-	57,969
-	-	-	-	2,050,594	2,050,594
<u>48,950</u>	<u>9,932</u>	<u>6,925,816</u>	<u>6,154,553</u>	<u>2,193,934</u>	<u>18,842,906</u>
30,154	-	-	-	-	660,078
-	-	-	-	-	65,851
-	-	-	-	-	110,907
-	-	-	-	123,528	2,869,971
-	-	-	3,098,574	-	3,098,574
-	-	-	-	-	6,947
<u>30,154</u>	<u>-</u>	<u>-</u>	<u>3,098,574</u>	<u>123,528</u>	<u>6,812,328</u>
18,796	9,932	6,925,816	3,055,979	2,070,406	12,030,578
31,148	70,829	1,484,310	4,625,799	-	8,660,760
<u>\$ 49,944</u>	<u>\$ 80,761</u>	<u>\$ 8,410,126</u>	<u>\$ 7,681,778</u>	<u>\$ 2,070,406</u>	<u>\$ 20,691,338</u>

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STATISTICAL SECTION

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

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CITY OF DAYTON, OHIO

STATISTICAL SECTION

This part of the City of Dayton's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

S 4 - S 13

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources: the income tax, property tax and special assessments.

S 14 - S 21

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

S 22 - S 32

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

S 33 - S 44

Operating Information

This schedule contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

S 45

Sources: Sources are noted on the individual schedules. The City implemented GASB Statement 63 in 2012; schedules presenting net position began that year.

CITY OF DAYTON, OHIO

NET ASSETS/POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011 (1) (2)	2012 (1)	2013	2014 (3)
Governmental activities				
Net investment in capital assets	\$ 332,540,773	\$ 370,313,674	\$ 375,002,891	\$ 380,538,467
Restricted	77,231,301	71,969,027	63,085,637	60,235,431
Unrestricted	42,181,978	58,329,858	71,855,215	(29,254,490)
Total governmental activities net assets/position	<u>\$ 451,954,052</u>	<u>\$ 500,612,559</u>	<u>\$ 509,943,743</u>	<u>\$ 411,519,408</u>
Business-type activities				
Net investment in capital assets	\$ 429,634,383	\$ 401,528,337	\$ 407,888,085	\$ 420,343,386
Restricted	-	-	-	-
Unrestricted	145,543,923	190,338,004	191,931,048	161,812,038
Total business-type activities net assets/position	<u>\$ 575,178,306</u>	<u>\$ 591,866,341</u>	<u>\$ 599,819,133</u>	<u>\$ 582,155,424</u>
Primary government				
Net investment in capital assets	\$ 762,175,156	\$ 771,842,011	\$ 782,890,976	\$ 800,881,853
Restricted	77,231,301	71,969,027	63,085,637	60,235,431
Unrestricted	187,725,901	248,667,862	263,786,263	132,557,548
Total primary government net assets/position	<u>\$ 1,027,132,358</u>	<u>\$ 1,092,478,900</u>	<u>\$ 1,109,762,876</u>	<u>\$ 993,674,832</u>

(1) Amounts have been restated from prior year's CAFR.

(2) The City implemented GASB Statements No. 63 and 65 in 2012.

Only balances after December 31, 2011 are presented in accordance with GASB Statements No. 63 and 65.

(3) Amounts have been restated to reflect the implementation of GASB Statements No. 68 and 71, which were implemented in 2015.

Source: City of Dayton financial records

	2015	2016 (1)	2017	2018	2019	2020
\$	378,194,645	\$ 372,458,561	\$ 398,432,088	\$ 395,757,572	\$ 401,873,312	\$ 405,787,507
	63,381,287	57,403,783	46,244,345	38,778,126	45,569,063	76,866,903
	(28,570,356)	(29,568,811)	(55,083,379)	(189,850,322)	(114,059,783)	(124,725,645)
\$	<u>413,005,576</u>	<u>\$ 400,293,533</u>	<u>\$ 389,593,054</u>	<u>\$ 244,685,376</u>	<u>\$ 333,382,592</u>	<u>\$ 357,928,765</u>
\$	451,108,014	\$ 461,538,909	\$ 481,494,371	\$ 462,984,698	\$ 457,088,828	\$ 427,503,269
	-	9,514,757	9,737,907	11,039,351	12,324,022	12,170,942
	149,357,573	145,505,912	122,254,672	94,581,275	91,104,171	122,758,990
\$	<u>600,465,587</u>	<u>\$ 616,559,578</u>	<u>\$ 613,486,950</u>	<u>\$ 568,605,324</u>	<u>\$ 560,517,021</u>	<u>\$ 562,433,201</u>
\$	829,302,659	\$ 833,997,470	\$ 879,926,459	\$ 858,742,270	\$ 858,962,140	\$ 833,290,776
	63,381,287	66,918,540	55,982,252	49,817,477	57,893,085	89,037,845
	120,787,217	115,937,101	67,171,293	(95,269,047)	(22,955,612)	(1,966,655)
\$	<u>1,013,471,163</u>	<u>\$ 1,016,853,111</u>	<u>\$ 1,003,080,004</u>	<u>\$ 813,290,700</u>	<u>\$ 893,899,613</u>	<u>\$ 920,361,966</u>

CITY OF DAYTON, OHIO

CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011 (1)	2012	2013	2014
Expenses				
Governmental activities:				
Downtown	\$ 2,922,503	\$ 3,894,895	\$ 3,596,856	\$ 3,973,957
Youth, education and human services	2,395,344	1,058,361	2,904,850	3,499,722
Community development and neighbors	32,086,879	31,880,468	27,516,705	22,225,850
Economic development	10,105,180	9,492,689	15,682,768	13,940,292
Leadership and quality of life	40,275,561	35,672,811	42,108,488	42,943,946
Corporate responsibility	15,884,692	15,225,815	16,027,649	14,189,753
Public safety and justice	94,294,723	93,120,303	93,221,162	90,511,356
Bond issuance costs	-	693,878	-	195,142
Interest and fiscal charges	4,556,429	2,767,292	2,958,434	2,608,301
Total governmental activities expenses	202,521,311	193,806,512	204,016,912	194,088,319
Business type activities:				
Dayton International Airport	32,572,362	36,571,471	40,954,651	41,476,361
Water	47,618,625	44,084,645	46,445,617	46,245,372
Sewer	32,420,315	29,765,334	31,515,981	29,448,754
Golf	2,922,959	3,123,360	2,956,261	2,957,656
Storm Water	6,177,790	4,997,022	5,312,757	5,480,442
Total business-type activities expenses	121,712,051	118,541,832	127,185,267	125,608,585
Total primary government expenses	\$ 324,233,362	\$ 312,348,344	\$ 331,202,179	\$ 319,696,904
Program Revenues				
Governmental activities:				
Charges for services:				
Downtown	\$ 672,824	\$ 531,072	\$ 571,365	\$ 572,477
Youth, education and human services	8,674	11,032	17,205	7,965
Community development and neighbors	3,106,283	2,547,442	3,456,330	3,017,823
Economic development	1,997,277	2,445,796	3,446,864	6,401,968
Leadership and quality of life	5,673,292	5,001,134	6,942,907	13,688,808
Corporate responsibility	3,118,657	2,518,064	2,667,492	2,850,358
Public safety and justice	22,027,599	23,624,400	21,385,906	25,704,452
Interest and fiscal charges	-	-	-	158,829
Operating grants and contributions	35,387,609	34,438,364	24,584,286	25,909,216
Capital grants and contributions	12,849,894	12,626,114	11,761,088	7,184,234
Total governmental activities program revenue	84,842,109	83,743,418	74,833,443	85,496,130
Business type activities:				
Charges for services:				
Dayton International Airport	23,644,457	24,508,791	24,723,701	26,454,375
Water	43,529,551	45,700,719	44,291,334	47,702,941
Sewer	30,119,740	33,115,458	30,245,346	32,034,019
Golf	2,946,618	3,123,224	2,997,480	2,874,737
Storm Water	5,264,927	7,383,856	7,345,250	7,330,340
Operating grants and contributions	-	-	-	-
Capital grants and contributions	14,064,510	10,436,869	13,857,011	7,939,351
Total business-type activities program revenue	119,569,803	124,268,917	123,460,122	124,335,763
Total primary government program revenue	\$ 204,411,912	\$ 208,012,335	\$ 198,293,565	\$ 209,831,893

	2015	2016	2017	2018	2019	2020
\$	3,796,899	\$ 3,653,125	\$ 3,204,951	\$ 3,248,268	\$ 2,726,408	\$ 2,128,879
	550,914	120,375	219,529	3,619	54,866	4,014
	23,517,538	20,766,486	20,646,893	25,798,079	25,254,863	22,154,456
	15,401,684	10,273,961	26,135,222	10,043,435	8,674,622	11,237,840
	46,597,492	43,181,443	43,843,557	50,250,202	49,329,265	60,544,385
	15,284,297	16,482,483	18,800,773	19,535,052	20,580,700	19,467,597
	97,757,003	107,505,250	110,670,677	124,347,547	38,043,371	125,260,086
	-	-	-	-	-	-
	2,942,225	3,074,675	2,845,159	2,860,206	2,981,938	2,694,531
	<u>205,848,052</u>	<u>205,057,798</u>	<u>226,366,761</u>	<u>236,086,408</u>	<u>147,646,033</u>	<u>243,491,788</u>
	42,627,742	39,640,671	45,920,196	68,544,041	43,623,230	40,744,537
	45,493,204	49,944,784	56,194,400	55,222,198	65,547,601	57,012,675
	28,009,025	30,326,605	32,211,627	33,486,248	38,112,769	33,613,614
	3,026,642	2,991,868	3,114,227	3,192,165	3,508,726	585,719
	5,662,740	5,700,888	7,110,595	7,633,423	8,595,536	7,770,296
	<u>124,819,353</u>	<u>128,604,816</u>	<u>144,551,045</u>	<u>168,078,075</u>	<u>159,387,862</u>	<u>139,726,841</u>
\$	<u>330,667,405</u>	<u>\$ 333,662,614</u>	<u>\$ 370,917,806</u>	<u>\$ 404,164,483</u>	<u>\$ 307,033,895</u>	<u>\$ 383,218,629</u>
\$	659,723	\$ 625,740	\$ 472,445	\$ 425,925	\$ 397,109	\$ 266,479
	27,903	18,846	15,681	7,987	8,736	7,935
	2,675,576	2,394,632	2,210,260	2,299,222	2,905,272	2,758,521
	2,769,150	2,237,230	2,821,264	1,706,782	1,696,878	2,641,536
	5,811,184	7,049,529	5,968,710	7,571,863	12,126,655	9,647,147
	2,834,131	2,738,963	2,558,164	2,739,745	2,746,217	2,866,338
	20,823,804	18,653,411	17,943,019	20,355,926	21,739,918	23,164,177
	168,771	-	-	-	-	-
	21,715,944	15,921,133	14,355,175	17,511,214	13,610,856	39,311,609
	8,771,868	13,275,111	12,766,815	6,064,308	4,755,050	10,370,526
	<u>66,258,054</u>	<u>62,914,595</u>	<u>59,111,533</u>	<u>58,682,972</u>	<u>59,986,691</u>	<u>91,034,268</u>
	24,974,019	26,086,061	27,065,242	23,842,686	24,446,146	14,326,887
	47,377,507	49,912,404	48,891,167	51,561,435	50,886,932	51,143,602
	33,960,790	32,309,554	33,845,779	32,627,154	32,593,511	34,921,059
	2,923,295	2,780,282	2,746,574	2,733,253	3,043,272	730,063
	7,432,885	7,359,366	7,534,843	7,781,552	7,700,065	8,223,565
	-	-	-	-	-	7,906,697
	14,318,883	13,605,971	6,176,726	13,758,080	10,379,327	10,484,424
	<u>130,987,379</u>	<u>132,053,638</u>	<u>126,260,331</u>	<u>132,304,160</u>	<u>129,049,253</u>	<u>127,736,297</u>
\$	<u>197,245,433</u>	<u>\$ 194,968,233</u>	<u>\$ 185,371,864</u>	<u>\$ 190,987,132</u>	<u>\$ 189,035,944</u>	<u>\$ 218,770,565</u>

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CITY OF DAYTON, OHIO

CHANGES IN NET ASSETS/POSITION
LAST TEN FISCAL YEARS
(CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2011 (1)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net (Expense)/Revenue				
Governmental activities	\$ (117,679,202)	\$ (110,063,094)	\$ (129,183,469)	\$ (108,592,189)
Business-type activities	(2,142,248)	5,727,085	(3,725,145)	(1,272,822)
Total primary government net expense	<u>\$ (119,821,450)</u>	<u>\$ (104,336,009)</u>	<u>\$ (132,908,614)</u>	<u>\$ (109,865,011)</u>
General Revenues and Other Changes in Net Assets/Position				
Governmental activities:				
Property taxes	\$ 19,373,301	\$ 10,055,324	\$ 14,355,108	\$ 12,918,102
Income taxes	100,129,761	100,336,653	101,967,172	103,721,834
Payments in lieu of taxes	669,323	1,076,054	1,406,710	1,771,683
Grants and entitlements	19,159,472	14,833,540	15,376,160	15,529,135
Investment earnings	1,945,150	1,931,883	1,241,997	1,722,766
Miscellaneous	1,199,153	3,848,415	4,167,506	3,453,599
Special item	-	-	-	-
Transfers	368,339	354,169	-	(360,000)
Total governmental activities general revenues	<u>142,844,499</u>	<u>132,436,038</u>	<u>138,514,653</u>	<u>138,757,119</u>
Business type activities:				
Investment earnings	236,896	557,911	113,372	485,592
Miscellaneous	13,509,995	10,757,208	11,564,565	12,044,998
Special item	-	-	-	-
Transfers	(368,339)	(354,169)	-	360,000
Total business-type activities	<u>13,378,552</u>	<u>10,960,950</u>	<u>11,677,937</u>	<u>12,890,590</u>
Total primary government	<u>\$ 156,223,051</u>	<u>\$ 143,396,988</u>	<u>\$ 150,192,590</u>	<u>\$ 151,647,709</u>
Changes in Net Assets/Position				
Governmental activities	\$ 25,165,297	\$ 22,372,944	\$ 9,331,184	\$ 30,164,930
Business-type activities	11,236,304	16,688,035	7,952,792	11,617,768
Total primary government	<u>\$ 36,401,601</u>	<u>\$ 39,060,979</u>	<u>\$ 17,283,976</u>	<u>\$ 41,782,698</u>

(1) The City implemented GASB Statements No. 63 and 65 in 2012.

Only balances after December 31, 2011 are presented in accordance with GASB Statement No. 63.

Only balances after December 31, 2017 are presented in accordance with GASB Statement No. 75.

Source: City of Dayton financial records

	2015	2016	2017	2018	2019	2020
\$	(139,589,998)	\$ (142,143,203)	\$ (167,255,228)	\$ (177,403,436)	\$ (87,659,342)	\$ (152,457,520)
	6,168,026	3,448,822	(18,290,714)	(35,773,915)	(30,338,609)	(11,990,544)
\$	<u>(133,421,972)</u>	<u>\$ (138,694,381)</u>	<u>\$ (185,545,942)</u>	<u>\$ (213,177,351)</u>	<u>\$ (117,997,951)</u>	<u>\$ (164,448,064)</u>
\$	12,155,647	\$ 12,530,977	\$ 9,749,960	\$ 12,108,678	\$ 12,690,158	\$ 13,989,145
	107,633,425	109,275,331	125,253,442	128,707,187	134,065,969	133,827,851
	1,599,086	1,639,517	1,997,895	1,816,290	1,473,194	2,046,235
	14,236,917	14,475,022	13,618,351	12,253,756	14,796,558	12,900,243
	1,852,285	2,258,330	2,118,284	3,247,089	5,007,325	2,932,744
	3,598,806	3,399,230	4,334,317	4,916,381	5,093,872	8,547,703
	-	-	-	-	-	2,809,772
	-	(501,000)	(517,500)	(641,200)	(296,400)	(50,000)
	<u>141,076,166</u>	<u>143,077,407</u>	<u>156,554,749</u>	<u>162,408,181</u>	<u>172,830,676</u>	<u>177,003,693</u>
	535,994	863,088	1,552,267	2,979,857	5,084,705	2,501,826
	11,606,143	12,535,999	13,148,319	14,653,243	16,869,201	14,164,670
	-	-	-	-	-	(2,809,772)
	-	501,000	517,500	641,200	296,400	50,000
	<u>12,142,137</u>	<u>13,900,087</u>	<u>15,218,086</u>	<u>18,274,300</u>	<u>22,250,306</u>	<u>13,906,724</u>
\$	<u>153,218,303</u>	<u>\$ 156,977,494</u>	<u>\$ 171,772,835</u>	<u>\$ 180,682,481</u>	<u>\$ 195,080,982</u>	<u>\$ 190,910,417</u>
\$	1,486,168	\$ 934,204	\$ (10,700,479)	\$ (14,995,255)	\$ 85,171,334	\$ 24,546,173
	18,310,163	17,348,909	(3,072,628)	(17,499,615)	(8,088,303)	1,916,180
\$	<u>19,796,331</u>	<u>\$ 18,283,113</u>	<u>\$ (13,773,107)</u>	<u>\$ (32,494,870)</u>	<u>\$ 77,083,031</u>	<u>\$ 26,462,353</u>

CITY OF DAYTON, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011 (1)	2012 (1)	2013	2014
General Fund				
Nonspendable	\$ 9,695,165	\$ 10,166,112	\$ 10,556,945	\$ 11,113,881
Restricted	-	-	-	-
Committed	4,543,378	2,952,023	1,877,155	1,985,533
Assigned	11,900,572	17,106,981	22,147,568	21,268,158
Unassigned	29,291,035	31,114,283	26,287,308	27,221,281
Total general fund	<u>\$ 55,430,150</u>	<u>\$ 61,339,399</u>	<u>\$ 60,868,976</u>	<u>\$ 61,588,853</u>
Other Special Revenue				
Nonspendable	\$ 476	\$ -	\$ -	\$ 500
Restricted	5,821,124	5,971,337	5,678,456	5,420,505
Total other special revenue	<u>\$ 5,821,600</u>	<u>\$ 5,971,337</u>	<u>\$ 5,678,456</u>	<u>\$ 5,421,005</u>
Debt Service Fund				
Nonspendable	\$ 553	\$ -	\$ -	\$ -
Restricted	39,378,381	28,369,891	26,962,021	26,915,684
Committed	192,652	331,130	407,021	419,906
Total debt service fund	<u>\$ 39,571,586</u>	<u>\$ 28,701,021</u>	<u>\$ 27,369,042</u>	<u>\$ 27,335,590</u>
Capital Improvement Fund				
Nonspendable	\$ -	\$ -	\$ 6,563	\$ -
Restricted	4,758,591	10,424,439	8,427,005	15,704,146
Committed	5,026,521	8,436,236	9,591,625	8,310,682
Assigned	11,243,145	6,790,703	8,885,969	8,203,654
Total capital improvement fund	<u>\$ 21,028,257</u>	<u>\$ 25,651,378</u>	<u>\$ 26,911,162</u>	<u>\$ 32,218,482</u>
Other governmental Funds				
Nonspendable	\$ 102,228	\$ 103,727	\$ 102,228	\$ 102,228
Restricted	11,128,174	10,856,667	8,104,755	11,755,537
Unreserved (deficit), reported in: Special revenue funds	-	-	-	-
Total other governmental funds	<u>\$ 11,230,402</u>	<u>\$ 10,960,394</u>	<u>\$ 8,206,983</u>	<u>\$ 11,857,765</u>
Total Fund Balances, Governmental Funds	<u>\$ 133,081,995</u>	<u>\$ 132,623,529</u>	<u>\$ 129,034,619</u>	<u>\$ 138,421,695</u>

(1) Amounts have been restated from prior year's CAFR.

Source: City of Dayton financial records

	2015	2016	2017	2018	2019	2020
\$	10,582,684	\$ 11,130,189	\$ 4,204,941	\$ 4,117,426	\$ 16,099,839	\$ 15,387,882
	-	-	-	-	1,513,207	1,398,122
	2,551,240	1,765,917	2,796,237	1,586,680	2,125,347	1,647,920
	20,365,988	26,532,688	22,539,046	13,181,363	24,131,684	25,470,674
	28,939,568	23,499,869	32,724,803	47,225,412	33,406,326	31,411,557
\$	<u>62,439,480</u>	<u>\$ 62,928,663</u>	<u>\$ 62,265,027</u>	<u>\$ 66,110,881</u>	<u>\$ 77,276,403</u>	<u>\$ 75,316,155</u>
\$	3,163	\$ -	\$ -	\$ -	\$ -	\$ -
	5,782,016	-	-	-	-	-
\$	<u>5,785,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	27,686,642	28,459,284	28,241,475	26,744,173	24,407,460	24,761,009
	408,494	416,466	422,416	443,573	452,758	457,950
\$	<u>28,095,136</u>	<u>\$ 28,875,750</u>	<u>\$ 28,663,891</u>	<u>\$ 27,187,746</u>	<u>\$ 24,860,218</u>	<u>\$ 25,218,959</u>
\$	-	\$ -	\$ -	\$ 97,664	\$ 114,327	\$ 26,242
	9,434,711	17,575,596	5,126,467	7,714,094	924,888	11,051,244
	7,302,188	7,875,468	7,284,916	9,701,058	10,158,119	7,849,429
	10,779,323	6,301,554	7,070,596	8,469,143	8,983,360	15,199,275
\$	<u>27,516,222</u>	<u>\$ 31,752,618</u>	<u>\$ 19,481,979</u>	<u>\$ 25,981,959</u>	<u>\$ 20,180,694</u>	<u>\$ 34,126,190</u>
\$	102,228	\$ 914,376	\$ 756,993	\$ 1,343,739	\$ 1,348,573	\$ 1,549,326
	8,216,413	13,151,325	13,468,783	11,666,032	18,431,205	32,919,574
	(209,996)	-	-	-	-	-
\$	<u>8,108,645</u>	<u>\$ 14,065,701</u>	<u>\$ 14,225,776</u>	<u>\$ 13,009,771</u>	<u>\$ 19,779,778</u>	<u>\$ 34,468,900</u>
\$	<u>131,944,662</u>	<u>\$ 137,622,732</u>	<u>\$ 124,636,673</u>	<u>\$ 132,290,357</u>	<u>\$ 142,097,093</u>	<u>\$ 169,130,204</u>

CITY OF DAYTON, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014
Revenues				
Taxes	\$ 134,006,534	\$ 128,586,427	\$ 131,413,081	\$ 132,423,102
Charges for services	26,910,213	27,256,576	26,855,263	27,395,234
Licenses and permits	1,561,850	1,616,712	1,458,434	1,381,915
Fines and forfeits	2,402,917	5,926,766	4,217,985	3,815,470
Intergovernmental	55,538,646	45,662,634	38,037,763	31,756,758
Special assessments	333,328	297,589	344,211	754,970
Payments in lieu of taxes	604,596	873,495	1,195,609	1,590,825
Investment income	1,730,915	1,858,064	1,497,795	1,639,315
Increase (decrease) in fair value of investments	186,772	80,325	(240,888)	32,885
Other	4,148,279	6,282,291	9,830,450	5,528,609
Total revenues	<u>227,424,050</u>	<u>218,440,879</u>	<u>214,609,703</u>	<u>206,319,083</u>
Expenditures				
Current:				
Downtown	3,804,513	3,346,771	3,139,384	3,183,464
Youth, education and human services	2,409,496	2,518,658	2,902,251	708,900
Community development and neighborhoods	32,366,889	31,889,756	28,406,652	22,550,030
Economic development	10,063,494	9,529,602	15,142,478	13,346,277
Leadership and quality life	30,741,740	28,678,675	32,029,419	32,784,866
Corporate responsibility	14,967,599	13,901,301	15,163,461	15,486,893
Public safety and justice	93,849,670	94,598,883	95,650,844	95,477,660
Capital outlay	15,253,781	16,942,861	14,798,332	16,329,574
Debt service:				
Principal retirement	9,516,702	9,918,875	8,446,175	7,708,143
Interest and fiscal charges	4,401,891	2,785,143	3,164,241	2,843,361
Bond issuance costs	-	693,878	-	195,142
Total expenditures	<u>217,375,775</u>	<u>214,804,403</u>	<u>218,843,237</u>	<u>210,614,310</u>
Excess(deficiency) of revenues over expenditures	10,048,275	3,636,476	(4,233,534)	(4,295,227)
Other Financing Sources (Uses)				
Transfers in	6,767,335	8,590,551	6,838,592	6,076,041
Transfers out	(6,455,775)	(8,168,518)	(6,750,939)	(6,318,132)
Bonds issued	1,615,000	35,555,000	-	9,240,000
Issuance of loans	-	-	556,971	2,500,000
Payment of refunded bond escrow agent	-	(35,364,951)	-	-
Premium (discount) on bond issuance	-	5,435,222	-	249,270
(Discount) on note issuance	-	-	-	(60,196)
Capital lease transactions	-	-	-	1,995,320
Total other financing sources (uses)	<u>1,926,560</u>	<u>6,047,304</u>	<u>644,624</u>	<u>13,682,303</u>
Net change in fund balance	<u>\$ 11,974,835</u>	<u>\$ 9,683,780</u>	<u>\$ (3,588,910)</u>	<u>\$ 9,387,076</u>
Capital expenditures	\$ 18,744,758	\$ 21,668,262	\$ 16,716,779	\$ 19,494,767
Debt service as a percentage of noncapital expenditures	7.01%	6.58%	5.74%	5.52%

Source: City of Dayton financial records

	2015	2016	2017	2018	2019	2020
\$	134,876,542	\$ 134,469,794	\$ 149,848,719	\$ 153,774,390	\$ 161,579,677	\$ 161,012,016
	28,978,808	28,108,799	26,429,834	26,759,391	27,771,388	27,496,031
	1,549,259	1,580,745	1,781,833	2,960,263	3,048,391	2,288,432
	2,737,317	1,383,357	900,272	3,669,384	2,795,582	1,979,932
	27,257,994	34,659,554	30,456,805	20,504,272	19,293,774	38,088,195
	2,778,402	3,016,394	2,971,185	3,433,417	3,502,218	3,147,171
	1,757,149	1,687,149	2,919,537	1,816,290	1,473,194	2,046,235
	1,675,558	2,636,156	2,451,887	2,943,134	3,223,585	2,492,105
	(16,440)	(470,837)	(486,307)	59,611	1,301,183	741,994
	5,878,638	5,807,497	6,885,769	7,711,233	12,311,516	17,215,672
	<u>207,473,227</u>	<u>212,878,608</u>	<u>224,159,534</u>	<u>223,631,385</u>	<u>236,300,508</u>	<u>256,507,783</u>
	3,500,198	3,468,162	2,842,200	2,733,701	2,493,895	1,679,149
	493,757	104,913	94,338	51,264	54,865	49,999
	23,458,563	21,967,449	21,003,433	24,152,389	22,009,086	20,446,273
	14,864,797	9,646,066	17,984,798	9,063,098	7,411,662	12,840,968
	36,273,704	36,858,771	36,259,335	39,832,359	43,342,457	47,512,651
	14,800,055	15,410,341	15,838,901	17,924,225	17,174,472	17,531,017
	94,684,266	98,253,686	101,559,290	105,696,870	111,002,549	118,410,502
	15,878,315	20,836,262	30,667,930	19,169,413	15,242,068	20,873,490
	7,062,185	8,583,778	7,422,744	7,601,277	7,842,451	6,242,680
	3,052,165	2,844,231	3,072,686	2,840,393	3,269,857	2,477,806
	-	323,854	-	191,897	-	241,655
	<u>214,068,005</u>	<u>218,297,513</u>	<u>236,745,655</u>	<u>229,256,886</u>	<u>229,843,362</u>	<u>248,306,190</u>
	(6,594,778)	(5,418,905)	(12,586,121)	(5,625,501)	6,457,146	8,201,593
	9,500,959	5,504,550	9,699,537	12,491,885	9,083,011	13,745,794
	(9,383,214)	(5,892,656)	(10,099,475)	(13,012,845)	(9,259,303)	(13,795,794)
	-	12,210,000	-	14,405,000	-	39,850,000
	-	1,099,888	-	-	-	739,155
	-	(2,876,310)	-	(1,211,639)	-	(23,863,009)
	-	1,051,503	-	606,784	-	2,155,372
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>117,745</u>	<u>11,096,975</u>	<u>(399,938)</u>	<u>13,279,185</u>	<u>(176,292)</u>	<u>18,831,518</u>
\$	<u>(6,477,033)</u>	<u>\$ 5,678,070</u>	<u>\$ (12,986,059)</u>	<u>\$ 7,653,684</u>	<u>\$ 6,280,854</u>	<u>\$ 27,033,111</u>
\$	15,725,633	\$ 29,324,228	\$ 31,630,721	\$ 21,227,738	\$ 21,789,083	\$ 28,930,054
	5.10%	6.05%	5.12%	5.02%	5.34%	3.98%

CITY OF DAYTON, OHIO

**GROSS INCOME TAX REVENUE BY PAYER TYPE
LAST TEN FISCAL YEARS**

Year	Withholding	% of withholding to total	Total Non-withholding	% of non-withholding to total	Total	Individual Accounts	% of individual to total	Business Accounts	% of Business to total	Total
2011	\$ 86,866,507	84.51%	\$ 15,915,982	15.49%	\$ 102,782,489	\$ 4,732,700	4.60%	\$ 11,183,282	10.88%	\$ 102,782,489
2012	89,759,346	86.27%	14,286,616	13.73%	104,045,962	4,129,840	3.97%	10,156,776	9.76%	104,045,962
2013	88,682,519	84.47%	16,301,796	15.53%	104,984,315	4,482,437	4.27%	11,819,358	11.26%	104,984,315
2014	89,661,242	84.68%	16,219,013	15.32%	105,880,255	4,323,182	4.08%	11,895,831	11.24%	105,880,255
2015	93,006,624	85.30%	16,028,674	14.70%	109,035,298	4,274,278	3.92%	11,754,396	10.78%	109,035,298
2016	95,785,501	86.31%	15,193,511	13.69%	110,979,012	4,528,649	4.08%	10,664,862	9.61%	110,979,012
2017	108,269,956	87.43%	15,564,839	12.57%	123,834,795	5,280,807	4.26%	10,284,031	8.30%	123,834,795
2018	115,647,959	87.47%	16,568,134	12.53%	132,216,093	5,036,463	3.81%	11,531,671	8.72%	132,216,093
2019	116,866,344	86.23%	18,660,633	13.77%	135,526,977	5,047,544	3.72%	13,613,089	10.04%	135,526,977
2020	117,350,299	86.68%	18,026,980	13.32%	135,377,279	4,777,189	3.53%	13,249,791	9.79%	135,377,279

**INCOME TAX FUND REVENUE DISTRIBUTION
NET OF REFUNDS
LAST TEN FISCAL YEARS**

Year	Budget Basis			GAAP (Modified Accrual Basis)		
	General Fund	Total	% Increase (Decrease)	General Fund	Total	% Increase (Decrease)
2011	\$ 99,668,943	\$ 99,668,943	1.49%	\$ 100,362,688	\$ 100,362,688	1.56%
2012	101,624,151	101,624,151	1.96%	100,450,896	100,450,896	0.09%
2013	101,934,268	101,934,268	0.31%	101,359,488	101,359,488	0.90%
2014	102,649,505	102,649,505	0.70%	103,916,809	103,916,809	2.52%
2015	106,661,923	106,661,923	3.91%	107,375,864	107,375,864	3.33%
2016	117,658,900	117,658,900	10.31%	113,461,023	113,461,023	5.67%
2017	110,795,400	110,795,400	-5.83%	121,733,746	121,733,746	7.29%
2018	129,988,860	129,988,860	17.32%	128,430,901	128,430,901	5.50%
2019	131,369,199	131,369,199	1.06%	132,638,251	132,638,251	3.28%
2020	133,730,897	133,730,897	1.80%	133,500,732	133,500,732	0.65%

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal year</u>	<u>Total tax levy</u>	<u>Current tax collections</u>	<u>Percent of levy collected</u>	<u>Delinquent tax collections (1)</u>	<u>Total tax collections</u>	<u>Percent of total tax collections to tax levy</u>	<u>Outstanding delinquent taxes</u>	<u>Percent of outstanding delinquent taxes to tax levy</u>
<u>Montgomery County</u>								
2011	\$ 16,976,964	\$ 15,321,147	90.25%	\$ 890,712	\$ 16,211,859	95.49%	\$ 6,723,836	39.61%
2012	15,724,338	13,342,279	84.85%	982,606	14,324,885	91.10%	6,590,787	41.91%
2013	15,270,433	13,344,519	87.39%	895,002	14,239,521	93.25%	7,927,702	51.92%
2014	15,459,902	13,432,271	86.88%	1,136,015	14,568,286	94.23%	8,043,185	52.03%
2015	14,207,597	12,559,556	88.40%	1,110,059	13,669,615	96.21%	8,141,799	57.31%
2016	14,190,924	12,631,228	89.01%	1,088,396	13,719,624	96.68%	8,538,215	60.17%
2017	14,226,435	12,766,366	89.74%	980,504	13,746,870	96.63%	8,399,679	59.04%
2018	14,327,917	12,891,853	89.98%	13,969,866	26,861,719	187.48%	8,738,631	60.99%
2019	14,397,065	13,025,974	90.48%	1,111,043	14,137,017	98.19%	9,051,249	62.87%
2020	14,696,201	13,348,944	90.83%	1,300,412	14,649,356	99.68%	10,507,979	71.50%

(1) Delinquent tax records are maintained by an external agency, Montgomery County. The agency does not currently track delinquent taxes by levy year and the City is researching other options for capturing this data for future reporting.

Source: County Auditor; Montgomery County, Ohio

CITY OF DAYTON, OHIO

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

<u>Tax year</u>	<u>For</u>	<u>Real Property</u>		<u>Public Utilities</u>	
		<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Assessed value</u>	<u>Estimated actual value</u>
<u>Montgomery County</u>					
2011	2012	\$ 1,492,173,530	\$ 4,091,911,043	\$ 80,260,280	\$ 220,093,655
2012	2013	1,441,010,830	4,117,173,800	86,032,460	221,379,468
2013	2014	1,451,672,070	4,147,634,486	94,318,140	242,685,716
2014	2015	1,323,254,870	3,780,728,200	97,514,790	250,914,681
2015	2016	1,318,587,830	3,767,393,799	100,515,440	258,758,907
2016	2017	1,315,612,520	3,758,892,913	107,045,760	275,473,588
2017	2018	1,321,901,650	3,776,861,858	110,903,630	285,360,763
2018	2019	1,321,622,440	3,776,064,113	118,097,560	303,823,672
2019	2020	1,342,473,290	3,835,637,971	127,157,180	327,105,392
2020	2021	1,481,233,190	4,232,094,829	130,159,690	334,825,061

Source: County Auditor; Montgomery County, Ohio

N/A - Information not available

Assessed value	Total		Percent of total assessed estimated actual value
	Total direct tax rate	Estimated actual value	
\$ 1,572,433,810	\$ 10.00	\$ 4,312,004,698	36.47%
1,527,043,290	10.00	4,338,553,268	35.20%
1,545,990,210	10.00	4,390,320,202	35.21%
1,420,769,660	10.00	4,031,642,881	35.24%
1,419,103,270	10.00	4,026,152,706	35.25%
1,422,658,280	10.00	4,034,366,501	35.26%
1,432,805,280	10.00	4,062,222,621	35.27%
1,439,720,000	10.00	4,079,887,785	35.29%
1,469,630,470	10.00	4,162,743,363	35.30%
1,611,392,880	10.00	4,566,919,890	35.28%

CITY OF DAYTON, OHIO

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

Direct 10 Mill Limitation (By Ohio Constitution) By November 6, 1945 Charter Amendment

<u>Fiscal Year</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Debt Service Fund</u>	<u>General</u>	<u>Total</u>
<u>Montgomery County</u>					
2011	0.40	0.40	4.60	5.00	9.60
2012	0.40	0.40	4.80	4.80	9.60
2013	0.40	0.40	5.00	4.60	9.60
2014	0.40	0.40	5.10	4.50	9.60
2015	0.40	0.40	5.10	4.50	9.60
2016	0.40	0.40	5.10	4.50	9.60
2017	0.40	0.40	5.10	4.50	9.60
2018	0.40	0.40	5.10	4.50	9.60
2019	0.40	0.40	5.10	4.50	9.60
2020	0.40	0.40	5.10	4.50	9.60

(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 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. The 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.

Source: County Auditor; Montgomery County, Ohio

<u>Grand Total (1)</u>	<u>Dayton City School District</u>	<u>Montgomery County</u>	<u>Montgomery County Public Library</u>
10.00	77.52	20.94	1.75
10.00	79.85	20.94	3.31
10.00	79.85	20.94	3.31
10.00	79.85	21.94	3.31
10.00	81.35	22.94	3.31
10.00	83.35	22.94	3.31
10.00	83.35	22.94	3.31
10.00	80.05	23.14	3.31
10.00	80.05	23.14	3.15
10.00	80.05	23.14	3.15

CITY OF DAYTON, OHIO

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year 2020			Fiscal Year 2011		
	Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value
Dayton Power and Light Company	\$ 96,827,430	1	6.01%	\$ 69,873,050	1	3.84%
Vectren Energy Delivery	32,290,770	2	2.00%	9,531,430	4	0.52%
Caresource	8,902,730	4	0.55%			
Premier Health Partners (1)	7,722,940	3	0.48%			
KND Real Estate 29 LLC	7,404,090	5	0.46%	5,643,560	5	0.31%
GLP Capital LP	6,790,980	6	0.42%			
Dayton Hotel II LLC	5,255,550	7	0.33%			
NP Dayton Building IV LLC	6,234,980	8	0.39%			
NP Dayton Building IV LLC	4,271,940	9	0.27%			
RLR Investments LLC	3,880,820	10	0.24%			
National Cash Register Company				10,928,110	2	0.60%
Amamata LLC				10,513,140	3	0.58%
Marriott International				5,238,110	6	0.29%
Delamore Elizabeth				4,939,840	7	0.27%
DUCRU SPE LLC				4,734,550	8	0.26%
40 North Main Street				4,524,370	9	0.25%
Total	\$ 179,582,230		11.15%	\$ 125,926,160		6.92%

(1) Formally Good Samaritan Hospital

Only the top nine principal property tax payers were available. (2011)

Source: County Auditor; Montgomery, County, Ohio

CITY OF DAYTON, OHIO

**SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Current Assessments Due (1)</u>	<u>Current Assessments Collected (1)</u>	<u>Percent of Current Collections to Current Assessments</u>	<u>Delinquent Assessments Collected</u>	<u>Total Assessments Collected</u>	<u>Percent of Total Assessments Collected to Current Due (2)</u>
2011	\$ 4,432,302	\$ 2,280,991	51.46%	\$ 302,809	\$ 2,583,800	58.29%
2012	6,257,674	2,027,236	32.40%	277,857	2,305,093	36.84%
2013	4,727,901	2,010,113	42.52%	537,153	2,547,266	53.88%
2014	4,727,901	1,916,141	40.53%	498,060	2,414,201	51.06%
2015	7,449,675	4,133,966	55.49%	709,211	4,843,177	65.01%
2016	8,225,568	4,262,189	51.82%	947,474	5,209,663	63.33%
2017	6,808,229	4,816,159	70.74%	937,030	5,753,189	84.50%
2018	5,904,149	5,443,856	92.20%	1,172,852	6,616,708	112.07%
2019	5,892,357	5,432,776	92.20%	1,509,425	6,942,201	117.82%
2020	8,903,225	6,731,885	75.61%	1,638,183	8,370,068	94.01%

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

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

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Governmental Activities								
Fiscal Year	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Ohio Department of Development Loan	Capital Lease Obligations	OPWC Loans	SIB Loans	SIB Bonds
2011	\$ 46,884,969	\$ 38,780,000	\$ 136,900	\$ 2,860,000	\$ -	\$ 152,317	\$ -	\$ -
2012	49,149,087	33,923,806	63,100	2,860,000	-	128,782	-	-
2013	42,465,128	31,886,369	23,200	2,860,000	-	661,507	-	-
2014	42,556,962	29,758,933	-	2,860,000	1,995,320	617,964	2,500,000	3,419,608
2015	37,938,498	27,566,497	-	2,694,829	1,621,171	555,099	2,500,000	3,482,779
2016	44,237,911	25,314,060	-	2,440,804	-	1,116,405	2,568,125	3,410,526
2017	39,293,603	22,996,624	-	2,179,054	-	1,015,767	2,472,769	3,315,000
2018	44,265,275	24,445,682	-	1,909,341	-	942,441	2,374,531	3,165,000
2019	39,229,345	21,820,539	-	1,631,421	-	869,114	2,273,323	3,015,000
2020	50,951,525	19,328,033	-	1,489,311	-	1,546,968	2,169,058	2,865,000

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Dayton financial records

(1) Source: Bureau of Economic Analysis, US Department of Commerce. Personal Income for 2017-2019 is not available.

Business-Type Activities

General Obligation Bonds	Revenue Bonds	OWDA Loans	OPWC Loans	Capital Lease Obligations	JOBS Ohio Loan	Total Primary Government	Personal Income (1)	Percentage of Personal Income	Per Capita
\$ 10,860,031	\$ 34,625,000	\$ 9,888,914	\$ 450,000	\$ -	\$ -	\$ 144,638,131	\$ 30,733,685,000	0.47%	\$ 1,021
41,031,571	33,265,591	9,175,000	400,000	-	-	169,996,937	31,611,141,000	0.54%	1,203
38,888,600	31,953,977	8,433,383	350,000	-	-	157,522,164	31,926,492,000	0.49%	1,099
36,525,000	30,776,093	7,662,986	300,000	648,196	-	159,621,062	33,144,355,000	0.48%	1,132
35,691,545	81,810,745	6,862,691	250,000	526,651	-	201,500,505	34,260,966,000	0.59%	1,433
39,024,368	111,772,064	6,031,338	200,000	-	5,000,000	241,115,601	34,966,720,000	0.69%	1,716
36,697,191	107,941,332	5,167,722	150,000	-	4,867,008	226,096,070	n/a	n/a	1,611
34,290,014	120,420,598	4,270,588	100,000	-	4,663,742	240,847,212	n/a	n/a	1,713
31,822,837	116,299,255	3,401,472	50,000	-	4,455,856	224,868,162	n/a	n/a	1,599
32,778,925	129,180,311	3,330,117	25,000	-	4,314,646	247,978,894	n/a	n/a	1,766

CITY OF DAYTON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Value (2)	\$ 1,572,433,810	\$ 1,527,043,290	\$ 1,545,990,210	\$ 1,420,769,660
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	165,105,550	160,339,545	162,328,972	149,180,814
Total Voted and Unvoted Debt Outstanding	144,638,131	169,996,937	157,522,164	159,621,062
Less: Exempt Debt				
Airport General Obligation Bonds and Notes	(10,115,000)	(9,750,000)	(9,375,000)	(8,990,000)
Airport Revenue Bonds (1)	(34,462,592)	(33,265,591)	(32,090,000)	(30,232,678)
Water Revenue Bonds (1)	-	-	-	-
Sewer Revenue Bonds (1)	-	-	-	-
Water General Obligation Bonds (3)	-	(15,300,000)	(14,520,000)	(13,630,000)
Sewer General Obligation Bonds (3)	-	(15,600,000)	(14,805,000)	(13,905,000)
Sewer General Obligation Bonds (3)	-	-	-	-
Special Assessment Bonds and Notes	(136,900)	(63,100)	(23,200)	-
Economic Development Bonds	(38,780,000)	(32,235,000)	(30,305,000)	(28,285,000)
Total Exempt Debt	<u>(83,494,492)</u>	<u>(106,213,691)</u>	<u>(101,118,200)</u>	<u>(95,042,678)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	61,143,639	63,783,246	56,403,964	64,578,384
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(14,927,743)</u>	<u>(10,776,956)</u>	<u>(10,184,042)</u>	<u>(10,965,590)</u>
Net Debt Within 10.5% Limitation	<u>46,215,896</u>	<u>53,006,290</u>	<u>46,219,922</u>	<u>53,612,794</u>
Overall Debt Margin Within 10.5% Limitations	<u>\$ 118,889,654</u>	<u>\$ 107,333,255</u>	<u>\$ 116,109,050</u>	<u>\$ 95,568,020</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 86,483,860	\$ 83,987,381	\$ 85,029,462	\$ 78,142,331
Debt Within 5.5% Limitations	61,143,639	63,783,246	56,403,964	64,578,384
Less Amount Available in Debt Service Fund	(14,927,743)	(10,776,956)	(10,184,042)	(10,965,590)
Net Debt Within 5.5% Limitation	<u>46,215,896</u>	<u>53,006,290</u>	<u>46,219,922</u>	<u>53,612,794</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 40,267,964</u>	<u>\$ 30,981,091</u>	<u>\$ 38,809,540</u>	<u>\$ 24,529,537</u>

Source: City of Dayton financial records

(1) Airport, Water and Sewer revenue bonds are shown net of premiums.

(2) Assessed valuations have been revised to agree with the assessed valuation by each tax year as provided by the Montgomery County Auditor.

(3) Water, Storm Water and Sewer general obligation bonds are exempt debt.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,419,103,270	\$ 1,422,658,280	\$ 1,432,805,280	\$ 1,439,720,000	\$ 1,469,630,470	\$ 1,611,392,880
149,005,843	149,379,119	150,444,554	151,170,600	154,311,199	169,196,252
201,500,505	241,115,601	226,096,070	240,847,212	224,868,162	247,978,894
(10,016,545)	(9,404,368)	(8,782,191)	(8,135,014)	(7,497,837)	(6,855,660)
(52,051,403)	(80,822,459)	(79,361,332)	(77,650,932)	(72,484,469)	(69,348,476)
(15,720,663)	(15,133,998)	(14,542,333)	(31,139,407)	(29,928,391)	(28,652,375)
(16,428,679)	(15,815,607)	(15,197,536)	(14,554,464)	(13,886,392)	(31,179,460)
(12,705,000)	(17,640,000)	(16,655,000)	(15,640,000)	(14,590,000)	(13,564,750)
(12,970,000)	(11,980,000)	(11,260,000)	(10,515,000)	(9,735,000)	(9,358,515)
-	-	-	-	-	(3,000,000)
-	-	-	-	-	-
<u>(26,200,000)</u>	<u>(24,055,000)</u>	<u>(21,845,000)</u>	<u>(23,245,000)</u>	<u>(20,735,000)</u>	<u>(19,205,000)</u>
<u>(146,092,290)</u>	<u>(174,851,432)</u>	<u>(167,643,392)</u>	<u>(180,879,817)</u>	<u>(168,857,089)</u>	<u>(181,164,236)</u>
55,408,215	66,264,169	58,452,678	59,967,395	56,011,073	66,814,658
<u>(12,580,136)</u>	<u>(14,255,750)</u>	<u>(14,978,891)</u>	<u>(14,482,746)</u>	<u>(24,860,218)</u>	<u>(25,218,959)</u>
<u>42,828,079</u>	<u>52,008,419</u>	<u>43,473,787</u>	<u>45,484,649</u>	<u>31,150,855</u>	<u>41,595,699</u>
<u>\$ 106,177,764</u>	<u>\$ 97,370,700</u>	<u>\$ 106,970,767</u>	<u>\$ 105,685,951</u>	<u>\$ 123,160,344</u>	<u>\$ 127,600,553</u>
\$ 78,050,680	\$ 78,246,205	\$ 78,804,290	\$ 79,184,600	\$ 80,829,676	\$ 88,626,608
55,408,215	66,264,169	58,452,678	59,967,395	56,011,073	66,814,658
(12,580,136)	(14,255,750)	(14,978,891)	(14,482,746)	(24,860,218)	(25,218,959)
<u>42,828,079</u>	<u>52,008,419</u>	<u>43,473,787</u>	<u>45,484,649</u>	<u>31,150,855</u>	<u>41,595,699</u>
<u>\$ 35,222,601</u>	<u>\$ 26,237,786</u>	<u>\$ 35,330,503</u>	<u>\$ 33,699,951</u>	<u>\$ 49,678,820</u>	<u>\$ 47,030,909</u>

CITY OF DAYTON, OHIO

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Population (3)	Assessed value (2)	Gross general bonded debt (1)	Less: Amounts available in Debt Service Fund (4)	Net general bonded debt (1)	Ratio of net general bonded debt to assessed value	Net general bonded debt per capita
2011	141,713	\$ 1,572,433,810	\$ 57,745,000	\$ 14,927,743	\$ 42,817,257	2.72%	\$ 302
2012	141,359	1,527,043,290	90,180,658	9,583,585	80,597,073	5.28%	570
2013	143,355	1,545,990,210	81,353,728	10,184,042	71,169,686	4.60%	496
2014	141,003	1,420,769,660	79,081,962	10,965,590	68,116,372	4.79%	483
2015	140,599	1,419,103,270	73,630,043	12,580,136	61,049,907	4.30%	434
2016	140,489	1,422,658,280	83,262,279	14,255,750	69,006,529	4.85%	491
2017	140,371	1,432,805,280	75,990,794	14,978,891	61,011,903	4.26%	435
2018	140,640	1,439,720,000	78,555,289	14,391,004	64,164,285	4.46%	456
2019	140,640	1,469,630,470	71,052,182	24,860,218	46,191,964	3.14%	328
2020	140,407	1,611,392,880	83,730,450	14,613,959	69,116,491	4.29%	492

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

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

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

(4) Debt Service Fund fund balance does not include assigned for encumbrances, advances or loans receivable.

CITY OF DAYTON, OHIO

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Bond issuance costs</u>	<u>Total debt service</u>	<u>Total general governmental expenditures</u>	<u>Ratio of debt service to total general governmental expenditures</u>
2011	\$ 9,516,702	\$ 4,401,891	\$ -	\$ 13,918,593	\$ 217,375,775	6.40%
2012	9,918,875	2,785,143	693,878	13,397,896	214,804,403	6.24%
2013	8,446,175	3,164,241	-	11,610,416	218,843,237	5.31%
2014	7,708,143	2,843,361	195,142	10,746,646	210,614,310	5.10%
2015	7,062,185	3,052,165	-	10,114,350	214,068,005	4.72%
2016	8,583,778	2,844,231	323,854	11,751,863	218,297,513	5.38%
2017	7,422,744	3,072,686	-	10,495,430	236,745,655	4.43%
2018	7,601,277	2,840,393	191,897	10,633,567	229,256,886	4.64%
2019	7,842,451	3,269,857	-	11,112,308	229,843,362	4.83%
2020	6,242,680	2,477,806	241,655	8,962,141	248,306,190	3.61%

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2020

Debt of the City, authorized by the Council but not by a vote of the electors, is subject to overlapping restrictions with each respective county and school district. Limitations apply to each county total and should not be considered cumulatively. Total debt service charges for one year of all overlapping debt must not exceed ten mills (1%) of the assessed property value. This determination is made by the respective county auditors each time a subdivision proposes to issue unvoted debt. The most recent data prepared by the county auditors for this purpose is as of December 31, 2020.

Political subdivision of State of Ohio	2020 Debt Outstanding (1)	Percentage applicable to Dayton	Amount applicable to Dayton
Direct			
City of Dayton	\$ 78,349,895	100.00%	\$ 78,349,895
Total Direct Debt	<u>78,349,895</u>		<u>78,349,895</u>
Overlapping			
Dayton Metro Library District	141,664,986	19.47%	27,582,173
Dayton City School District	112,165,000	84.73%	95,037,405
Miami Valley Career Center	125,612,994	2.23%	2,801,170
Vandalia Butler City School District	42,461,068	3.51%	1,490,383
Mad River Local School District	4,155,000	23.42%	973,101
Huber Heights City School District	62,130,000	11.20%	6,958,560
Trotwood-Madison City School District	20,670,000	3.96%	818,532
Fairborn City School District	48,401,331	3.36%	1,626,285
Northridge Local School District	15,860,000	30.98%	4,913,428
Greene County Career Center	52,375,000	0.49%	256,638
Total Overlapping Debt	<u>625,495,379</u>		<u>142,457,674</u>
Total Direct and Overlapping Debt	<u>\$ 703,845,274</u>		<u>\$ 220,807,569</u>

(1) Excludes Enterprise Debt

Source: County Auditor; Montgomery County, Ohio and Ohio Municipal Advisory Council (OMAC)

CITY OF DAYTON, OHIO

SEWER DEBT LOAN PLEDGED REVENUE COVERAGE
OHIO WATER DEVELOPMENT AUTHORITY LOAN
LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$ 7,850,586	\$ 548,263	\$ 406,141	\$ 954,404	8.23
2012	10,831,537	713,914	373,672	1,087,586	9.96
2013	8,304,330	741,617	345,967	1,087,584	7.64
2014	9,687,415	770,397	317,188	1,087,585	8.91
2015	11,760,637	800,295	287,291	1,087,586	10.81
2016	8,159,080	831,353	199,704	1,031,057	7.91
2017	8,890,092	913,616	174,525	1,088,141	8.17
2018	7,148,338	947,134	148,368	1,095,502	6.53
2019	4,491,133	931,950	121,195	1,053,145	4.26
2020	9,308,730	968,119	92,968	1,061,087	8.77

(1) Net Revenue Available for Debt Service is computed by adding operating income (loss) for the reporting period to depreciation expense, interest revenue and the fair market value adjustment.

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

WATER ENTERPRISE REVENUE BOND COVERAGE
WATER REVENUE BONDS
LAST FIVE FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2016	\$ 13,303,988	\$ 555,000	\$ 519,957	\$ 1,074,957	12.38
2017	7,655,664	560,000	517,312	1,077,312	7.11
2018	13,373,581	585,000	494,912	1,079,912	12.38
2019	4,065,094	1,140,000	1,170,813	2,310,813	1.76
2020	10,766,191	1,205,000	1,097,212	2,302,212	4.68

(1) Net Revenue Available for Debt Service is computed by adding operating income (loss) for the reporting period to depreciation expense, interest revenue and the fair market value adjustment. The Net Revenue Available for Debt Service also includes restricted cash held by a fiscal agent to meet the Rate Covenant as described in Section 4.02 of the Trust Agreement.

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

SEWER ENTERPRISE REVENUE BOND COVERAGE
SEWER REVENUE BONDS
LAST FIVE FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2016	\$ 9,290,302	\$ 580,000	\$ 543,377	\$ 1,123,377	8.27
2017	10,017,916	585,000	540,612	1,125,612	8.90
2018	7,463,318	610,000	517,213	1,127,213	6.62
2019	4,491,133	635,000	492,813	1,127,813	3.98
2020	9,308,730	660,000	467,412	1,127,412	8.26

(1) Net Revenue Available for Debt Service is computed by adding operating income (loss) for the reporting period to depreciation expense, interest revenue and the fair market value adjustment. The Net Revenue Available for Debt Service also includes restricted cash held by a fiscal agent to meet the Rate Covenant as described in Section 4.02 of the Trust Agreement.

(2) The City issued new sewer bonds in 2015. There were no payments due in 2015.

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

DAYTON INTERNATIONAL AIRPORT ENTERPRISE REVENUE BOND COVERAGE
 DAYTON INTERNATIONAL AIRPORT REVENUE REFUNDING BOND SERIES
 LAST TEN FISCAL YEARS

Year	Net Revenue Available for Debt Service (1)	Debt Service Requirements (2)			Coverage
		Principal	Interest	Total	
2011	\$ 13,284,695	\$ 1,200,000	\$ 1,780,969	\$ 2,980,969	4.46
2012	9,162,019	1,245,000	1,733,902	2,978,902	3.08
2013	6,342,789	1,290,000	1,683,228	2,973,228	2.13
2014	8,233,042	1,350,000	1,628,664	2,978,664	2.76
2015	8,714,245	1,445,000	1,237,784	2,682,784	3.25
2016	16,987,289	1,750,000	1,845,826	3,595,826	4.72
2017	9,973,531	2,480,000	3,224,168	5,704,168	1.75
2018	7,323,034	2,550,000	3,191,186	5,741,186	1.28
2019	13,599,555	2,885,000	3,090,736	5,975,736	2.28
2020	983,544	2,995,000	2,979,036	5,974,036	0.16

(1) Net Revenue Available for Debt Service is computed by adding operating income (loss) for the reporting period to depreciation expense and interest revenue. Also included in this calculation is the portion of Passenger Facility Charges (PFC) which were used for payment of debt service charges. In 2012, bond proceeds of \$2,591,965 were included, as the project was completed and excess proceeds were used for debt service.

(2) Debt service requirements are exclusive of refunding transactions and additional principal payments made to retire bonds.

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

**BUSINESS INDICATORS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Square Mile Area City of Dayton Year End (1)</u>	<u>Air Passengers (2)</u>	<u>Scheduled Airline Freight (2)</u>
2011	56 (+/-)	2,528,856	8,549
2012	56 (+/-)	2,607,528	10,069
2013	56 (+/-)	2,503,961	7,819
2014	56 (+/-)	2,282,211	9,132
2015	56 (+/-)	2,137,085	8,542
2016	56 (+/-)	2,069,718	8,491
2017	56 (+/-)	1,896,744	8,164
2018	56 (+/-)	1,813,570	8,005
2019	56 (+/-)	1,790,770	8,199
2020	56 (+/-)	677,494	7,258

<u>Year</u>	<u>Active Gas Meters (3)</u>	<u>Vehicle Registrations (4)</u>
2011	78,753	123,008
2012	78,140	122,573
2013	77,647	116,811
2014	77,369	120,939
2015	76,735	124,365
2016	76,299	126,145
2017	75,886	127,888
2018	72,436	127,407
2019	64,996	126,715
2020	59,514	116,148

Source: (1) Square Miles for City of Dayton - Division of Planning, City of Dayton
 (2) Dayton International Airport
 (3) Vectren
 (4) Bureau of Motor Vehicles

CITY OF DAYTON, OHIO

**GROWTH IN LAND AREA
SELECTED YEARS**

<u>Year</u>	<u>Square miles at December 31</u>
1955	27
1960	34
1965	36
1970	40
1975	43
1980	54
1985	55
1990	55
1995	56
2000	56
2005	56
2010	56.5
2011	56.5
2012	56.5
2013	56.5
2014	56.5
2015	56.5
2016	56.5
2017	56.5
2018	56.5
2019	56.5
2020	56.7

Source: Division of Planning City of Dayton

CITY OF DAYTON, OHIO

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2020			Fiscal Year 2011		
	Employees	Rank	Percentage of Total Dayton Labor Force	Employees	Rank	Percentage of Total Dayton Labor Force
Kettering Health Network	12,847	1	21.74%	14,135	1	20.43%
Premier Health Partners	12,018	2	20.34%			
Montgomery County	4,239	3	7.17%	4,559	2	6.59%
Childrens Medical Hospital	3,342	4	5.65%	1,335	9	1.93%
CareSource	3,148	5	5.33%	2,726	3	3.94%
Sinclair Community College	3,017	6	5.10%			
University of Dayton	2,798	7	4.73%	2,191	5	3.17%
Veterans Administration	2,425	8	4.10%	1,914	8	2.77%
Dayton Public Schools	2,041	9	3.45%	2,574	4	3.72%
City of Dayton	1,800	10	3.05%	1,950	6	2.82%
Grandview Hospital				1,918	7	2.77%
BEHR Dayton Thermal				1,022	10	1.48%
Total	47,675		80.67%	34,324		49.62%

Source: Dayton Business Journal

(1) Premier Health Partners includes Miami Valley Hospital and Good Samaritan Hospital

(2) Kettering Health Network includes Grandview Hospital

CITY OF DAYTON, OHIO

ESTIMATED CIVILIAN LABOR FORCE
AND ANNUAL AVERAGE UNEMPLOYMENT RATES
LAST TEN FISCAL YEARS

Year	Montgomery County		Dayton		Ohio		U.S.
	Labor Force	Unemployment rate	Labor force	Unemployment rate	Labor force	Unemployment rate	Unemployment rate
2011	257,589	9.40%	61,108	11.00%	5,806,467	8.60%	8.90%
2012	252,888	7.00%	59,558	7.90%	5,747,885	7.20%	8.10%
2013	249,000	8.00%	59,000	9.40%	5,766,000	7.40%	7.40%
2014	250,300	6.00%	59,100	7.10%	5,719,000	5.70%	6.20%
2015	249,600	5.00%	58,800	5.80%	5,700,000	4.90%	5.30%
2016	249,500	4.80%	58,100	5.80%	5,713,000	4.90%	4.90%
2017	253,600	4.90%	59,100	5.80%	5,780,000	5.00%	4.40%
2018	250,700	4.50%	59,100	4.30%	5,755,000	4.60%	3.90%
2019	254,000	4.50%	59,000	5.20%	5,836,400	4.70%	4.50%
2020	252,800	6.30%	59,100	7.80%	5,768,594	4.70%	8.10%

Source: State of Ohio Labor Market Information

CITY OF DAYTON, OHIO

ESTIMATED PER CAPITA INCOME AND PERSONAL INCOME
LAST TEN FISCAL YEARS

Year	Dayton (MSA)			Montgomery County		Ohio		United States
	Per capita income	% of national average	Total personal income	Per capita income	% of national average	Per capita income	% of national average	Per capita income
2011	\$ 37,410	89.79%	\$ 5,303,204,190	\$ 37,684	90.45%	\$ 37,791	90.71%	\$ 41,663
2012	39,891	91.21%	5,654,908,269	39,795	90.99%	40,057	91.59%	43,735
2013	40,353	90.59%	5,720,400,927	40,150	90.14%	40,865	91.74%	44,543
2014	41,386	89.72%	5,835,550,158	40,851	88.56%	42,571	92.29%	46,129
2015	42,707	89.59%	6,004,561,493	42,223	88.58%	43,478	91.21%	47,669
2016	44,006	88.77%	6,182,358,934	43,311	87.37%	44,876	90.53%	49,571
2017	45,708	90.70%	6,416,077,668	45,039	89.38%	45,615	90.52%	50,392
2018	45,708	85.10%	6,428,373,120	46,891	87.30%	48,242	89.82%	53,712
2019	45,708	80.67%	6,428,373,120	46,891	82.75%	50,546	89.20%	56,663
2020	49,161	82.43%	6,902,548,527	44,448	74.52%	53,296	89.36%	59,642

CITY OF DAYTON, OHIO

DAYTON METROPOLITAN STATISTICAL AREA EMPLOYMENT (1)
 NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT IN SELECTED INDUSTRIES (2)
 LAST TEN FISCAL YEARS
 (IN THOUSANDS, EXCEPT PERCENT)

Industry	2011	2012	2013	2014
Total	376.1	378.1	376.4	372.0
Goods-Producing Industries	51.2	52.6	52.7	50.7
Natural Resources, Mining and Construction	11.1	11.4	11.4	11.7
Manufacturing	40.1	41.2	41.3	39.0
Service-Providing Industries	324.9	325.5	323.7	321.3
Trade, Transportation, and Utilities	62.4	64.6	64.9	64.4
Information	9.8	8.9	8.7	8.5
Financial Activities	17.0	17.3	17.3	17.3
Professional and Business Services	48.3	48.7	47.5	48.6
Educational and Health Services	69.9	70.2	69.8	70.2
Leisure and Hospitality	37.0	37.1	36.9	37.2
Other Services	15.1	14.7	15.1	14.0
Government	65.4	64.0	63.5	61.1

(1) Dayton Metropolitan Statistical Area includes Greene, Miami, Montgomery, and Preble Counties.

(2) Nonagricultural employment excludes farm workers, proprietors, the self-employed, unpaid family workers, and domestic workers.

Source: Bureau of Labor Market Information and Ohio Department of Job and Family Services

2015	2016	2017	2018	2019	2020	Percentage of Total 2020 employment
379.1	384.5	389.0	390.0	395.4	373.7	100.00%
52.0	53.6	54.7	56.1	57.8	54.6	14.6%
12.0	12.4	12.6	13.1	13.5	13.8	3.7%
40.0	41.2	42.1	43.0	44.3	40.8	10.9%
327.1	330.9	334.3	333.9	337.6	319.1	85.4%
65.8	65.3	65.5	66.3	66.6	67.2	18.0%
8.4	8.5	8.3	8.2	7.5	6.8	1.8%
17.6	17.9	18.1	18.1	18.2	17.8	4.8%
50.1	51.0	50.8	52.4	51.5	49.8	13.3%
71.0	72.5	74.4	74.1	77.9	72.1	19.3%
37.8	38.8	40.3	39.1	39.2	32.9	8.8%
13.8	14.0	14.4	13.8	13.9	12.7	3.4%
62.6	62.9	62.5	61.9	62.8	59.8	16.0%

CITY OF DAYTON, OHIO

**FULL TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental activities:										
Downtown	15	14	15	15	15	17	18	18	11	4
Youth, education and human services	1	1	1	1	-	1	1	1	1	1
Community development and neighbors	136	134	130	128	141	126	132	128	122	104
Economic development	33	26	30	32	7	33	40	31	28	30
Leadership and quality of life	184	178	171	303	214	147	141	144	138	122
Corporate responsibility	133	134	137	133	169	136	135	137	143	157
Public safety and justice	863	866	868	864	838	826	849	856	865	842
Business-type activities:										
Dayton International Airport	133	138	140	144	143	141	138	136	125	91
Water	237	218	232	164	246	373	375	375	355	316
Sewer	110	109	113	70	119	97	100	100	133	125
Golf	16	15	14	14	14	12	12	13	11	4
Storm Sewer	89	89	83	66	41	36	39	33	31	27
Total Full-Time Equivalent (FTE)	1,950	1,922	1,934	1,934	1,947	1,945	1,980	1,972	1,963	1,823

Source: City of Dayton ITS and Management & Budget

CITY OF DAYTON, OHIO

**SCHOOL ENROLLMENT TRENDS IN MONTGOMERY COUNTY
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>The University of Dayton (1)</u>	<u>Wright State University (2)</u>	<u>Sinclair Community College (3)</u>	<u>Total Colleges/ Universities</u>	<u>Dayton Public Schools (4)</u>
2011	10,776	18,304	25,223	54,303	15,166
2012	11,186	17,789	23,641	52,616	14,515
2013	10,857	17,595	22,884	51,336	14,505
2014	11,368	17,779	21,358	50,505	14,013
2015	11,271	18,059	18,452	47,782	14,060
2016	10,828	17,775	19,093	47,696	13,792
2017	10,882	17,108	17,914	45,904	13,325
2018	11,306	14,038	18,448	43,792	13,202
2019	11,474	13,742	29,560	54,776	12,537
2020	8,322	12,000	30,007	50,329	11,879

Source: (1) University of Dayton, Registrar's Office
 (2) Wright State University, Budget Planning & Resource Analysis
 (3) Sinclair Community College, Institute of Planning & Research
 (4) Dayton City School District PK - 12

CITY OF DAYTON, OHIO

CITY OF DAYTON AND
MONTGOMERY COUNTY, OHIO
LAND AREA
DECEMBER 31, 2020

<u>Jurisdiction</u>	<u>Square Miles</u>
Dayton	56.67
Less portion outside of Montgomery County.	
Other incorporated areas in Montgomery County excluding Dayton	175.64
Unincorporated Townships within Montgomery County	232.31
Total approximate area of Montgomery County	<u>465</u>

Source: Division of Planning City of Dayton (County Land Records)

CITY OF DAYTON, OHIO

**BUILDING PERMITS ISSUED
LAST TEN FISCAL YEARS**

Year	New Construction	
	Permits issued (1)	Valuation (1)
2011	624	\$ 76,837,017
2012	976	110,167,787
2013	1,020	71,059,409
2014	553	95,087,428
2015	591	83,727,498
2016	567	123,859,391
2017	666	220,519,958
2018	604	289,916,362
2019	588	150,641,371
2020	567	250,623,260

Source: (1) City of Dayton Division of Business Services, Permit Section.

CITY OF DAYTON, OHIO

**AVERAGE COST OF HOUSING CONSTRUCTION
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Units</u>	<u>Total Permit Value</u>	<u>Single-family average structure cost</u>	<u>% Change from previous year</u>	<u>% Change from 2010</u>
2011	90	\$ 9,516,794	\$ 105,742	-25.33%	-25.33%
2012	153	13,518,608	88,357	-16.44%	-37.61%
2013	44	3,459,005	78,614	-11.03%	-44.49%
2014	7	629,989	89,998	14.48%	-36.45%
2015	63	8,518,038	135,674	50.75%	-4.19%
2016	37	4,280,000	115,676	-14.74%	-18.32%
2017	4	445,000	12,027	-89.60%	-91.51%
2018	7	1,560,000	42,162	250.56%	-70.23%
2019	1	230,000	6,216	-85.26%	-95.61%
2020	4	532,000	133,000	2039.64%	-6.08%

Source: Census Bureau

CITY OF DAYTON, OHIO

OPERATING INDICATORS AND CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Service										
Highways and Streets										
Streets (miles)	1,718	1,718	1,718	1,718	1,719	1,719	1,719	1,719	1,719	1,408
Streetlights	20,235	20,391	20,427	19,720	19,720	19,976	19,976	19,976	19,976	19,976
Traffic Signals	313	313	314	320	316	316	319	319	319	319
Computerized Signals	275	275	314	320	316	316	319	319	319	319
Public Safety										
Police										
Headquarters	1	1	1	1	1	1	1	1	1	1
Training Academy	1	1	1	1	1	1	1	1	1	1
Number of Districts	5	5	5	5	5	7	7	3	3	5
Number of Employees	385	413	409	405	410	397	419	417	419	418
Fire										
Headquarters	1	1	1	1	1	1	1	1	1	1
Training Academy	1	1	1	1	1	1	1	1	1	1
Fire Stations	12	12	12	12	12	12	12	12	12	12
Number of Employees	332	308	314	318	327	318	322	320	325	316
City Fleet (public safety)										
Fire	99	108	84	88	91	88	97	90	92	97
Police	324	314	304	289	291	290	271	246	246	280
Recreation and parks										
Parks Acreage	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374
Playgrounds	42	42	42	42	39	25	19	37	35	35
Total Facilities *	181	180	181	170	162	187	129	129	113	113
Parks	60	60	60	60	60	63	63	37	35	46
Swimming Pools	4	4	4	4	4	4	4	4	4	3
Tennis Courts	63	63	63	50	41	41	9	9	9	9
Community Centers	3	3	3	3	3	-	-	-	-	3
Athletic Complexes	2	2	2	2	2	2	3	3	3	5
Specialized Facilities	-	-	1	1	1	1	1	1	1	-
Shelter Houses	37	37	37	36	37	62	35	34	35	35
Golf Courses	3	3	3	3	3	3	3	3	3	1
Spray Park Facilities	7	7	7	7	7	7	7	7	6	6
Recreation Centers	-	-	-	3	3	3	3	3	3	3
Cultural Centers	1	1	1	1	1	1	1	1	1	1
Teen Centers	1	-	-	-	-	-	-	-	-	-
Water										
Water Mains (miles)	807.03	806.61	807.03	807.03	807.26	847.65	852.51	852.51	857.47	859.81
Maximum Daily Capacity (millions of gallons)	43.21	44.30	41.00	42.00	43.20	43.20	43.20	43.20	38.80	39.80
Sewer										
Sanitary Sewers (miles)	603.18	603.27	603.40	603.40	730.00	730.00	740.46	740.60	739.98	721.67
Storm Sewers (miles)	403.67	403.67	403.67	403.67	576.60	576.60	576.89	576.89	576.94	577.74
Maximum Daily Capacity (millions of gallons)	33.03	29.80	28.69	28.33	28.33	28.33	28.33	28.33	28.00	28.00

Source: Various Departments, City of Dayton

* 2011-2016 Recreation facilities include only those that were operational in a calendar year

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We acknowledge the following Financial Services Personnel in the preparation of the Comprehensive Annual Financial Report. Fiscal Year Ended December 31, 2020

C. LaShea Lofton	Acting Finance Director
Bejoy C. John	Deputy Finance Director
Valerie Henderson	Financial Service Supervisor

Kena Brown	Sr. Financial Analyst
Tiffany Boone	Fixed Asset Specialist
Saleh Asumani	Financial Analyst I
Jeffrey Marshall	Financial Analyst I
Vetrice Nickson	Financial Analyst I
Tonika Williams	Financial Tech II
Jennifer Hill	Support Staff
Cameron Rucker	Intern

Shelley Dickstein	City Manager
C. LaShea Lofton	Deputy City Manager
Joseph Parlette	Deputy City Manager

Appreciation is extended to our consultant, Julian and Grube, Inc. for their assistance on this project.

Cover Design: Jeffrey N. Marshall



The Department of Finance - Mission Statement

The Department of Finance provides accurate, efficient, and quality financial services in a systematic and professional manner. We are a customer focused TEAM that thrives in an environment of continuous improvement.

www.DaytonOhio.gov

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF DAYTON

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 9/2/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov