



CITY OF DAYTON . USA

Annual Comprehensive Financial Report

Fiscal Year Ended December 31, 2021



Cover photo: Don Angle





City of Dayton, Ohio

Annual Comprehensive Financial Report

January 1, 2021 – December 31, 2021

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.





2021 Administration



Nan Whaley
Mayor



Matt Joseph
Commissioner



Jeffrey Mims
Commissioner



Chris Shaw
Commissioner



Darryl Fairchild
Commissioner



Shelley Dickstein
City Manager

city of Dayton, Ohio



Introduction

CITY OF DAYTON, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

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July 29, 2022

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 Annual Comprehensive Financial Report (ACFR) of the City of Dayton (the "City"), Ohio, for the fiscal year ending December 31, 2021.

State law requires every general-purpose local government to publish a complete set of audited financial statements within six months of each fiscal year. The 2021 ACFR was prepared using Generally Accepted Accounting Principles (GAAP) as applied to local governmental units and contains all disclosures necessary to enable the reader to understand the City's financial affairs. City management is responsible for the data's accuracy and the presentation's completeness and fairness.

The City's accounting system provides reasonable, but not absolute, assurance concerning safeguarding 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 the cost of internal control should not exceed the benefits likely to be derived. Evaluating costs and benefits requires estimates and judgments by management.

The City Charter, Sections 44 and 78, prescribes the required accounting, audit, and examination procedures for the City of Dayton. Plattenburg & Associates, Inc, Certified Public Accountants, study the City's internal control system, conducts such tests as necessary under the circumstances, and renders an opinion based on the statements when taken as a whole. The City has again received an unmodified opinion from the independent auditor indicating the financial statements are presented fairly. The opinion letter is included in the Financial Section of this report.

The City has included the funds for which it is financially accountable in the annual report. The City is associated with 12 jointly governed organizations, which include: 1) Miami Valley Regional Planning Commission, 2) Miami Valley Fire/EMS Alliance, 3) Montgomery County Family & Children First Council, 4) Economic Development/Government Equity Program, 5) Hazardous Material Response Team, 6) Montgomery County Regional Radio Council, 7) Montgomery County Office of Emergency Management, 8) Butler Township-Dayton Joint Economic Development District (JEDD), 9) Miami Township-Dayton JEDD, 10) Dayton Arcade New Community Authority, 11) Preschool Promise, and 12) Montgomery County Convention Facilities Authority (MCCFA).

This transmittal letter provides some basic background information about the City, including a brief profile of the City's history, demographics, organization, 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 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, an American Revolutionary War captain 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 Dayton's "Mad River Country" and the upper Miami Valley to settlement.

The City of Dayton is the County seat and the largest city in Montgomery County in southwestern Ohio. As of July 1, 2021, the U.S. Census Bureau shows an estimated Dayton population as 137,571. The 2020 Census shows the City's population comprises 54.2% White, 38.9% Black, 4.5% Hispanic or Latino, and 1.1% Asian. The Owner-occupied housing rate is about 47.1%, and the median household income in 2020 dollars is \$34,457, according to the 2020 Census Quick Facts. The 2020 census for the Montgomery County population was 537,309. Dayton is also part of a group of other local communities called the Greater Dayton Area, including 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 community in the United States to adopt the Commission-Manager plan form of government in 1913. Legislative power is vested in a five-member commission, one of the members being the Mayor. 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, empowered by the City Charter to pass ordinances and resolutions, adopt regulations, and appoint the City Manager. The City Manager manages the day-to-day operations and provides leadership to the administrative staff who provides City services.

The City provides a full range of services, including police, fire and emergency medical, street, alley, bridge, waste collection services, recreation, park services, golf, community planning and economic development, building and housing inspection, and a municipal court system. The City also provides water supply and treatment, sewer and stormwater maintenance, wellfield protection, wastewater treatment, and airport services. The City workforce across all funds at the end of 2021 was 1,828 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.

In 2014, City of Dayton residents approved a charter amendment. It established the Policy Budget framework and five Community Service Areas: 1) Economic and Community Development, 2)

Justice, 3) Building and Environmental Safety, 4) Infrastructure, and 5) Corporate Services and Governance. Each Community Service Area (CSA) comprises a group of programs with an integrated mission linked with a set of shared Commission priorities. The Policy Budget emphasizes leveraging City resources to accomplish community outcomes that are impactful to the community and support innovation and operational efficiency.

The original and revised budgets represent 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 per the Ohio Revised Code. In 2021, the City's original operating budget was \$671,808,100, and the final revised operating budget was \$810,720,000. This increase of approximately \$139 million includes additions to contractual wage adjustments, end-of-year transfers to support capital investments, the receipt of \$68.9 million of American Recovery Plan Act (ARPA) funds, and the future use of \$25.2 million for revenue loss.

The City maintains financial stability by continuing its well-documented reputation of sound financial management due to excellent leadership and strict adherence to critical 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 2021, the General Fund cash reserve was \$30.7 million or \$6.5 million over the minimum level of six weeks of operating funds. In 2021, the City earned \$2.52 million from its leading investment portfolio, a 49.10% decrease from 2020. The portfolio's overall yield fell considerably, from 1.44% in 2020 to 0.62% in 2021, as the sharp decline in interest rates in response to the COVID-19 pandemic continued to impact the fixed-income holdings throughout the year. The City adhered to its sound Investment Policy and maintained a laddered portfolio with the right mix of investment instruments safeguarding principal and maintaining portfolio stability.

External entities also validate a well-managed and stable community's financial credibility. For the Fiscal Year 2021, 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) held our general obligation bond and non-tax revenue debt credit ratings at A.A. Moody's, and S&P also retained their ratings of Aa2 and A.A.-, respectively, on both the water and sewer system revenue bonds. S&P and Fitch upheld their BBB rating for the outstanding airport revenue bonds. The consistency of these ratings from all three agencies attests to the confidence in Dayton's financial management practices and long-term stability.

BUSINESS INCENTIVES AND CREATING ECONOMIC DEVELOPMENT

Based upon GASB Statement No. 77, *Tax Abatement Disclosures*, the City is now required to report any tax abatements in the City's ACFR. As a means of providing incentives and promoting economic and community development, the City of Dayton may use tax incentives through a combination of Tax Increment Financing (TIF), Community Reinvestment Area (CRA), and Enterprise Zone financing, strategies, and agreements.

The City uses TIF, authorized by the Ohio Revised Code (ORC) Chapter 5709, as a tool to support development in the City. The TIF is a public financing tool available to local Ohio governments to finance public infrastructure improvements supporting commercial development and residential rehabilitation in certain circumstances. TIFs are often used to support financing to close project

funding gaps, without which the project would not be able to move forward. Successful projects have included the Schuster Performance Center on Main Street, the Tech Town campus in the growing Webster Station neighborhood, and the G.E. Aviation Epicenter at the University of Dayton. Some of the TIFs authorized by the City are Non-School TIFs, which ensure the Dayton Public School District receives its share of the tax revenues generated by the development. This means the school district will continue to receive the amount of property taxes that would have been payable to the school district if the local government enacted no TIF exemption. Any TIFs created where the exemption affects the property tax revenue to a local school district require a compensation agreement negotiated with and approved by the School Board where the TIF area is located. TIF and School Board TIF projects in City TIF areas have resulted in hundreds of jobs and approximately \$300 million of capital investment since 2001.

A recent success story involved Northpoint Development near the Dayton International Airport. In recent years Northpoint Development has built eight distribution center buildings in Dayton and several more in the surrounding communities. Four buildings are associated with Dayton's Airport TIF development area and are occupied by tenants such as PepsiCo, International Plastic Molding, Pratt Industries, and Crocs. Crocs, the global footwear company, selected Dayton for its only national distribution center outside of California, with approximately 1200 jobs.

The CRA is a direct incentive tax exemption program benefiting property owners who renovate existing or construct new residential buildings to encourage the revitalization of the current housing stock and the development of new structures. This program permits municipalities or counties to designate areas where housing investment has been discouraged. Under the CRA program, local governments petition the Ohio Development Services Agency (ODSA) for confirmation of a geographical location in which investment in housing is desired. Property owners in the geographical areas can apply to the local legislative authority for approval to renovate or construct. Upon approval and completion of certification, the abatement amount is deducted from the individual or entity's property tax bill. The 2021 City of Dayton CRA Annual Report listed 248 residential and 23 commercial projects previously approved to benefit from real property exemption. The current value of all residential properties in the CRA was \$111,415,579.00. In addition, in 2021, there were seven new commercial-approved applications with a project investment of \$163,982,933.00 beginning January 2022 and ending December 2039. Finally, there were 43 residential properties removed from the CRA program as their exemption terms matured.

The Enterprise Zone 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. It is authorized in ORC Sections 5709.62 and 5709.63. An Enterprise Zone is a designated land area where businesses can receive tax incentives through tax exemptions on qualifying new investments. An Enterprise Zone's geographic location is identified by the local government creating the zone. The local government must petition the ODSA to certify the area to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement with the business, which may include tax sharing with the Board of Education. The City has entered agreements to abate through these programs. The City currently has eight active Enterprise Zone Agreements and has experienced a \$116.2 million total investment from businesses that pledged to invest \$53.2 million. Employment in 2021 was 1,482 full-time equivalent positions, which includes created and retained jobs.

LOCAL ECONOMY AND INVESTMENT

The emergence of the coronavirus pandemic in late 2019 impacted economic growth in the Dayton region throughout 2020 and 2021. The ongoing challenges of the COVID-19 pandemic made 2021 another difficult year in many ways, but Dayton once again adapted and persevered through these trying times. Despite the nationwide slowdown in commercial activity and other economic impacts of the COVID-19 pandemic, Dayton continued to see its economic engine of a diversified mix of strong institutional companies in healthcare, education, government, high tech, and advanced manufacturing businesses, and distribution and logistics companies to grow in 2021. Prudent financial management, federal stimulus money helping to bolster economic recovery within the region, and a slow sign that employment levels were rebounding by the end of 2020 gave some hope that Dayton would make it out of the Pandemic economically sound. Additionally, the community's strength and resiliency were evident as many adapted and worked to return to a sense of normalcy.

The economy began to recover in 2021, following the easing of the strict stay-at-home orders and the injection of economic stimulus. Likewise, labor rates began to improve, and unemployment levels climbed to a high of 15.0% in April 2020, following the pre-pandemic low of 3.4% experienced in April 2019. The strong labor market has continued into 2022, with preliminary unemployment rates remaining between 3% and 4%.

As a sign of the recovering economy, the City's largest revenue source, income tax, outperformed expectations in 2021, climbing 9.0%, or \$12.0 million, over 2020. Improved job opportunities and higher wages in 2021 led to the most significant gains in income tax collections in decades. Despite these gains, the City's largest revenue source remains threatened by long-term work-from-home schedules established during the pandemic. State law now requires income taxes to be withheld from the City in which individual works, which could be one's home or a location outside of Dayton's boundaries. Census data indicates over 80% of workers within the city limits reside outside the City, presenting an ongoing and significant threat to the City's General Fund revenue sources.

In 2021, the City of Dayton continued to see a resurgence in development activities and infrastructure investments by both the private and public sectors as retail, residential, and commercial improvement activity resumed in earnest. Local developers and residents invested significantly in the region, with improvement projects funded through public, private, and grant sources. Examples include:

- 601 East Third Street (**The Manhattan Building**) Built in 1912 before it played a role in the Manhattan Project in World War II, historic renovation of the 50,000 square foot by Dayton developer, Woodard Development, invested nearly **\$10** million renovate the building. The goal was to create a technology hub in downtown Dayton. It introduced two new tenants: custom software provider Mile Two and Battle Sight Technologies, a defense technology start-up.
- The **Deeds Point Pedestrian Bridge**, connecting Riverscape and Deeds Point MetroPark, reopened in the summer of 2021 after closing in 2019. The City was one of many partners to make this **\$2.9** million investment possible.

- **2J Supply**, located at 1500 North Keowee Street, started construction of the company's \$6 million 61,000 SF headquarters and distribution facility on Keowee near Stanley Avenue. 2J's move from Valley Street cleared the way for further expansion of the Dayton Children's Hospital campus.
- Roughly 20 new luxury apartments came online following the \$4.5 million renovations of the historic **Graphic Arts building** on South Ludlow Street.
- Three new projects will increase the availability of hotel options downtown and collectively represent \$50 million of development investment underway: the boutique **Hotel Ardent** on North Main Street, situated between the Schuster and Victoria Theaters, will offer 120 hotel rooms and upscale dining options for visitors; 91 new hotel rooms are planned within the **Dayton Arcade**, and a 134 room **A.C. Hotel by Marriott** is expected to open in 2023. Increasing the City's lodging capacity, particularly in the downtown area, is critical to attracting and accommodating visitors. As events return to the region, entertainment options rebound, and new tourism opportunities are presented, expanding hotel accommodation options will become more and more necessary.

The COVID pandemic forced some businesses to close their doors permanently, while others opened their business to the public for the first time. Despite the lingering impacts of the pandemic, numerous new businesses opened downtown. Employers began to welcome their employees back to the office, in-person events and festivals resumed, and focused efforts to support local businesses were underway. According to data from the *Downtown Dayton Partnership's 2021 year-end report*, 44 new businesses, including 29 new first-floor businesses, opened or were preparing to open downtown in 2021. This increase is impactful as much of this commercial activity occurred while many businesses were navigating the economic impacts of COVID-19. Additional important information from the report includes the following:

- Nearly 100 community leaders, business owners, residents, and stakeholders collaborated on the Rediscover Downtown Dayton Action Plan to identify challenges and outline opportunities to encourage reinvestment and reignite interest in downtown Dayton following the economic constriction during the pandemic.
- Downtown Dayton's market-rate housing units have increased from 1,807 in 2020 to 1,837 in 2021 – representing an almost 80% increase since 2010.
 - There are 469 downtown housing units in the pipeline, with 316 currently under construction. These units will be completed in 2022.

Following the completion of the **Dayton Arcade's** first phase of renovation, nearly all of the 110 apartments at the Arts Lofts were fully occupied following their official grand opening in 2021. The Hub, an entrepreneurial and innovation center, opened through a joint venture with the University of Dayton and The Entrepreneurs Center. The Contemporary Dayton art gallery also moved into a first-floor location within the Arcade. Also, in 2021, special events were returned to the historic rotunda space. The first free public event was Holly Days which took place in December. The Arcade's development team officially revealed plans for the next phase of revitalization, including the redevelopment of the North Arcade, a kitchen incubator, and 200 more apartments.

Windsor Companies worked extensively to redevelop the **Dayton Fire Blocks District**, creating apartments, retail, and office space in the Downtown core. Jollity, a restaurant providing

midwestern fare, and the Two Social bar joined the Salt Block Biscuit Company in the district offering new dining and entertainment options for the City. Rehabilitation of the historic buildings within the district continues to attract new business and retail offerings set to open in 2022.

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 primarily due to its proximity to the I-70 and I-75 interchange. Development near the Dayton Airport experienced a resurgence in 2021, with increased commercial activity leading to regional job growth. Amazon Logistics announced the construction of a delivery station on Lightner Road, and Crocs broke ground on the 760,000 square foot expansion of their distribution center near the airport. Also, JobsOhio approved a \$900,000 Ohio Site Inventory Program grant to support the construction of a 500,000-square-foot industrial facility by NorthPoint Development on North Dixie Drive.

Dayton residents persevered through the pandemic and came together to support one another during these trying times. The community's strength was evident; many cared for and helped their neighbors and supported their local businesses. As many events return to the region, employees return to the office, and new businesses open in Dayton, 2022 will be a year of great investment. The City will continue to monitor revenue sources, evaluate the impact the work-from-home environment has on municipal income tax collections, and focus on attracting jobs to the City. They are more likely to need those on-site positions to stabilize our revenue base.

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. Dayton's first cooperative grocery store, the Gem City Market, opened in 2021 in West Dayton. Through the support of residents and numerous community partners, the grocery store was a vital addition to Dayton, as proximity to grocery stores with fresh and healthy food remained an issue for many residents in North and West Dayton.

Learn to Earn Dayton, in collaboration with numerous community stakeholders, including the City of Dayton, announced the creation of the Northwest Dayton Partnership Program. The program, supported by an \$8 million grant from Blue Meridian Partners, works to improve outcomes for youth and families in Northwest Dayton while addressing the systemic barriers to educational success that impact many black families. Preschool Promise was also able to expand educational services also to include Dayton residents and families with three-year-olds. This is an additional investment of roughly \$750,000.

A new bicycle playground at Welcome Park, the Dayton Bike Yard, opened in the fall of 2021, providing a family-friendly outdoor space for residents to safely ride their bicycles. The completion of the bicycle playground is part of the years-long recreational Bike Yard project started by the City in 2018 to overhaul the park for visitors. Additionally, Dayton Bike Share expanded its network to 37 hubs with the launch of 10 new bike hubs, including adding hubs to two new Dayton neighborhoods and more hubs on the University of Dayton campus.

The Greater West Dayton Incubator (GWDI), an initiative to support black and women-owned businesses within the City's west Dayton neighborhoods by removing barriers to success, opened

in December 2021. The incubator supports under-represented business owners through mentoring, classes, and providing working space for entrepreneurs. GWDI also utilizes a micro-loan program to support business owners. The first of these micro-loans, ranging from \$500 to \$15,000, will be awarded in early 2022 to encourage expansion and support operations.

Dayton neighborhoods also saw significant improvements in their physical appearance through the expanded service levels and new investments provided through Issue 9, 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 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. In 2021, playground equipment was replaced at Ridgecrest, Nordale, and McIntosh parks with the support of Issue 9 funding.

DAYTON'S BLUEPRINT FOR RECOVERY

President Biden signed the \$1.9 trillion American Rescue Plan Act (ARPA) into law on March 11, 2021. Based on a modified Community Development Block Grant (CDBG) formula, the Local Fiscal Relief section of the bill provides \$138 million to the City. The funding is intended to stimulate recovery from the negative economic and health impacts of the COVID-19 pandemic. The funding represents the largest grant received in Dayton's history and presents an opportunity for transformational investments within the community's areas of greatest need.

The Dayton Recovery Plan

At the City Manager's direction and community input, The Dayton Recovery Plan was established to guide the City's strategy for ARPA investments. The City Commission approved legislation adopting the plan on December 15, 2021. The plan serves as the framework for the infusion of ARPA funds into targeted geographies within the community to help address multi-generational poverty, income, and health disparities. Under the U.S. Treasury's guidance, the City solicited projects that included a special focus on supporting black and brown businesses and addressing racial equity and inclusion.

The Dayton Recovery Plan aims to create long-term transformational and sustainable impacts in our City, especially in targeted geographies. A focused approach will provide the opportunity to layer investments in these targeted neighborhoods. These investments include housing improvements, sidewalk and curb upgrades, tree lawn upgrades, demolition, and park upgrades, to seed future development that will spread outward.

The Dayton Recovery Plan not only includes the funding of strategic projects, but the City also developed a Dayton-specific Social Determinants of Health Index. Consistent with federal guidelines for using ARPA funds, the City utilized the index to identify geographies that would benefit minority and low-income communities disproportionately impacted by the pandemic. Furthermore, the City will track the effectiveness of the Dayton Recovery Plan using the same index. The index utilizes data from sources such as the Centers for Disease Control & Prevention and the American Community Survey to track improvements or declines in identified metrics categorized by Dayton Census Tracts. With the targeted investment of ARPA funds, the City's

goal is to realize positive outcomes and long-term, sustainable transformation, as shown through the positive trends of the index's dataset.

AWARDS AND ACKNOWLEDGEMENTS

For the 39th 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 Annual Comprehensive Financial Report ended December 31, 2020. To be awarded a Certificate of Achievement, the City must publish an easily readable and well-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 2021 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.

My appreciation is extended to the City Commission Office, the City Manager's Office, City department leadership, and all City employees responsible for contributing to the City's sound financial position. I want to acknowledge the efforts of the Financial Analysis Team for their diligent work in completing the 2021 ACFR, other City's Finance Department members, and our consultant, Julian and Grube Inc., all of whom contributed to the development of the ACFR. Finally, I would like to thank the Mayor and City Commissioners for their continued interest and support in planning and conducting the City's financial operations in a prudent, committed, and responsible manner.

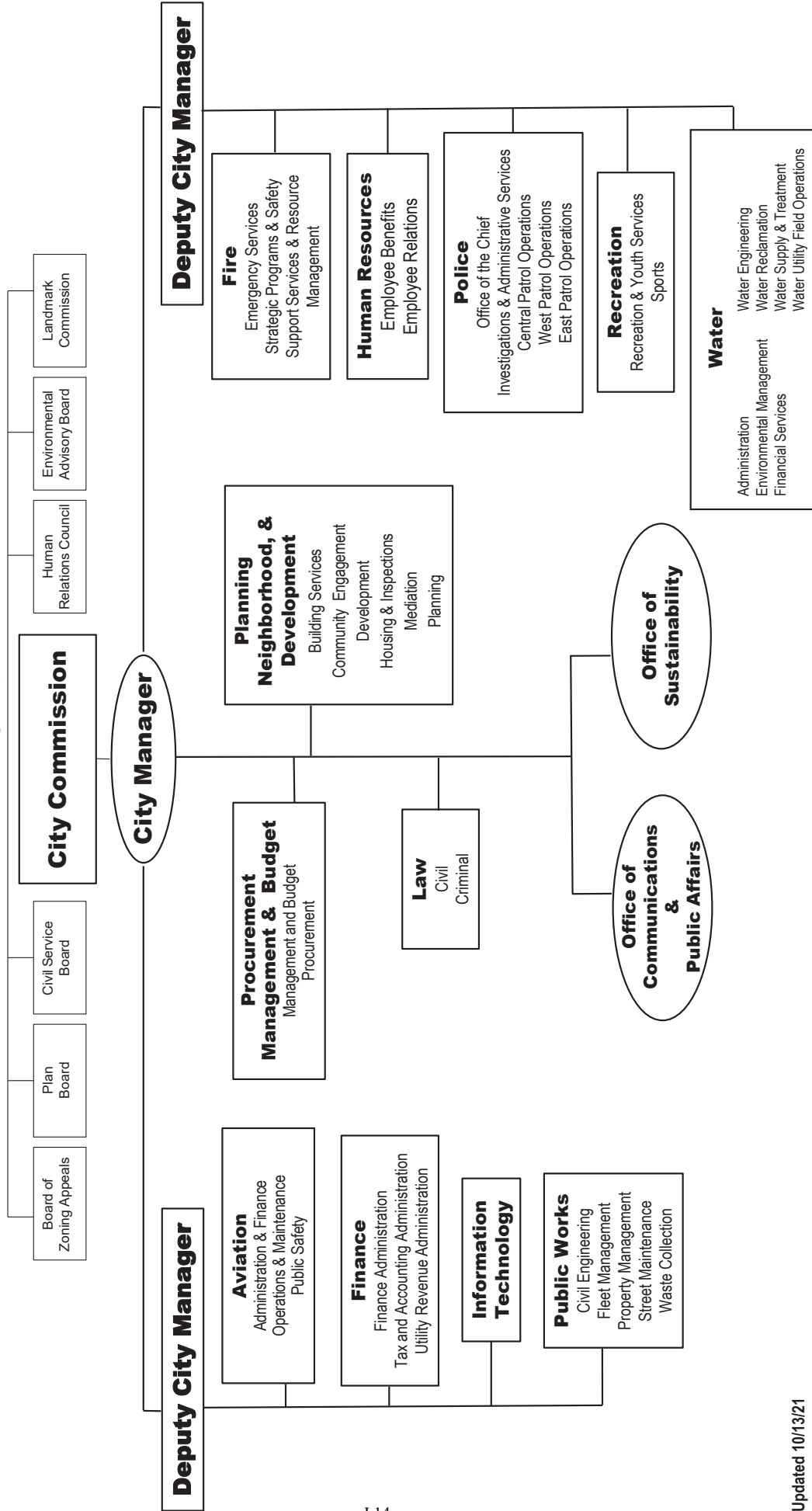
Sincerely,

A handwritten signature in blue ink, appearing to read "Robbi Stivers".

Robbi Stivers, Finance Director
City of Dayton, Ohio

City of Dayton Organization Chart

Citizens of Dayton, Ohio



CITY OF DAYTON, OHIO

**LIST OF ELECTED AND APPOINTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2021**

ELECTED OFFICIALS

Mayor
Commissioner
Commissioner
Commissioner
Commissioner

Nan Whaley
Matt Joseph
Jeffrey Mims Jr.
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 ~ Finance
Director and Chief ~ Fire
Director ~ Human Relations Council
Director ~ Human Resources
Director ~ 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
Torey Hollingsworth
Regina Blackshear
Robbi Stivers
Jeff Lykins
Erica Fields
Kenneth Couch
Jon Rike
Barbara Doseck
Diane Shannon
Mark Owens
Todd Kinskey
Kamran Afzal
Fred Stovall
Robin Williams
Mike Powell



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Dayton
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



Financial

FINANCIAL

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Commissioners
City of Dayton, Ohio

Report on the Audit of the Financial Statements

Opinions

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, Ohio (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and Local Fiscal Recovery Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2022, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
July 29, 2022

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CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021 (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, 2021. 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 2021 are as follows:

- The total net position of the City increased \$124,139,613 in 2021 from the 2020 net position. Net position of governmental activities increased \$82,170,709 or 22.96% from 2020 and net position of business-type activities increased \$41,968,904 or 7.46% from 2020 net position.
- The City had \$270,639,275 in revenues related to governmental activities. General revenues accounted for \$182,431,545 or 67.41% of total governmental activities revenue. Program specific revenues accounted for \$88,207,730 or 32.59% of total governmental activities revenue.
- The City had \$188,468,566 in expenses related to governmental activities; \$88,207,730 of these expenses were offset by program specific charges for services, grants or contributions. The remaining expenses of the governmental activities of \$100,260,836 were offset by general revenues (primarily property taxes, income taxes and unrestricted grants and entitlements) of \$182,431,545.
- The general fund had revenues of \$206,852,632 in 2021. The expenditures and other financing uses of the general fund totaled \$195,978,404 in 2021. The net increase in the fund balance for the general fund was \$10,874,228 or 14.44% higher than 2020.
- The Local Fiscal Recovery Fund major fund was new in 2021. The Local Fiscal Recovery Fund had \$50,813,993 in revenues and other financing sources and \$25,791,550 in expenditures in 2021. The increase in fund balance is \$25,022,443 which is also the ending fund balance for 2021.
- The debt service major fund had \$10,336,397 in revenues and other financing sources and \$9,270,587 in expenditures in 2021. The increase in fund balance in the debt service fund was \$1,065,810, a 4.23% increase from 2020.
- The capital improvements major fund had \$34,367,314 in revenues and other financing sources and \$20,284,656 in expenditures and other financing uses in 2021. The fund balance for the capital improvements fund increased \$14,082,658 or 41.27% from 2020.
- Net position for the enterprise funds, which are made up of the Dayton International Airport, Water, Sewer, and Storm Water enterprise funds, increased in 2021 by \$41,968,904.
- The Dayton International Airport enterprise fund had \$23,129,688 in operating revenues and \$28,297,678 in operating expenses in 2021. The Dayton International Airport enterprise fund also had non-operating revenues of \$8,818,189, non-operating expenses of \$3,605,513 and capital contributions of \$7,591,007. The net position of the Dayton International Airport enterprise fund increased \$7,635,693 or 3.11% from 2020.
- The Water enterprise fund had \$59,098,775 in operating revenues and \$37,863,710 in operating expenses in 2021. The Water enterprise fund also had non-operating revenues of \$239,444 and non-operating expenses of \$2,182,754. The net position of the Water enterprise fund increased \$19,291,755 or 11.20% from 2020.
- The Sewer enterprise fund had \$36,851,875 in operating revenues and \$23,977,699 in operating expenses in 2021. The Sewer enterprise fund also had non-operating revenues of \$125,817 and non-operating expenses of \$1,574,854. The net position of the Sewer enterprise fund increased \$11,425,139 or 9.84% over 2020.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

- In the general fund, the actual revenues were \$3,420,617 higher than they were in the final budget and actual expenditures and other financing uses were \$9,083,018 less than the amount in the final budget. Budgeted revenues increased \$23,024,300 from the original budget to the final budget. Budgeted expenditures and other financing uses increased \$24,504,900 from the original budget to the final budget.

Using this Annual Comprehensive 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 2021?" 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, recreation and youth services, 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 operations are reported.

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.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

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 15 of this report.

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, Local Fiscal Recovery 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 provide further detail on the City's major and nonmajor governmental funds.

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, and storm water funds. 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. 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.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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/asset.

Government-Wide Financial Analysis

The table below is a summary of the City's net position at December 31, 2021 compared to December 31, 2020.

	Governmental		Business-Type		Total	Total
	Activities	Activities	Activities	Activities		
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 371,559,129	\$ 283,270,525	\$ 237,684,270	\$ 234,906,816	\$ 609,243,399	\$ 518,177,341
Capital assets, net	470,258,624	471,849,998	609,703,249	601,630,970	1,079,961,873	1,073,480,968
Total assets	841,817,753	755,120,523	847,387,519	836,537,786	1,689,205,272	1,591,658,309
Deferred outflows	47,215,241	56,557,801	9,385,747	15,262,582	56,600,988	71,820,383
Total assets and deferred outflows	889,032,994	811,678,324	856,773,266	851,800,368	1,745,806,260	1,663,478,692
Liabilities						
Current liabilities	62,889,465	21,027,364	14,505,962	15,122,899	77,395,427	36,150,263
Long-term liabilities:						
Due within one year	19,586,755	19,341,287	11,338,380	11,330,321	30,925,135	30,671,608
Net pension liability	72,792,882	206,578,905	158,774,774	49,189,057	231,567,656	255,767,962
Net OPEB liability	189,255,854	65,076,509	35,017,048	32,001,699	224,272,902	97,078,208
Other liabilities	22,450,716	78,864,829	340,753	162,087,813	22,791,469	240,952,642
Total liabilities	366,975,672	390,888,894	219,976,917	269,731,789	586,952,589	660,620,683
Deferred inflows	81,957,848	62,860,665	32,394,244	19,635,378	114,352,092	82,496,043
Total liabilities and deferred inflows	448,933,520	453,749,559	252,371,161	289,367,167	701,304,681	743,116,726
Net Position						
Net investment in capital assets	421,566,784	405,787,507	460,888,412	427,503,269	882,455,196	833,290,776
Restricted	76,598,587	76,866,903	33,465,120	12,170,942	110,063,707	89,037,845
Unrestricted	(58,065,897)	(124,725,645)	110,048,573	122,758,990	51,982,676	(1,966,655)
Total net position	\$ 440,099,474	\$ 357,928,765	\$ 604,402,105	\$ 562,433,201	\$ 1,044,501,579	\$ 920,361,966

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

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/asset 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 and the net OPEB asset.

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/asset, respectively, not accounted for as deferred inflows/outflows.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Over time, net position can serve as a useful indicator of a government's financial position. At December 31, 2021, the City's assets and deferred outflows exceeded liabilities and deferred inflows by \$1,044,501,579. At year-end, net positions were \$440,099,474 and \$604,402,105 for the governmental activities and the business-type activities, respectively.

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 61.86% 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, 2021, was \$421,566,784 and \$460,888,412 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, 2021, 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, \$110,063,707 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 \$58,065,897.

The table on the following page shows the changes in net position for 2021 and 2020.

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CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Change in Net Position

	Governmental Activities 2021	Governmental Activities <u>2020</u>	Business-Type Activities 2021	Business-Type Activities <u>2020</u>	Total 2021	Total 2020
Revenues						
Program revenues:						
Charges for services and sales	\$ 39,102,655	\$ 41,352,133	\$ 117,934,258	\$ 109,345,176	\$ 157,036,913	\$ 150,697,309
Operating grants and contributions	43,953,799	39,311,609	6,204,905	7,906,697	50,158,704	47,218,306
Capital grants and contributions	<u>5,151,276</u>	<u>10,370,526</u>	<u>7,591,007</u>	<u>10,484,424</u>	<u>12,742,283</u>	<u>20,854,950</u>
Total program revenues	<u>88,207,730</u>	<u>91,034,268</u>	<u>131,730,170</u>	<u>127,736,297</u>	<u>219,937,900</u>	<u>218,770,565</u>
General revenues:						
Property taxes	14,240,066	13,989,145	-	-	14,240,066	13,989,145
Income taxes	147,325,533	133,827,851	-	-	147,325,533	133,827,851
Payment in lieu of taxes	1,735,177	2,046,235	-	-	1,735,177	2,046,235
Unrestricted grants	14,736,982	12,900,243	-	-	14,736,982	12,900,243
Investment earnings and fair value adjustment	(229,581)	2,932,744	(1,396,863)	2,501,826	(1,626,444)	5,434,570
Miscellaneous	<u>4,623,368</u>	<u>8,547,703</u>	<u>12,369,646</u>	<u>14,164,670</u>	<u>16,993,014</u>	<u>22,712,373</u>
Total general revenues	<u>182,431,545</u>	<u>174,243,921</u>	<u>10,972,783</u>	<u>16,666,496</u>	<u>193,404,328</u>	<u>190,910,417</u>
Total revenues	<u>270,639,275</u>	<u>265,278,189</u>	<u>142,702,953</u>	<u>144,402,793</u>	<u>413,342,228</u>	<u>409,680,982</u>
Expenses:						
Downtown	560,443	2,128,879	-	-	560,443	2,128,879
Youth, education and human services	28,886	4,014	-	-	28,886	4,014
Community development and neighborhoods	15,369,506	22,154,456	-	-	15,369,506	22,154,456
Economic development	8,118,338	11,237,840	-	-	8,118,338	11,237,840
Leadership and quality of life	40,717,452	60,544,385	-	-	40,717,452	60,544,385
Corporate responsibility	12,141,683	19,467,597	-	-	12,141,683	19,467,597
Public safety and justice	109,349,041	125,260,086	-	-	109,349,041	125,260,086
Interest and fiscal charges	2,183,217	2,694,531	-	-	2,183,217	2,694,531
Dayton International Airport	-	-	31,775,566	40,744,537	31,775,566	40,744,537
Water	-	-	39,923,711	57,012,675	39,923,711	57,012,675
Sewer	-	-	25,547,369	33,613,614	25,547,369	33,613,614
Other business-type activities:						
Storm water	-	-	3,487,403	7,770,296	3,487,403	7,770,296
Golf	-	-	-	585,719	-	585,719
Total expenses	<u>188,468,566</u>	<u>243,491,788</u>	<u>100,734,049</u>	<u>139,726,841</u>	<u>289,202,615</u>	<u>383,218,629</u>
Change in net position before transfers and special items	82,170,709	21,786,401	41,968,904	4,675,952	124,139,613	26,462,353
Special item - transfer of operations	-	2,809,772	-	(2,809,772)	-	-
Transfers	-	(50,000)	-	50,000	-	-
Change in net position	<u>82,170,709</u>	<u>24,546,173</u>	<u>41,968,904</u>	<u>1,916,180</u>	<u>124,139,613</u>	<u>26,462,353</u>
Net position at beginning 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>
Net position at end of year	<u>\$ 440,099,474</u>	<u>\$ 357,928,765</u>	<u>\$ 604,402,105</u>	<u>\$ 562,433,201</u>	<u>\$ 1,044,501,579</u>	<u>\$ 920,361,966</u>

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Governmental Activities

Governmental activities net position increased \$82,170,709 in 2021. This increase of 22.96% is partially due to an increase in operating and capital grants and contributions for the City. The City received federal funding through the American Rescue Plan Act, a portion of this revenue was used to pay for wages and benefit expenses related to public safety services. The City also had a growth in income tax revenue, including a 31.8% increase in business profit tax collections. The City also implemented a hiring freeze, an employee voluntary separation plan and an abolishment of vacant positions during 2020. These staffing changes along with market constraints on filling vacant positions in 2021 helped contain costs in departments across the City, contributing to the increase in net position.

Also, On January 15, 2020, OPERS approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City of Dayton at December 31, 2021. These changes along with changes in assumptions related to an increase in discount rate from 3.16% to 6.00% significantly decreased the total OPEB liability for the measurement date December 31, 2020.

Public safety and justice, which primarily supports the operations of the police and fire departments accounted for \$109,349,041 of the total expenses of the City. These expenses were partially funded by \$22,346,697 in direct charges to users of the services and \$27,530,224 in operating grants and contributions. Leadership and quality of life expenses totaled \$40,717,452. Leadership and quality of life expenses were partially funded by \$7,720,438 in direct charges to users of the services, \$10,055,649 in operating grants and contributions, and \$5,151,276 in capital grants and contributions.

The state and federal government contributed to the City a total of \$43,953,799 in operating grants and contributions and \$5,151,276 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions, \$10,055,649 subsidized leadership and quality of life and \$6,190,148 subsidized community development and neighborhoods. The total capital grants and contributions, \$5,151,276 subsidized leadership and quality of life programs.

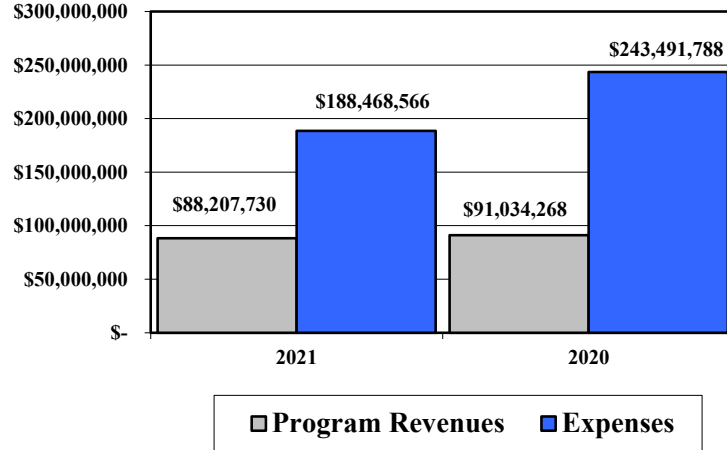
General revenues totaled \$182,431,545 and amounted to 67.41% of total governmental revenues. These revenues primarily consist of property and income tax revenue of \$161,565,599. The other primary source of general revenues is grants and entitlements not restricted to specific programs, including local government and local government revenue assistance, making up \$14,736,982.

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.

CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Governmental Activities – Program Revenues vs. Total Expenses



Governmental Activities

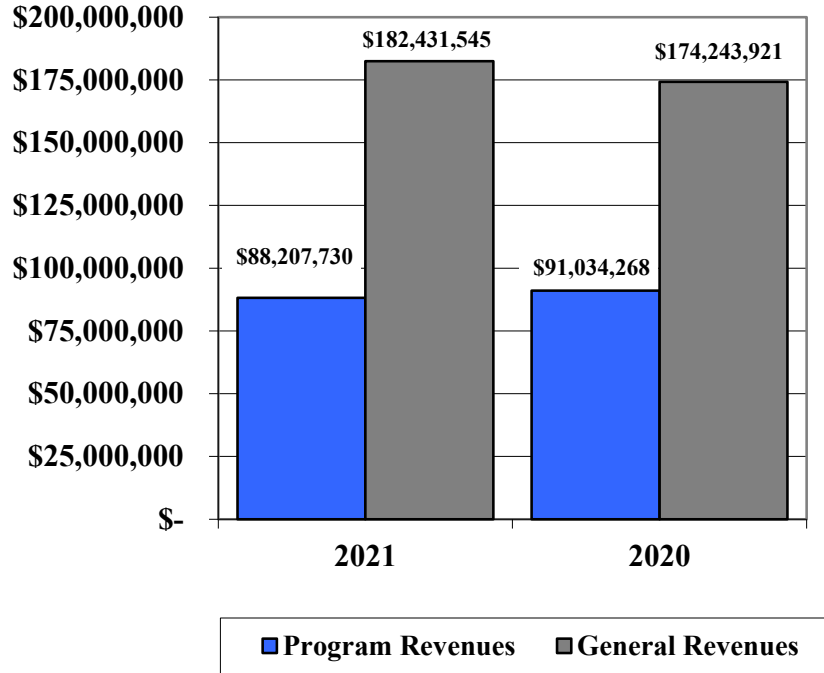
	Total Cost of Services 2021	Net Cost of Services 2021	Total Cost of Services 2020	Net Cost of Services 2020
Program Expenses:				
Downtown	\$ 560,443	\$ 431,792	\$ 2,128,879	\$ 1,862,212
Youth, education and human services	28,886	17,571	4,014	(3,921)
Community development and neighborhoods	15,369,506	5,929,512	22,154,456	13,253,204
Economic development	8,118,338	6,274,876	11,237,840	6,507,230
Leadership and quality of life	40,717,452	17,790,089	60,544,385	16,981,269
Corporate responsibility	12,141,683	8,161,659	19,467,597	15,496,420
Public safety and justice	109,349,041	59,472,120	125,260,086	95,666,575
Interest and fiscal charges	2,183,217	2,183,217	2,694,531	2,694,531
Total Expenses	\$ 188,468,566	\$ 100,260,836	\$ 243,491,788	\$ 152,457,520

The dependence upon general revenues for governmental activities is apparent, with 53.20% of expenses supported through taxes and other general revenues. Total governmental expenses were \$188,468,566, program revenues were \$88,207,730 and general revenues were \$182,431,545. The significant decrease in expenses was primarily due to the changes in pension liability and net OPEB liability.

CITY OF DAYTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

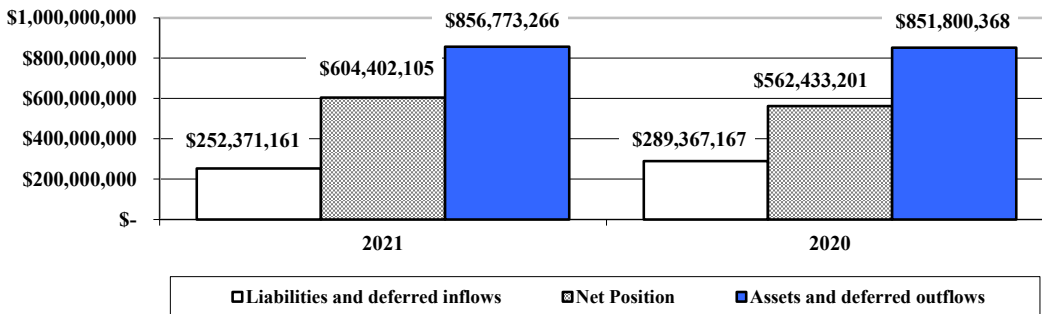
Governmental Activities – General and Program Revenues



Business-Type Activities

Business-type activities include the Dayton International Airport, Water, Sewer, and Storm Water enterprise funds. Overall, the net position of the business-type activities increased \$41,968,904 in 2021. These programs had program revenues of \$131,730,170, general revenues of \$10,972,783 and expenses of \$100,734,049 for 2021. The graph on the next page shows the business-type activities assets, deferred outflows, liabilities, deferred inflows and net position at year-end.

Net Position in Business - Type Activities



CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 \$212,777,393 which is \$43,647,189 more than last year's total of \$169,130,204. The table below indicates the fund balances and the total change in fund balances as of December 31, 2021 for all major and nonmajor governmental funds.

	<u>Fund Balances</u> <u>12/31/2021</u>	<u>Fund Balances</u> <u>12/31/2020</u>	<u>Increase/</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 86,190,383	\$ 75,316,155	\$ 10,874,228
Local Fiscal Recovery Fund	25,022,443	-	25,022,443
Debt service	26,284,769	25,218,959	1,065,810
Capital improvement	48,208,848	34,126,190	14,082,658
Other nonmajor governmental funds	<u>27,070,950</u>	<u>34,468,900</u>	<u>(7,397,950)</u>
Total	<u>\$ 212,777,393</u>	<u>\$ 169,130,204</u>	<u>\$ 43,647,189</u>

General Fund

	<u>2021</u> <u>Amount</u>	<u>2020</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>			
Income, property and other taxes	\$ 160,617,750	\$ 146,883,564	9.35 %
Charges for services	28,302,335	25,900,996	9.27 %
Licenses and permits	2,983,918	2,257,013	32.21 %
Fines and forfeitures	3,979,634	1,702,624	133.74 %
Investment income	1,633,166	2,285,276	(28.54) %
Special assessments	518,092	270,629	91.44 %
Intergovernmental	6,455,445	4,307,193	49.88 %
Other	<u>2,362,292</u>	<u>9,178,298</u>	(74.26) %
Total	<u>\$ 206,852,632</u>	<u>\$ 192,785,593</u>	7.30 %

The above table assists in illustrating the revenues of the general fund. Overall revenues of the general fund increased \$14,067,039. Revenue sources such as parking revenue and recreation charges for services experienced increases as the City rebounded from the COVID-19 pandemic and related shutdowns and reductions in services. Income tax revenue increased due to improved job opportunities, higher wages and strong performance by businesses. In addition, property taxes increased due to a full reappraisal in 2020. The decrease in other revenue was related to rebate payments received from the Ohio Bureau of Worker's Compensation in 2020.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

	<u>2021 Amount</u>	<u>2020 Amount</u>	<u>Percentage Change</u>
<u>Expenditures</u>			
Downtown	\$ 608,856	\$ 1,679,049	(63.74) %
Youth, education and human services	53,647	49,999	7.30 %
Community development and neighborhoods	14,239,132	14,720,865	(3.27) %
Economic development	6,489,547	9,667,465	(32.87) %
Leadership and quality of life	26,784,126	26,378,153	1.54 %
Corporate responsibility	16,944,989	16,633,706	1.87 %
Public safety and justice	<u>81,573,693</u>	<u>112,157,810</u>	(27.27) %
Total	<u>\$ 146,693,990</u>	<u>\$ 181,287,047</u>	(19.08) %

Overall expenditures of the general fund decreased by \$34,593,057 or 19.08%. The largest expenditure of the City, public safety and justice, decreased \$30,584,117 or 27.27%. This decrease was a result of the use of Coronavirus Aid, Relief and Economic Security Act (CARES) and Local Fiscal Recovery Funds to pay wages and benefit expenses for police and fire personnel that were budgeted in the general fund. Other expenditure classifications increased due to wage and benefit increases, including a lump sum payment of \$2,000 to each employee and retroactive salary adjustments to offset the budget solutions enacted at the start of COVID, which included wage freezes and five mandatory cost savings days. Economic development expenses fluctuate from year to year depending on the timing of projects.

Local Fiscal Recovery Fund

The Local Fiscal Recovery Fund is a new fund for 2021, funded through the Federal American Rescue Plan Act (ARPA). The following tables illustrate the revenues and expenditures of the Local Fiscal Recovery Fund. In addition to the revenues and expenditures, the City transferred \$25,165,700 from the general fund to fund a portion of the Dayton Recovery Plan. This funding was made available due to the revenue loss provisions in the ARPA funding that allowed the City to offset general fund expenditures with federal funding. The Dayton Recovery Plan, which was approved by the City Commission, utilizes ARPA funding and City resources to invest in residents, businesses and development activities that will improve health and economic outcomes in the region.

	<u>2021 Amount</u>
<u>Revenues</u>	
Investment income	117,447
Intergovernmental	25,674,103
Decrease in fair value of investments	<u>(143,257)</u>
Total	<u>\$ 25,648,293</u>
<u>Expenditures</u>	
Public safety and justice	<u>25,791,550</u>
Total	<u>\$ 25,791,550</u>

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Debt Service

The City's debt service fund balance increased \$1,065,810. The primary source of revenue in the debt service fund is property tax revenue and homestead and rollback intergovernmental revenue. The following tables illustrate the revenues and expenditures of the debt service fund. The Debt service fund also had a transfer in of \$936,200 for debt payments.

	2021 <u>Amount</u>	2020 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 7,703,992	\$ 6,903,832	11.59 %
Charges for services	315,313	160,000	97.07 %
Intergovernmental	995,447	931,808	6.83 %
Special assessments	18,318	28,573	(35.89) %
Investment income	-	14,820	(100.00) %
Other	<u>367,127</u>	<u>25,000</u>	1,368.51 %
Total	<u>\$ 9,400,197</u>	<u>\$ 8,064,033</u>	16.57 %
<u>Expenditures</u>			
Corporate responsibility	\$ 234,162	\$ 277,203	(15.53) %
Bond issuance costs	-	241,655	(100.00) %
Principal retirement	6,384,095	5,987,680	6.62 %
Interest and fiscal charges	<u>2,652,330</u>	<u>2,466,817</u>	7.52 %
Total	<u>\$ 9,270,587</u>	<u>\$ 8,973,355</u>	3.31 %

Capital Improvements

The City's capital improvements fund balance increased by \$14,082,658 or 41.27%. The tables below illustrate the revenues and expenditures of the capital improvement fund. Revenues increased \$2,591,535 or 31.56%, due to grant funding, including Ohio Public Works Commission (OPWC) grants for infrastructure improvements. The tax revenue is used to reduce the balance of the manuscript debt. Expenditures decreased \$4,215,041 or 17.42%. In addition to the revenues listed on the chart below, the capital improvements fund had \$251,438 in loan issuance, and \$23,010,900 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. Expenditures decreased in the capital improvement fund, however, this is due to the timing of capital projects and the uncertainty involving COVID-19 and supply chain constraints.

	2021 <u>Amount</u>	2020 <u>Amount</u>	Percentage <u>Change</u>
<u>Revenues</u>			
Taxes	\$ 225,260	\$ 225,260	0.00 %
Charges for services	63,492	70,294	(9.68) %
Intergovernmental	8,460,047	5,519,564	53.27 %
Payments in lieu of taxes	1,735,177	2,046,235	(15.20) %
Other	<u>318,200</u>	<u>349,288</u>	(8.90) %
Total	<u>\$ 10,802,176</u>	<u>\$ 8,210,641</u>	31.56 %

CITY OF DAYTON, OHIO

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> Amount	<u>2020</u> Amount	Percentage Change
<u>Expenditures</u>			
Community development and neighborhoods	266,777	364,107	(26.73) %
Economic development	1,356,361	1,458,541	(7.01) %
Leadership and quality of life	945,184	1,204,266	(21.51) %
Corporate responsibility	68,050	30,504	123.09 %
Public safety and justice	32,288	-	100.00 %
Capital outlay	17,037,586	20,873,490	(18.38) %
Debt service	<u>275,610</u>	<u>265,989</u>	3.62 %
Total	<u>\$ 19,981,856</u>	<u>\$ 24,196,897</u>	(17.42) %

2021 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 \$23,024,300 higher than the original budget. Actual revenues had a positive variance of \$26,444,917 compared to the original budget and a positive variance of \$3,420,617 or 1.70% compared to the final budget.

Actual general fund revenues performed better in nine categories relative to the original forecast and underperformed in one category. As it relates to the final budget, actual revenues exceeded the budget in nine categories and fell short in one category. The variance to both the original and final budgets of 14.82% and 1.70%, 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. Income tax revenue had 9.0% growth over the prior year and significantly outperformed the original budgeted estimates, which were conservative due to the COVID-19 pandemic. The increase between original and final budget for licenses and permits was due to the increase in construction permits. Construction permit revenue increased 56.2% over the prior year. The increase between original and final charges for services budget was primarily a result of an increase in police contract work for festivals in 2021.

Investment income was less than the original estimate by \$720,331 and less than the final estimate by \$775,331. This was due to the timing of investment purchases and fluctuation in interest rates and market performance.

Actual expenditures in 2021 were \$28,981,931 or 15.86% under (favorable) the original budget while the final budget was \$8,852,431 or 5.44% higher than actuals. The significant decrease in public safety and justice expenditures between original budget and actual budget was a result of the Local Fiscal Recovery Funds. The revenue loss provisions of ARPA allowed the City to charge public safety wages to the grant rather than to the general fund.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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 \$604,524,015 which is \$43,608,278 above last year's total of \$560,915,737.

The following table indicates the net position and the total change in net position as of December 31, 2021 for all major and nonmajor business-type funds.

	<u>Net Position 12/31/2021</u>	<u>Net Position 12/31/2020</u>	<u>Increase (Decrease)</u>
Major Funds:			
Dayton International Airport	\$ 253,079,515	\$ 245,443,822	\$ 7,635,693
Water	191,534,687	172,242,932	19,291,755
Sewer	127,484,472	116,059,333	11,425,139
Other Business-type activities	<u>32,425,341</u>	<u>27,169,650</u>	<u>5,255,691</u>
Total	<u>\$ 604,524,015</u>	<u>\$ 560,915,737</u>	<u>\$ 43,608,278</u>

Dayton International Airport (DIA)

The City's Dayton International Airport net position increased by \$7,635,693 or 3.11% from the 2020 amount. The Dayton International Airport received \$7,591,007 in capital contributions. Airport operations were significantly impacted by the COVID-19 pandemic. The increase in charges for services was a direct result of increases in air travel in 2021 over 2020. Globally, passenger air travel faced the sharpest declines in aviation history in 2020. Travel restrictions and safety concerns still impacted air travel, with enplanements for 2021 of 538,420. This is an increase of 59.5% from 2020 but still down 39.7% from 2019.

The following tables illustrate the revenues and expenses of the Dayton International Airport fund.

	<u>2021 Amount</u>	<u>2020 Amount</u>	<u>Percentage Change</u>
<u>Operating Revenues</u>			
Charges for services	\$ 18,720,732	\$ 14,326,887	30.67 %
Other	<u>4,409,256</u>	<u>6,128,284</u>	(28.05) %
Total	<u>\$ 23,129,988</u>	<u>\$ 20,455,171</u>	13.08 %
<u>Operating Expenses</u>			
Personal services	\$ 6,806,024	\$ 7,793,393	(12.67) %
Benefit payments	(4,981,271)	3,946,220	(226.23) %
Contractual services	5,023,291	4,843,244	3.72 %
Materials and supplies	949,846	919,851	3.26 %
Utilities	1,807,395	1,493,303	21.03 %
Depreciation	15,920,765	15,643,759	1.77 %
Other	<u>2,771,628</u>	<u>2,875,417</u>	(3.61) %
Total	<u>\$ 28,297,678</u>	<u>\$ 37,515,187</u>	(24.57) %

Operating expenses decreased by \$9,217,509 or 24.57%. The significant change in fringe benefit costs was due changes in net pension and net OPEB liability and the associated deferred inflows and deferred outflows of resources.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Other spending declines were a result of a comprehensive reorganization in 2020 that was fully implemented in 2021. Contractual services and utility expenditures in 2020 were significantly decreased due to a COVID-19, which resulted in an overall increase in 2021 as the airport operations began to normalize.

	<u>2021</u> Amount	<u>2020</u> Amount	<u>Percentage</u> Change
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 179,030	\$ 476,468	(62.43) %
Interest expense and fiscal charges	(3,059,700)	(3,212,963)	(4.77) %
Increase/Decrease in fair value of investments	(545,813)	172,472	(416.46) %
Intergovernmental	6,204,905	7,407,792	(16.24) %
Gain on sale of capital assets	2,434,254	238,332	921.37 %
Capital contributions	<u>7,591,007</u>	<u>10,484,424</u>	(27.60) %
Total	<u>\$ 12,803,683</u>	<u>\$ 15,566,525</u>	(17.75) %

Nonoperating revenues and expenses decreased by \$2,762,842 or 17.75%. Capital contributions for 2020 and 2021 were primarily for Federal grants that are being used for capital improvements, along with passenger facility charges. The intergovernmental revenue included CARES Act Federal funding, which allowed the airport to continue operations and avoid drastic reductions in personnel. The change in fair value of investments reflects the aviation's share of the overall portfolio decrease. This is a result of market timing, as the City typically holds investments until maturity and no actual gains or losses are realized until the investments are sold. The airport sold a large piece of land in 2021 to a development firm, which resulted in a significant gain on sale of assets non-operating revenue.

Water

The City's Water fund net position increased by \$19,291,755 or 11.20% from the 2020 amount.

	<u>2021</u> Amount	<u>2020</u> Amount	<u>Percentage</u> Change
<u>Operating Revenues</u>			
Charges for services	\$ 54,546,618	\$ 51,143,602	6.65 %
Other	<u>4,552,157</u>	<u>6,630,986</u>	(31.35) %
Total	<u>\$ 59,098,775</u>	<u>\$ 57,774,588</u>	2.29 %
<u>Operating Expenses</u>			
Personal services	\$ 17,343,060	\$ 16,404,318	5.72 %
Benefit payments	(8,458,803)	9,705,432	(187.16) %
Contractual services	8,406,972	10,447,499	(19.53) %
Materials and supplies	5,314,145	4,546,052	16.90 %
Utilities	4,866,597	4,620,692	5.32 %
Depreciation	8,074,637	7,696,870	4.91 %
Other	<u>2,317,102</u>	<u>2,363,522</u>	(1.96) %
Total	<u>\$ 37,863,710</u>	<u>\$ 55,784,385</u>	(32.12) %

Charges for services revenue increased due to an increase in billings and consumption. Operating expenses decreased by \$17,920,675 or 32.12%. 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.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>2021</u> Amount	<u>2020</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 239,444	\$ 814,652	(70.61) %
Interest expense and fiscal charges	(1,356,075)	(1,371,401)	(1.12) %
Increase/Decrease in fair value of investments	(814,991)	264,466	(408.16) %
Intergovernmental	-	498,905	(100.00) %
Bond issuance costs	-	(72,376)	100.00 %
Gain (loss) on sale of capital assets	<u>(11,688)</u>	<u>(42,815)</u>	(72.70) %
Total	<u>\$ (1,943,310)</u>	<u>\$ 91,431</u>	2,225.44 %

The most significant change in nonoperating revenues (expenses) was in the fair value of investments and interest earnings. These fluctuations were due to market performance of the City's investment portfolio.

Sewer

The City's Sewer fund net position increased by \$11,425,139 or 9.84% from 2020.

	<u>2021</u> Amount	<u>2020</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Operating Revenues</u>			
Charges for services	\$ 35,964,030	\$ 34,921,059	2.99 %
Other	<u>887,845</u>	<u>1,099,149</u>	(19.22) %
Total	<u>\$ 36,851,875</u>	<u>\$ 36,020,208</u>	2.31 %

Operating Expenses

Personal services	\$ 8,699,002	\$ 8,032,153	8.30 %
Benefit payments	(3,984,375)	4,693,174	(184.90) %
Contractual services	6,938,600	8,778,374	(20.96) %
Materials and supplies	2,886,029	2,515,168	14.74 %
Utilities	2,609,480	2,159,239	20.85 %
Depreciation	5,688,796	5,561,662	2.29 %
Other	<u>1,140,167</u>	<u>1,022,964</u>	11.46 %
Total	<u>\$ 23,977,699</u>	<u>\$ 32,762,734</u>	(26.81) %

Operating expenses decreased by \$8,785,035 or 26.81%. The largest decrease in expenses was to benefit payments related to recording the net pension liability and the net OPEB liability.

	<u>2021</u> Amount	<u>2020</u> Amount	<u>Percentage</u> <u>Change</u>
<u>Nonoperating Revenues (Expenses)</u>			
Interest revenue	\$ 125,817	\$ 374,573	(66.41) %
Increase/Decrease in fair value of investments	(411,945)	115,021	(458.15) %
Interest expense and fiscal charges	(1,162,909)	(719,194)	61.70 %
Bond issuance costs	-	(289,781)	(100.00) %
Total	<u>\$ (1,449,037)</u>	<u>\$ (519,381)</u>	(178.99) %

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Nonoperating revenues and expenses in 2021 decreased by \$929,656 or 178.99%. This decrease is related to the market performance of the City's investment portfolio along with one time bond issuance costs in 2020.

Capital Assets and Debt Administration

Capital Assets

At December 31, 2021, the City had \$1,079,961,873 (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, \$470,258,624 was reported in governmental activities and \$609,703,249 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, 2021 balances compared to December 31, 2020:

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

	Governmental Activities 2021	Governmental Activities 2020	Business-Type Activities 2021	Business-Type Activities 2020	Total 2021	Total 2020
Land	\$ 54,622,909	\$ 54,622,909	\$ 39,162,051	\$ 41,263,768	\$ 93,784,960	\$ 95,886,677
Construction in progress	7,228,863	10,017,986	30,129,010	36,140,266	37,357,873	46,158,252
Right of ways	14,007,402	14,007,402	-	-	14,007,402	14,007,402
Buildings and improvements	73,355,795	80,552,992	155,479,484	160,578,599	228,835,279	241,131,591
Improvements other than buildings (IOTB)	26,795,553	24,270,864	357,388,569	340,548,702	384,184,122	364,819,566
Equipment	3,082,423	3,406,601	7,455,112	6,523,319	10,537,535	9,929,920
Software	165,781	261,539	139,157	304,311	304,938	565,850
Vehicles	18,419,390	18,064,682	19,949,866	16,272,005	38,369,256	34,336,687
Infrastructure	272,580,508	266,645,023	-	-	272,580,508	266,645,023
Total	\$ 470,258,624	\$ 471,849,998	\$ 609,703,249	\$ 601,630,970	\$ 1,079,961,873	\$ 1,073,480,968

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 57.96% 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 58.62% of the City's total business-type capital assets.

CITY OF DAYTON, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Debt Administration

The City had the following long-term obligations outstanding at December 31, 2021 and 2020 (excluding premiums/discounts):

	Governmental Activities 2021	Governmental Activities 2020
	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 43,405,000	\$ 47,405,000
Revenue bonds	<u>17,230,000</u>	<u>19,205,000</u>
Total bonds	<u>60,635,000</u>	<u>66,610,000</u>
Ohio Public Works Commission (OPWC) loans	1,667,422	1,546,968
State infrastructure bank loan	2,061,640	2,169,058
State infrastructure bank bonds	2,715,000	2,865,000
Ohio Department of Development Loan	<u>1,198,618</u>	<u>1,489,311</u>
Total loans	<u>7,642,680</u>	<u>8,070,337</u>
Total long-term obligations	<u>\$ 68,277,680</u>	<u>\$ 74,680,337</u>
	Business-type Activities 2021	Business-type Activities 2020
	<u>2021</u>	<u>2020</u>
General obligation bonds	\$ 26,415,000	\$ 28,815,000
Revenue bonds	<u>118,485,000</u>	<u>124,045,000</u>
Total bonds	<u>144,900,000</u>	<u>152,860,000</u>
Ohio Water Development Authority (OWDA) loans	8,639,401	3,330,117
Ohio Public Works Commission (OPWC) loans	-	25,000
Jobs Ohio loans	<u>4,243,244</u>	<u>4,314,636</u>
Total loans	<u>12,882,645</u>	<u>7,669,753</u>
Total long-term obligations	<u>\$ 157,782,645</u>	<u>\$ 160,529,753</u>

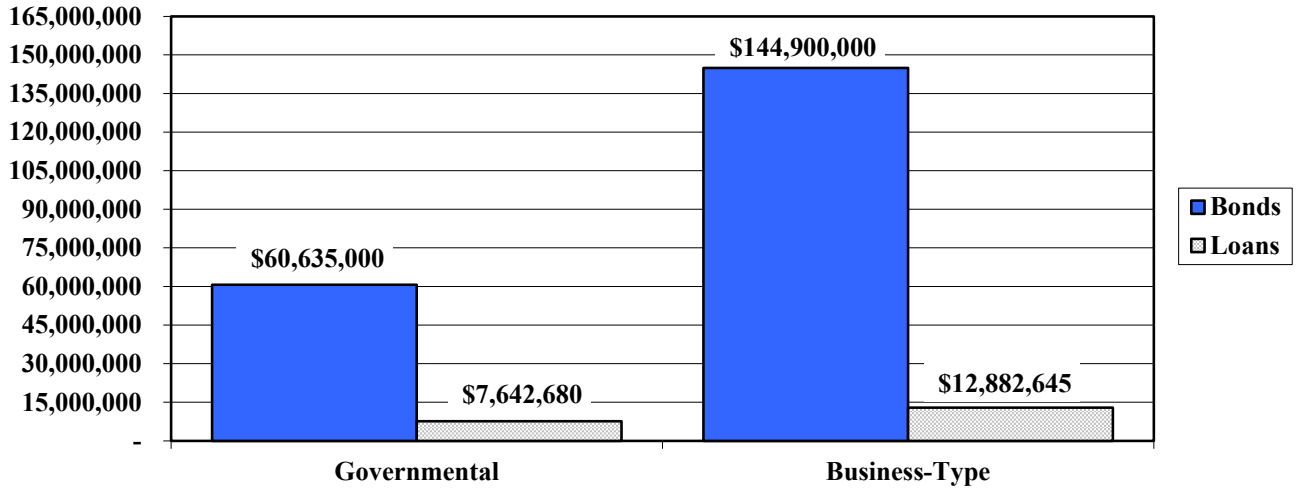
See Note 14 in the basic financial statements for additional disclosures and detail regarding the City's debt activity.

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

CITY OF DAYTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Long-term Obligations



Economic Outlook and the 2022 Budget

The emergence of the coronavirus pandemic in late 2019, impacted economic growth in the Dayton region throughout 2020 and 2021. Prior to pandemic stay-at-home orders, employment growth peaked in January 2020 as the economy experienced strong gains, beginning in 2014, following the end of the Great Recession. As the pandemic quickly spread throughout the United States, employment loss was significant in the Dayton metro area with the job base declining to a decades-long low in April 2020 as 61,900 jobs were lost when compared to their peak in January. Federal stimulus helped bolster economic recovery within the region, as employment levels rebounded in middle and late 2020.

Employment levels continued to improve in 2021 yet have not returned to their pre-pandemic peak.

To stimulate additional economic recovery within the region, the City solidified its Dayton Recovery Plan to guide the intended investment of American Rescue Plan Act (ARPA) funds throughout Dayton. The City will utilize \$138 million of federal funds to invest in residents, businesses and development activities that will improve health and economic outcomes in the region, with a particular focus on benefiting minority communities disproportionately impacted by the pandemic.

Development within the region rebounded in 2021, with the Dayton Development Coalition reporting a record year of over 4,000 new job commitments and over \$850 million in investments in the region.¹ Phase 1 construction on the Dayton Arcade concluded, with new Arcade tenants including The Hub, an innovation center, and The Contemporary art gallery. Redevelopment of downtown’s Fire Blocks District included the creation of restaurant and retail space and the Huffman Loft Apartments. Planning began in 2021 for a \$35 million private school, The Greater Dayton School, along the river in downtown Dayton. The school hopes to open in the fall of 2022, serving students in preschool through the third grade, with a focus on serving underrepresented and poverty-impacted families.

Construction activity near the Dayton International Airport has been strong, with Crocs, a footwear manufacturer, occupying two facilities near the airport for distribution activities. Additional companies occupying commercial space near the airport, include Chewy, Procter & Gamble and Purina Mills.

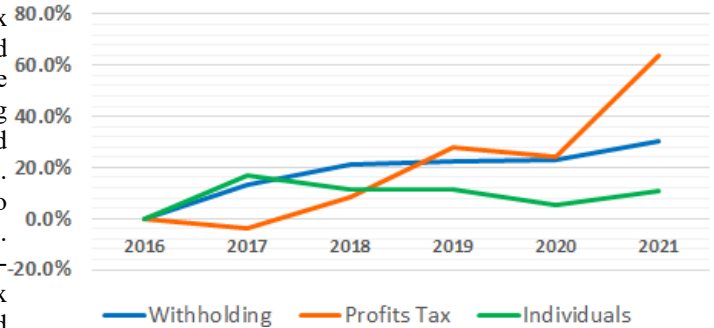
NorthPoint Development, a development firm responsible for a large portion of commercial construction activity around the airport, purchased a large piece of land in 2021 to spur additional economic activity and potential job growth in the region.

CITY OF DAYTON, OHIO

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021

Following prudent financial management at the onset of the pandemic, and with the support of federal fiscal stimulus, the City was able to weather the negative economic impacts of the novel virus. At the City Manager’s direction spending and investments were limited as the City’s revenue sources were unstable during the pandemic. During the height of the pandemic, from April through December of 2020, the City’s General Fund revenues fell nearly 2.0% when compared to 2019. Comparatively, 2019 General Fund revenues grew 3.9% over those realized in 2018. Income tax revenues comprise approximately 70% of General Fund sources, and with significant job loss during 2020 these collections were impacted. As a sign of the recovering economy, the City’s revenues in 2021 outperformed expectations climbing 5.2%, or \$9.8 million, over 2020. Improved job opportunities and higher wages in 2021 led to the largest gains in income tax collections seen in decades. The strong revenue performance allowed for additional year-end investments to curb potential threats to income tax collections as long-term work-from-home usage accelerated during the pandemic, threatening the City’s revenue sources.

Change in Gross Income Tax Collections
2016 to 2021



Employment and the Income Tax

The respective components of income tax are a proxy for the condition and direction of the local economy. Income tax collections, net of refunds, in 2021 outpaced the City’s initial projections, with collections 9.0%, or \$12.0 million, higher than 2020. If prior income tax rate increases are omitted, year-over-year collections in 2021 were the highest realized in decades. This was propelled by growth within the withholding category, or taxes on wage-earners in the city, as collections grew by \$7.3 million, or 6.2%. Pandemic-related fiscal stimulus, such as the Payroll Protection Program, supported the retention of jobs within the city attributing to the marked growth in this category. Additionally, this growth was supported by higher wages throughout the city. The Bureau of Labor Statistics reported that through the third quarter of 2021, average weekly wages were 5.0% higher in Montgomery County when compared to the same period in 2020.

Business profit tax collections grew an astounding 31.8%, or \$4.2 million, over 2020, and non- withholding taxes paid by individuals were up 4.9% over 2020. Adding to these gains, year-over-year refunds requested by taxpayers declined by 10%. Fiscal stimulus aided the collection and retention of income tax receipts for the City, but long-term work-from-home schedules threaten these gains for the foreseeable future.

Work-from-home schedules became commonplace in 2020 and 2021 in response to pandemic stay-at-home orders. According to the 20-Day Occasional Entrant Rule, employers are required to withhold income tax for employees who work outside of their principal place of employment for more than 20 days in a calendar year. Following temporary suspensions of the Occasional Entrant Rule in response to unprecedented pandemic closures, 2022 represents the first year, for those filing their 2021 taxes, in which residents may be entitled to refunds or may be required to remit income tax to the jurisdiction in which they lived during their time working from home. With nearly 83.0% of Dayton workers residing outside of Dayton, the City could stand to lose between \$7.0 million and \$22.1 million. Thus, the year-over-year income tax gains that were realized in 2021, could stand to be eroded in 2022 and beyond.

Property Values and the Property Tax

The Montgomery County Auditor completed a full reappraisal of all properties in 2020, with property values realizing significant gains following The Great Recession. Property values hit their lowest point in 2017 but climbed 12.6% from that low following the 2020 assessment. While this growth is significant, property values remain 17.1% lower than their peak in 2006. Property tax receipts for the City grew 10.2%, or over \$600,000, in 2021 due to the revaluation.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Of note, property tax collections registered a 99.9% collection rate, consisting of 92.3% on current year collections and 7.6% of collections from the prior year's delinquencies, up from a 91.6% collection rate in 2012.

Housing values in the Dayton region were strong following increased demand for homes. According to the Dayton Area Board of Realtors, the average sales price of homes in the region was up 9.0% in 2021 when compared to 2020. Demand for housing was high as the available inventory at year-end totaled 987, compared to 1,963 listings in 2020. This lower level of inventory contributed to more competition for available units, increasing sales prices in the region.³ Alternatively, new housing and rental units, particularly in Downtown Dayton, attracted new residents to the city. The Dayton Recovery Plan outlines the City's commitment to utilize federal stimulus to demolish vacant and blighted properties throughout Dayton in 2022 and beyond, further improving housing values and the well-being of residents in some of the most underserved and vulnerable neighborhoods.

State Revenue Sharing and the Local Government Fund

The Local Government Fund was established by the state as a tax revenue sharing fund to support local governments. Historically, the City has received a portion of the state's revenue through two mechanisms: a direct allocation identified for the City and through an indirect allocation that represents a portion of Montgomery County's allocation. The Local Government Fund municipal direct allocation was eliminated entirely in the 2018-2019 Ohio biennial budget, following legislative actions that resulted in significant annual reductions. The municipal direct allocation was reestablished in the 2020-2021 state budget, but at much reduced levels.

The City received \$7.9 million of state certified Local Government Funds in 2021, outperforming the original estimate of \$7.1 million. This increase was attributed to sales tax revenue growth for the state as Ohioans purchased more consumable goods during the pandemic. Also, as incomes grew, the state's personal income tax revenue rose accordingly. In 2022, the state certified estimate for the City is \$7.4 million as the economy begins to return to normalcy during the pandemic.

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, a combined 90% of which is to be distributed to local governments with the following distribution: county governments – 51%, school districts – 34%, and the host city – 5%. If the most populated city located in a county has a population over 80,000, then that city (Dayton included) receives 50% of the county distribution. Dayton received \$3.6 million of tax revenue-sharing from the four Ohio casinos in 2021. Revenues were over \$1.0 million, or 42.1%, higher than 2020 as casino patronage increased following pandemic stay-at-home orders in 2020. Revenues outperformed pre-pandemic levels, surpassing the prior peak in revenue receipts for the City, achieved in 2019, by over \$350,000.

Revenue Outlook

As work-from-home schedules threaten the City's General Fund sources, the revenue outlook for 2022 was prepared conservatively with input from Dayton business, government, and academic leaders. The original General Fund revenue estimate for 2022 is \$187.3 million, down \$9.9 million from 2021's actual receipts. Due to this projected decline, the City balanced the 2022 General Fund budget with the use of \$11.6 million in ARPA proceeds.

Cost Containment and the Workforce

Staffing levels peaked in the General fund, across several City departments, in 2017 as the average number of filled positions increased to 1,222. Following this peak, staffing levels dropped by 24 positions in 2018, to an average of 1,198, largely due to the movement of 15 police officer positions to a grant fund. Staffing levels increased by 16 positions in 2019, then declined by 14 positions in 2020 to an average of 1,200 as a result of pandemic-driven fiscal interventions. A hiring freeze, followed by an employee voluntary separation plan and the abolishment of all vacant

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

positions was implemented in 2020. Due to labor market constraints, a higher level of vacant positions was realized in 2021 with the average number of filled positions declining to 1,185.

Following labor force interventions during the height of the pandemic, the City Manager proposed several departmental reorganizations in 2021 to better align service delivery with the City Commission's identified priorities for the community. The following reorganizations were approved in 2021:

- Department of Planning, Neighborhoods and Development – Reestablished the Division of Community Engagement and combined the Housing and Zoning programs. These changes aligned resources to support development efforts, strengthen neighborhood collaboration, and improve service outcomes. Also, an Alternative Response program was established as outlined in the City's Police Reform recommendations.
- Department of Recreation – Established two new divisions, Recreation & Youth Services and Sports, to better address the evolving needs of the community and improve programming for youth.
- Human Relations Council – Established the Office of Justice and Inclusion, and the Community Appeals Board was reformed based on Police Reform recommendations.
- Department of Finance – Established a new division for work efficiencies and to better address customer service needs.

The City's 2021 personnel budget included several budget solutions in anticipation of sustained negative economic impacts due to the pandemic. These budget solutions included: five cost savings days (CSDs), two budgeted health insurance holidays for employees and for the City, and no budgeted annual wage adjustment to combat the projected economic declines due to the pandemic. As the economy began to recover and the economic shock to the City was not as pronounced, largely as a result of federal economic stimulus, the City was able to reverse or eliminate some of the planned budget solutions.

During 2021, the City eliminated the planned CSDs, provided employees with a \$2,000 lump sum payment and employees received a 2% adjustment, retroactive to January 1, 2021, to their wages.

Overall, the General Fund's personnel expenses were 1.4%, or \$1.9 million, higher in 2021 when compared to 2020. As previously mentioned, constrictions within the labor market left many positions vacant within the City, but wage and fringe expenses grew due to the wage adjustments and lump sum payments. Over \$6.3 million of Coronavirus Aid, Relief, and Economic Security Act (CARES) funds were utilized to reimburse the City for applicable public safety wages. When adjusted for the CARES reimbursement, personnel expenses in 2021 were 3.5%, or \$4.5 million, lower than 2020. The CARES reimbursement was a one-time adjustment.

The City's conversion to a self-insured health plan and investment in wellness initiatives has helped to rein in costs for the organization. Labor contracts for the 2018 - 2020 contract period were executed with the City's four bargaining groups, and resulted in a three-year wage package of 3%, 2% and 2%.

Labor contracts, with a contract period extending through 2023, were executed with all bargaining groups. The agreements include wage increases over the three-year period of 2% annually. Additionally, the agreements include the following one-time, lump sum payments for all eligible employees: \$2,000 in 2021, \$1,400 in 2022 and \$1,300 in 2023.

Following strong revenue performance in 2021, year-end transfers to support intentioned, strategic investments totaled \$27.2 million. \$18.2 million of these transfers were to support capital improvements, such as the sourcing and implementation of an enterprise resource planning system, catalytic investments and the replacement of the fire department's self-contained breathing apparatus. The strong revenue performance in 2021 helped to support these investments to reduce the future strain on the City's sources.

CITY OF DAYTON, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2021

Despite the City's strong revenue fund performance in 2021, uncertainties remain surrounding the potential for income tax losses due to sustained work-from-home schedules. The full impact of these potential losses to the General Fund's largest revenue source will not be felt until the income tax season concludes in 2022 and beyond. To stem the impact from these revenue losses, federal stimulus through ARPA will be utilized by the City to address revenue gaps that would otherwise negatively impact City services. ARPA funding will only be available for City use through 2024, with a potential short fall emerging in 2025 as no additional federal stimulus would be available to mitigate revenue losses. The impact of these long-term revenue losses is compounded by inflationary wage, supply and capital expense increases that further erode the City's available sources. Prudent financial management is required to avert a financial deficit. The City is presently and proactively exploring options to ensure the organization is prepared as the federal stimulus will wane over the coming years.

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 2021, the cash reserve was \$30.7 million, or \$6.5 million, over the minimum level of six- weeks of operating funds.

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 Robbi Stivers, Finance Director, City of Dayton, 101 West Third Street, P.O. Box 22, Dayton, Ohio 45401-0022, or visit our website at www.daytonohio.gov.

BASIC
FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and investments.	\$ 264,409,599	\$ 194,402,540	\$ 458,812,139
Cash with fiscal and escrow agents.	32,350	-	32,350
Receivables:			
Property and other local taxes	22,747,552	-	22,747,552
Municipal income taxes.	23,032,788	-	23,032,788
Accounts.	5,481,239	18,814,063	24,295,302
Payments in lieu of taxes.	1,573,853	-	1,573,853
Special assessments	650,958	1,238,840	1,889,798
Accrued interest	273,975	203,749	477,724
Due from other governments.	19,039,192	3,317,831	22,357,023
Loans receivable.	25,620,365	407,759	26,028,124
Internal balance	121,910	(121,910)	-
Materials and supplies inventory.	908,634	2,132,818	3,041,452
Prepayments	716,747	578,767	1,295,514
Inventory held for resale.	501,719	-	501,719
Net pension asset.	872,234	639,015	1,511,249
Net OPEB asset	5,357,488	3,924,990	9,282,478
Restricted assets:			
Equity in pooled cash and investments.	203,703	1,267,502	1,471,205
Investments with fiscal and escrow agents.	14,823	10,878,306	10,893,129
Capital assets:			
Land, right of ways, and construction in progress.	75,859,174	69,291,061	145,150,235
Depreciable capital assets, net.	394,399,450	540,412,188	934,811,638
Total capital assets, net.	<u>470,258,624</u>	<u>609,703,249</u>	<u>1,079,961,873</u>
Total assets	<u>841,817,753</u>	<u>847,387,519</u>	<u>1,689,205,272</u>
Deferred outflows of resources:			
Asset retirement obligations.	2,325,000	510,000	2,835,000
Unamortized deferred charges on debt refunding	644,637	1,345,897	1,990,534
Pension and OPEB.	44,245,604	7,529,850	51,775,454
Total deferred outflows of resources	<u>47,215,241</u>	<u>9,385,747</u>	<u>56,600,988</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 2,017,304	\$ 3,549,577	\$ 5,566,881
Contracts payable	2,413,804	4,550,394	6,964,198
Retainage payable	523,376	798,107	1,321,483
Accrued wages and benefits payable	7,494,335	2,167,257	9,661,592
Due to other governments	4,629,564	2,232,528	6,862,092
Unearned revenue	43,313,984	-	43,313,984
Accrued interest payable	172,098	498,570	670,668
Payable from restricted assets:			
Utility deposits	-	199,529	199,529
Asset retirement obligation	2,325,000	510,000	2,835,000
Long-term liabilities:			
Due within one year	19,586,755	11,338,380	30,925,135
Due in more than one year	72,792,882	158,774,774	231,567,656
Net pension liability	189,255,854	35,017,048	224,272,902
Net OPEB liability	22,450,716	340,753	22,791,469
Total liabilities	366,975,672	219,976,917	586,952,589
Deferred inflows of resources:			
Unamortized deferred loss on refunding	2,635,439	-	2,635,439
Property taxes levied for the next fiscal year	14,872,795	-	14,872,795
Pension and OPEB	62,875,761	32,394,244	95,270,005
Payments in lieu of taxes levied for the next fiscal year	1,573,853	-	1,573,853
Total deferred inflows of resources	81,957,848	32,394,244	114,352,092
Net position:			
Net investment in capital assets	421,566,784	460,888,412	882,455,196
Restricted for:			
Permanent fund:			
Expendable	84,561	-	84,561
Nonexpendable	102,228	-	102,228
Capital projects	15,758,207	21,518,841	37,277,048
Debt service	30,631,481	11,946,279	42,577,760
Housing and urban development	3,899,965	-	3,899,965
Special projects	17,277,877	-	17,277,877
Street and highway projects	3,496,983	-	3,496,983
Other purposes	5,347,285	-	5,347,285
Unrestricted (deficit)	(58,065,897)	110,048,573	51,982,676
Total net position	\$ 440,099,474	\$ 604,402,105	\$ 1,044,501,579

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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	\$ 560,443	\$ 128,476	\$ 175	\$ -
Youth, education and human services.	28,886	11,315	-	-
Community development and neighborhoods.	15,369,506	3,249,846	6,190,148	-
Economic development	8,118,338	1,713,595	129,867	-
Leadership and quality of life	40,717,452	7,720,438	10,055,649	5,151,276
Corporate responsibility.	12,141,683	3,932,288	47,736	-
Public safety and justice.	109,349,041	22,346,697	27,530,224	-
Interest and fiscal charges.	2,183,217	-	-	-
Total governmental activities	<u>188,468,566</u>	<u>39,102,655</u>	<u>43,953,799</u>	<u>5,151,276</u>
Business-type activities:				
Dayton International Airport.	31,775,566	18,720,432	6,204,905	7,591,007
Water.	39,923,711	54,546,618	-	-
Sewer.	25,547,369	35,964,030	-	-
Other business-type activities:				
Storm Water.	3,487,403	8,703,178	-	-
Total business-type activities	<u>100,734,049</u>	<u>117,934,258</u>	<u>6,204,905</u>	<u>7,591,007</u>
Total primary government	<u>\$ 289,202,615</u>	<u>\$ 157,036,913</u>	<u>\$ 50,158,704</u>	<u>\$ 12,742,283</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 and fair value adjustment
 - Miscellaneous

Total general revenues

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

<u>Activities</u>	<u>Activities</u>	<u>Total</u>
\$ (431,792)	\$ -	\$ (431,792)
(17,571)	-	(17,571)
(5,929,512)	-	(5,929,512)
(6,274,876)	-	(6,274,876)
(17,790,089)	-	(17,790,089)
(8,161,659)	-	(8,161,659)
(59,472,120)	-	(59,472,120)
(2,183,217)	-	(2,183,217)
<u>(100,260,836)</u>	<u>-</u>	<u>(100,260,836)</u>
-	740,778	740,778
-	14,622,907	14,622,907
-	10,416,661	10,416,661
-	<u>5,215,775</u>	<u>5,215,775</u>
-	<u>30,996,121</u>	<u>30,996,121</u>
<u>(100,260,836)</u>	<u>30,996,121</u>	<u>(69,264,715)</u>
6,335,824	-	6,335,824
7,904,242	-	7,904,242
147,325,533	-	147,325,533
1,735,177	-	1,735,177
14,736,982	-	14,736,982
(229,581)	(1,396,863)	(1,626,444)
4,623,368	12,369,646	16,993,014
<u>182,431,545</u>	<u>10,972,783</u>	<u>193,404,328</u>
82,170,709	41,968,904	124,139,613
357,928,765	562,433,201	920,361,966
<u>\$ 440,099,474</u>	<u>\$ 604,402,105</u>	<u>\$ 1,044,501,579</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	Local Fiscal Recovery	Debt Service	Capital Improvement
Assets:				
Equity in pooled cash and investments.	\$ 73,440,936	\$ 68,570,385	\$ 16,789,951	\$ 46,740,018
Cash with fiscal and escrow agents.	32,350	-	-	-
Receivables:				
Property and other local taxes.	10,258,618	-	12,488,934	-
Municipal income taxes.	23,032,788	-	-	-
Accounts.	4,910,853	-	56,250	21,047
Payments in lieu of taxes.	-	-	-	1,573,853
Special assessments	650,958	-	-	-
Accrued interest	202,794	31,960	-	-
Due from other governments.	5,541,670	-	153,614	3,803,626
Loans receivable.	13,186,082	-	9,480,000	681,584
Advances to other funds	776,000	-	-	500,000
Materials and supplies inventory.	22,256	-	-	31,467
Prepayments	521,758	-	-	-
Restricted assets:				
Equity in pooled cash and investments	203,703	-	-	-
Investments with fiscal and escrow agents.	-	-	14,818	5
Total assets	<u>\$ 132,780,766</u>	<u>\$ 68,602,345</u>	<u>\$ 38,983,567</u>	<u>\$ 53,351,600</u>
Liabilities:				
Accounts payable.	\$ 1,581,847	\$ -	\$ -	\$ 98,249
Contracts payable.	1,854,238	248,054	-	208,265
Accrued wages and benefits payable	7,262,814	-	-	6,002
Retainage payable	-	-	-	517,499
Compensated absences payable	7,248	-	-	-
Advances from other funds.	6,780,000	-	-	-
Due to other governments	4,508,718	-	-	4,213
Claims and judgments payable	521,300	-	-	-
Claimants payable	2,407	-	-	-
Unearned revenue	-	43,313,984	-	-
Total liabilities	<u>22,518,572</u>	<u>43,562,038</u>	<u>-</u>	<u>834,228</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year.	6,692,807	-	8,179,988	-
Delinquent property tax revenue not available.	3,525,501	-	4,308,946	-
Accrued interest not available	113,352	17,864	-	-
Special assessments revenue not available.	650,958	-	-	-
Miscellaneous revenue not available.	1,837,410	-	56,250	21,047
Income tax revenue not available	8,435,106	-	-	-
Intergovernmental revenue not available	2,816,677	-	153,614	2,713,624
Payments in lieu of taxes levied for the next fiscal year.	-	-	-	1,573,853
Total deferred inflows of resources	<u>24,071,811</u>	<u>17,864</u>	<u>12,698,798</u>	<u>4,308,524</u>
Fund balances:				
Nonspendable	15,363,267	-	-	31,467
Restricted.	1,405,379	-	25,808,501	6,164,048
Committed	4,102,514	25,022,443	476,268	18,595,418
Assigned	41,830,696	-	-	23,417,915
Unassigned.	<u>23,488,527</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances.	<u>86,190,383</u>	<u>25,022,443</u>	<u>26,284,769</u>	<u>48,208,848</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 132,780,766</u>	<u>\$ 68,602,345</u>	<u>\$ 38,983,567</u>	<u>\$ 53,351,600</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Non-Major Funds	Total Governmental Funds
\$ 23,562,307	\$ 229,103,597
-	32,350
-	22,747,552
-	23,032,788
486,371	5,474,521
-	1,573,853
-	650,958
15,239	249,993
9,512,669	19,011,579
2,272,699	25,620,365
-	1,276,000
854,911	908,634
191,840	713,598
-	203,703
-	14,823
<u>\$ 36,896,036</u>	<u>\$ 330,614,314</u>
\$ 109,913	\$ 1,790,009
76,894	2,387,451
111,860	7,380,676
5,877	523,376
-	7,248
776,000	7,556,000
77,531	4,590,462
-	521,300
-	2,407
-	43,313,984
<u>1,158,075</u>	<u>68,072,913</u>
-	14,872,795
-	7,834,447
8,518	139,734
-	650,958
458,593	2,373,300
-	8,435,106
8,199,900	13,883,815
-	1,573,853
<u>8,667,011</u>	<u>49,764,008</u>
1,148,979	16,543,713
25,921,971	59,299,899
-	48,196,643
-	65,248,611
-	23,488,527
<u>27,070,950</u>	<u>212,777,393</u>
<u>\$ 36,896,036</u>	<u>\$ 330,614,314</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2021

Total governmental fund balances		\$	212,777,393
<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.			469,166,765
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	\$	11,714,562	
Municipal income taxes receivable		8,435,106	
Accounts receivable		2,373,300	
Special assessments receivable		650,958	
Accrued interest receivable		139,734	
Due from other governments		10,003,700	
Total			33,317,360
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 \$121,910 are:			31,272,041
4. In the statement of net position interest is accrued on bonds, whereas in governmental funds, interest is accrued when due.			(172,098)
5. Unamortized deferred amounts on refundings are not recognized in the governmental funds.			(1,990,802)
6. Unamortized premiums on bond issuances are not recognized in the governmental funds.			(3,463,410)
7. The net pension asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds			809,971
8. The net OPEB asset is not available to pay for current period expenditures; therefore, the asset is not reported in the governmental funds			4,975,046
9. 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.			(192,936,066)
10. 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.			(31,772,825)
11. 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		(43,405,000)	
Revenue bonds		(17,230,000)	
State Infrastructure Bank Loan		(2,061,640)	
State Infrastructure Bank Bonds		(2,715,000)	
Compensated absences		(13,606,221)	
OPWC loans		(1,667,422)	
ODOD Loan		(1,198,618)	
Total			(81,883,901)
Net position of governmental activities		\$	440,099,474

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, 2021

	<u>General</u>	<u>Local Fiscal Recovery</u>	<u>Debt Service</u>	<u>Capital Improvement</u>
Revenues:				
Municipal income taxes	\$ 146,380,742	\$ -	\$ -	\$ -
Property and other taxes	5,946,723	-	7,703,992	225,260
State shared taxes	8,290,285	-	-	-
Charges for services	28,302,335	-	315,313	63,492
Licenses and permits	2,983,918	-	-	-
Fines and forfeitures	3,979,634	-	-	-
Intergovernmental	6,455,445	25,674,103	995,447	8,460,047
Special assessments	518,092	-	18,318	-
Investment income	1,633,166	117,447	-	-
Payments in lieu of taxes	-	-	-	1,735,177
Decrease in fair value of investments	(1,893,333)	(143,257)	-	-
Other	4,255,625	-	367,127	318,200
Total revenues	<u>206,852,632</u>	<u>25,648,293</u>	<u>9,400,197</u>	<u>10,802,176</u>
Expenditures:				
Current:				
Downtown	608,856	-	-	-
Youth, education and human services	53,647	-	-	-
Community development and neighborhoods	14,239,132	-	-	266,777
Economic development	6,489,547	-	-	1,356,361
Leadership and quality of life	26,784,126	-	-	945,184
Corporate responsibility	16,944,989	-	234,162	68,050
Public safety and justice	81,573,693	25,791,550	-	32,288
Capital outlay	-	-	-	17,037,586
Debt service:				
Principal retirement	-	-	6,384,095	270,000
Interest and fiscal charges	-	-	2,652,330	5,610
Total expenditures	<u>146,693,990</u>	<u>25,791,550</u>	<u>9,270,587</u>	<u>19,981,856</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,158,642</u>	<u>(143,257)</u>	<u>129,610</u>	<u>(9,179,680)</u>
Other financing sources (uses):				
Issuance of loans	-	-	-	251,438
Transfers in	-	25,165,700	936,200	23,313,700
Transfers (out)	(49,284,414)	-	-	(302,800)
Total other financing sources (uses)	<u>(49,284,414)</u>	<u>25,165,700</u>	<u>936,200</u>	<u>23,262,338</u>
Net change in fund balances	10,874,228	25,022,443	1,065,810	14,082,658
Fund balances at beginning of year	75,316,155	-	25,218,959	34,126,190
Fund balances at end of year	<u>\$ 86,190,383</u>	<u>\$ 25,022,443</u>	<u>\$ 26,284,769</u>	<u>\$ 48,208,848</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Total Non-Major Funds	Total Governmental Funds
\$ -	\$ 146,380,742
-	13,875,975
7,563,208	15,853,493
830,362	29,511,502
38,358	3,022,276
229,335	4,208,969
10,199,888	51,784,930
173,460	709,870
52,375	1,802,988
-	1,735,177
(170,140)	(2,206,730)
1,935,492	6,876,444
<u>20,852,338</u>	<u>273,555,636</u>
960	609,816
-	53,647
6,438,566	20,944,475
1,427,975	9,273,883
10,869,417	38,598,727
532,800	17,780,001
9,152,184	116,549,715
-	17,037,586
-	6,654,095
-	2,657,940
<u>28,421,902</u>	<u>230,159,885</u>
<u>(7,569,564)</u>	<u>43,395,751</u>
-	251,438
171,614	49,587,214
-	(49,587,214)
<u>171,614</u>	<u>251,438</u>
(7,397,950)	43,647,189
34,468,900	169,130,204
<u>\$ 27,070,950</u>	<u>\$ 212,777,393</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, 2021

Net change in fund balances - total governmental funds		\$ 43,647,189
<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 (\$21,202,091) exceeded depreciation expense (\$16,562,978) in the current period (exclusive of internal service fund activity).		4,639,113
2. The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to decrease net position.		(6,244,421)
3. Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Municipal income taxes	\$ 944,791	
Property and other local taxes	(32,160)	
Charges for services	(616,682)	
Intergovernmental	(3,270,988)	
Special assessments	15,336	
Investment income	(11,633)	
Total		(2,971,336)
4. 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	6,125,000	
Loan principal payments	529,095	
Total		6,654,095
5. Issuance of 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.		(251,438)
6. 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	10,632	
Amortization of bond premiums and discounts	206,148	
Amortization of deferred charges on refundings	257,943	
Total		474,723
7. 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.		(803,765)
8. 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	16,675,017	
OPEB	319,061	
Total		16,994,078
9. 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	(10,482,373)	
OPEB	28,837,952	
Total		18,355,579
10. 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 \$1,639,374, is allocated among governmental activities.		1,676,892
		1,676,892
Change in net position of governmental activities		\$ 82,170,709

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, 2021

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 127,800,700	\$ 143,202,000	\$ 145,756,560	\$ 2,554,560
Property and other taxes	5,982,800	6,456,600	6,578,186	121,586
State shared taxes	7,108,500	7,897,000	8,050,477	153,477
Charges for services	25,633,100	27,296,900	27,764,773	467,873
Licenses and permits	2,008,000	2,885,800	2,984,143	98,343
Fines and forfeitures	921,500	3,587,400	3,832,460	245,060
Intergovernmental	3,904,000	4,319,700	4,421,632	101,932
Special assessments	210,000	410,000	518,092	108,092
Investment income	2,348,100	2,403,100	1,627,769	(775,331)
Other	2,578,000	3,060,500	3,405,525	345,025
Total revenues	<u>178,494,700</u>	<u>201,519,000</u>	<u>204,939,617</u>	<u>3,420,617</u>
Expenditures:				
Current:				
Downtown	813,100	813,100	801,092	12,008
Youth, education and human services	-	-	53,826	(53,826)
Community development and neighborhoods	16,336,500	16,452,100	15,832,940	619,160
Economic development	6,932,300	7,668,000	6,763,912	904,088
Leadership and quality of life	29,441,000	30,875,500	29,840,531	1,034,969
Corporate responsibility	17,736,600	17,852,700	17,146,517	706,183
Public safety and justice	105,085,000	82,551,400	80,938,420	1,612,980
Other	6,376,300	6,378,500	2,361,631	4,016,869
Total expenditures	<u>182,720,800</u>	<u>162,591,300</u>	<u>153,738,869</u>	<u>8,852,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,226,100)</u>	<u>38,927,700</u>	<u>51,200,748</u>	<u>12,273,048</u>
Other financing uses:				
Transfers (out)	<u>(4,910,600)</u>	<u>(49,545,000)</u>	<u>(49,314,413)</u>	<u>230,587</u>
Total other financing uses	<u>(4,910,600)</u>	<u>(49,545,000)</u>	<u>(49,314,413)</u>	<u>230,587</u>
Net change in fund balances	(9,136,700)	(10,617,300)	1,886,335	12,503,635
Fund balance at beginning of year	71,523,306	71,523,306	71,523,306	-
Prior year encumbrances appropriated	7,268,855	7,268,855	7,268,855	-
Balance Sheet Adjustments	1,005,799	1,005,799	1,005,799	-
Fund balance at end of year	<u>\$ 70,661,260</u>	<u>\$ 69,180,660</u>	<u>\$ 81,684,295</u>	<u>\$ 12,503,635</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)
LOCAL FISCAL RECOVERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	-	68,988,087	68,988,087	-
Investment income	-	-	103,351	103,351
Total revenues	<u>-</u>	<u>68,988,087</u>	<u>69,091,438</u>	<u>103,351</u>
Expenditures:				
Current:				
Public safety and justice		43,822,387	27,542,730	16,279,657
Total expenditures	<u>-</u>	<u>43,822,387</u>	<u>27,542,730</u>	<u>16,279,657</u>
Excess of revenues over expenditures	<u>-</u>	<u>25,165,700</u>	<u>41,548,708</u>	<u>16,383,008</u>
Other financing sources:				
Transfers in	-	25,165,700	25,165,700	-
Total other financing sources	<u>-</u>	<u>25,165,700</u>	<u>25,165,700</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>50,331,400</u>	<u>66,714,408</u>	<u>16,383,008</u>
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 50,331,400</u>	<u>\$ 66,714,408</u>	<u>\$ 16,383,008</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and investments	\$ 49,037,986	\$ 71,148,260	\$ 51,394,644	\$ 22,821,650
Receivables:				
Accounts	3,051,917	8,371,300	5,393,136	1,997,710
Special assessments	-	469,942	236,055	532,843
Accrued interest	58,569	82,073	39,890	23,217
Due from other funds	-	3,797,808	-	-
Due from other governments	3,083,453	234,378	-	-
Loans receivable	-	407,759	-	-
Advances to other funds	-	-	-	-
Materials and supplies inventory	63,416	2,069,402	-	-
Inventory held for resale	-	-	-	-
Prepayments	237,025	252,662	89,080	-
Total current assets	<u>55,532,366</u>	<u>86,833,584</u>	<u>57,152,805</u>	<u>25,375,420</u>
Noncurrent assets:				
Net pension asset	122,880	309,031	155,335	51,769
Net OPEB asset	754,761	1,898,148	954,105	317,976
Capital assets:				
Land and construction in progress	39,118,559	14,041,131	14,409,178	1,722,193
Depreciable capital assets, net	246,397,542	160,047,670	119,990,472	13,976,504
Total capital assets, net	<u>285,516,101</u>	<u>174,088,801</u>	<u>134,399,650</u>	<u>15,698,697</u>
Restricted assets:				
Equity in pooled cash and investments	1,067,973	199,529	-	-
Investments with fiscal and escrow agents	6,481,604	2,167,473	2,229,229	-
Total restricted assets	<u>7,549,577</u>	<u>2,367,002</u>	<u>2,229,229</u>	<u>-</u>
Total noncurrent assets	<u>293,943,319</u>	<u>178,662,982</u>	<u>137,738,319</u>	<u>16,068,442</u>
Total assets	<u>349,475,685</u>	<u>265,496,566</u>	<u>194,891,124</u>	<u>41,443,862</u>
Deferred outflows of resources:				
Asset retirement obligation	420,000	65,000	25,000	-
Unamortized deferred charges on debt refunding	1,020,606	160,987	164,304	-
Pension	1,210,327	2,488,783	1,119,193	428,808
OPEB	619,744	1,005,626	480,243	177,126
Total deferred outflows of resources	<u>3,270,677</u>	<u>3,720,396</u>	<u>1,788,740</u>	<u>605,934</u>
Total assets and deferred outflows of resources	<u>352,746,362</u>	<u>269,216,962</u>	<u>196,679,864</u>	<u>42,049,796</u>

Business-type Activities Enterprise Funds Total		Governmental Activities - Internal Service Funds	
\$	194,402,540	\$	35,306,002
	18,814,063		6,718
	1,238,840		-
	203,749		23,982
	3,797,808		-
	3,317,831		27,613
	407,759		-
	-		6,280,000
	2,132,818		-
	-		501,719
	578,767		3,149
	<u>224,894,175</u>		<u>42,149,183</u>
	639,015		62,263
	3,924,990		382,442
	69,291,061		75,000
	540,412,188		1,016,859
	<u>609,703,249</u>		<u>1,091,859</u>
	1,267,502		-
	10,878,306		-
	<u>12,145,808</u>		<u>-</u>
	626,413,062		1,536,564
	<u>851,307,237</u>		<u>43,685,747</u>
	510,000		2,070,000
	1,345,897		-
	5,247,111		1,093,875
	2,282,739		455,954
	<u>9,385,747</u>		<u>3,619,829</u>
	<u>860,692,984</u>		<u>47,305,576</u>

- - Continued

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
DECEMBER 31, 2021

Business-type Activities - Enterprise Funds

	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Liabilities:				
Current liabilities:				
Accounts payable	423,713	1,953,914	726,082	445,868
Contracts payable	838,753	1,633,118	1,780,518	298,005
Retainage payable	372,807	213,289	208,277	3,734
Accrued wages and benefits payable	405,666	1,015,924	578,268	167,399
Due to other funds	-	-	3,115,920	681,888
Due to other governments	1,446,193	569,275	161,443	55,617
Accrued interest payable	251,420	118,608	121,106	7,436
Compensated absences payable - current	408,770	1,114,079	548,220	175,141
General obligation bonds payable	635,000	740,000	530,000	155,000
Revenue bonds payable	3,220,000	1,280,000	1,270,000	-
OWDA loans payable	-	-	1,044,725	-
Other loans payable	217,445	-	-	-
Claims and judgments payable	-	-	-	-
Asset retirement obligations	420,000	65,000	25,000	-
Payable from restricted assets:				
Utility deposits	-	199,529	-	-
Total current liabilities	8,639,767	8,902,736	10,109,559	1,990,088
Long-term liabilities:				
Compensated absences payable	279,500	761,763	374,852	119,755
General obligation bonds payable	5,563,483	11,815,683	8,014,678	2,700,000
Revenue bonds payable	62,872,480	26,056,359	28,595,746	-
OWDA loans payable	-	-	7,594,676	-
Other loans payable	4,025,799	-	-	-
Net OPEB liability	298,927	41,826	-	-
Net pension liability	8,235,389	16,143,281	7,979,156	2,659,222
Claims and judgments payable	-	-	-	-
Total long-term liabilities	81,275,578	54,818,912	52,559,108	5,478,977
Total liabilities	89,915,345	63,721,648	62,668,667	7,469,065
Deferred inflows of resources:				
OPEB	3,379,765	6,303,461	2,980,323	990,860
Pension	6,371,737	7,657,166	3,546,402	1,164,530
Total deferred inflows of resources	9,751,502	13,960,627	6,526,725	2,155,390
Total liabilities and deferred inflows of resources.	99,666,847	77,682,275	69,195,392	9,624,455
Net position:				
Net investment in capital assets	208,790,940	133,562,029	103,138,485	15,396,958
Restricted for capital projects	-	1,050,690	17,613,151	2,855,000
Restricted for debt service	7,549,577	2,167,473	2,229,229	-
Unrestricted	36,738,998	54,754,495	4,503,607	14,173,383
Total net position	\$ 253,079,515	\$ 191,534,687	\$ 127,484,472	\$ 32,425,341

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
3,549,577	227,295
4,550,394	26,353
798,107	-
2,167,257	113,659
3,797,808	-
2,232,528	39,102
498,570	-
2,246,210	199,103
2,060,000	-
5,770,000	-
1,044,725	-
217,445	-
-	3,842,654
510,000	2,070,000
199,529	-
<u>29,642,150</u>	<u>6,518,166</u>
1,535,870	136,139
28,093,844	-
117,524,585	-
7,594,676	-
4,025,799	-
340,753	71,621
35,017,048	3,659,160
-	2,323,475
<u>194,132,575</u>	<u>6,190,395</u>
<u>223,774,725</u>	<u>12,708,561</u>
13,654,409	1,560,355
18,739,835	1,886,529
<u>32,394,244</u>	<u>3,446,884</u>
<u>256,168,969</u>	<u>16,155,445</u>
460,888,412	1,091,859
21,518,841	-
11,946,279	-
<u>110,170,483</u>	<u>30,058,272</u>
604,524,015	<u>\$ 31,150,131</u>
(121,910)	
<u>\$ 604,402,105</u>	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Operating revenues:				
Charges for services	\$ 18,720,432	\$ 54,546,618	\$ 35,964,030	\$ 8,703,178
Other operating revenues	4,409,256	4,552,157	887,845	86,134
Total operating revenues.	<u>23,129,688</u>	<u>59,098,775</u>	<u>36,851,875</u>	<u>8,789,312</u>
Operating expenses:				
Personal services	6,806,024	17,343,060	8,699,002	2,525,008
Fringe benefits.	(4,981,271)	(8,458,803)	(3,984,375)	(1,131,860)
Contract services.	5,023,291	8,406,972	6,938,600	-
Materials and supplies.	949,846	5,314,145	2,886,029	199,038
Cost of sales.	-	-	-	-
Utilities	1,807,395	4,866,597	2,609,480	51,327
Claims expense	-	-	-	-
Depreciation.	15,920,765	8,074,637	5,688,796	1,623,802
Other	2,771,628	2,317,102	1,140,167	-
Total operating expenses.	<u>28,297,678</u>	<u>37,863,710</u>	<u>23,977,699</u>	<u>3,267,315</u>
Operating income (loss)	<u>(5,167,990)</u>	<u>21,235,065</u>	<u>12,874,176</u>	<u>5,521,997</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(3,059,700)	(1,356,075)	(1,162,909)	(97,901)
Gain (loss) on sale of capital assets.	2,434,254	(11,688)	-	-
Interest income.	179,030	239,444	125,817	67,602
Intergovernmental	6,204,905	-	-	-
Decrease in fair value of investments.	(545,813)	(814,991)	(411,945)	(236,007)
Total nonoperating revenues (expenses).	<u>5,212,676</u>	<u>(1,943,310)</u>	<u>(1,449,037)</u>	<u>(266,306)</u>
Income before contributions.	44,686	19,291,755	11,425,139	5,255,691
Capital contributions.	<u>7,591,007</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	7,635,693	19,291,755	11,425,139	5,255,691
Net position at beginning of year.	<u>245,443,822</u>	<u>172,242,932</u>	<u>116,059,333</u>	<u>27,169,650</u>
Net position at end of year	<u>\$ 253,079,515</u>	<u>\$ 191,534,687</u>	<u>\$ 127,484,472</u>	<u>\$ 32,425,341</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
\$ 117,934,258	\$ 34,749,651
9,935,392	454,909
<u>127,869,650</u>	<u>35,204,560</u>
35,373,094	3,632,642
(18,556,309)	(1,734,619)
20,368,863	2,012,198
9,349,058	369,425
-	4,272,721
9,334,799	24,606
-	26,256,015
31,308,000	75,998
6,228,897	313,031
<u>93,406,402</u>	<u>35,222,017</u>
<u>34,463,248</u>	<u>(17,457)</u>
(5,676,585)	-
2,422,566	-
611,893	291,173
6,204,905	-
<u>(2,008,756)</u>	<u>(236,198)</u>
<u>1,554,023</u>	<u>54,975</u>
36,017,271	37,518
<u>7,591,007</u>	<u>-</u>
43,608,278	37,518
	<u>31,112,613</u>
	<u>\$ 31,150,131</u>
<u>(1,639,374)</u>	
<u>\$ 41,968,904</u>	

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Cash flows from operating activities:				
Cash received from customers.	\$ 17,239,038	\$ 53,186,818	\$ 35,072,866	\$ 8,361,481
Cash received from interfund services provided.	-	-	-	-
Cash received from other operations	6,429,339	4,662,340	887,845	86,134
Cash payments for personal services.	(6,864,042)	(17,137,491)	(8,529,871)	(2,418,053)
Cash payments for fringe benefits.	(2,510,933)	(6,089,622)	(3,029,412)	(1,147,308)
Cash payments for contractual services	(5,278,175)	(9,419,584)	(7,453,349)	-
Cash payments for materials and supplies	(1,000,169)	(4,753,961)	(2,892,635)	(180,315)
Cash payments for cost of goods sold.	-	-	-	-
Cash payments for utilities.	(1,797,905)	(5,128,197)	(2,587,864)	(54,147)
Cash payments for claims	-	-	-	-
Cash payments for other expenses	(2,832,733)	(2,251,753)	(1,100,154)	-
Net cash provided by (used in) operating activities.	<u>3,384,420</u>	<u>13,068,550</u>	<u>10,367,426</u>	<u>4,647,792</u>
Cash flows from noncapital financing activities:				
Cash received from loans to external party.	-	150,792	-	-
Cash received from grants.	6,204,905	-	-	-
Cash received from interfund loans.	-	-	-	-
Net cash provided by noncapital financing activities.	<u>6,204,905</u>	<u>150,792</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Capital contributions.	9,960,340	-	-	-
Cash received from the sale of capital assets.	4,535,971	-	-	-
Acquisition of capital assets	(9,239,123)	(12,900,629)	(15,135,713)	(4,689,144)
Principal paid on loans.	(71,392)	-	(1,030,692)	-
Interest paid on loans.	(28,586)	-	(63,645)	-
Principal paid on bonds.	(3,725,000)	(2,175,000)	(1,915,000)	(145,000)
Interest paid on bonds.	(3,110,117)	(1,498,818)	(1,325,163)	(98,689)
Loan proceeds.	-	-	6,314,976	-
Net cash provided by (used in) capital and related financing activities.	<u>(1,677,907)</u>	<u>(16,574,447)</u>	<u>(13,155,237)</u>	<u>(4,932,833)</u>
Cash flows from investing activities:				
Interest received and fair value adjustment	(353,846)	(544,761)	(267,168)	(158,318)
Net cash provided by (used in) investing activities	<u>(353,846)</u>	<u>(544,761)</u>	<u>(267,168)</u>	<u>(158,318)</u>
Net increase (decrease) in cash and investments.	7,557,572	(3,899,866)	(3,054,979)	(443,359)
Cash and investments at beginning of year.	<u>49,029,991</u>	<u>77,415,128</u>	<u>56,678,852</u>	<u>23,265,009</u>
Cash and investments at end of year.	<u>\$ 56,587,563</u>	<u>\$ 73,515,262</u>	<u>\$ 53,623,873</u>	<u>\$ 22,821,650</u>

Business-type Activities Enterprise Funds Total		Governmental Activities - Internal Service Funds	
\$	113,860,203	\$	-
	-		34,764,686
	12,065,658		454,909
	(34,949,457)		(3,621,406)
	(12,777,275)		(1,337,704)
	(22,151,108)		(2,028,767)
	(8,827,080)		(419,741)
	-		(4,111,076)
	(9,568,113)		(24,409)
	-		(26,790,509)
	(6,184,640)		(311,231)
	<u>31,468,188</u>		<u>(3,425,248)</u>
	150,792		-
	6,204,905		-
	-		<u>1,460,000</u>
	<u>6,355,697</u>		<u>1,460,000</u>
	9,960,340		-
	4,535,971		-
	(41,964,609)		(89,932)
	(1,102,084)		-
	(92,231)		-
	(7,960,000)		-
	(6,032,787)		-
	6,314,976		-
	<u>(36,340,424)</u>		<u>(89,932)</u>
	<u>(1,324,093)</u>		<u>63,480</u>
	<u>(1,324,093)</u>		<u>63,480</u>
	159,368		(1,991,700)
	<u>206,388,980</u>		<u>37,297,702</u>
\$	<u>206,548,348</u>	\$	<u>35,306,002</u>

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**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business-type Activities - Enterprise Funds			
	Dayton International Airport	Water	Sewer	Nonmajor Enterprise Fund
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (5,167,990)	\$ 21,235,065	\$ 12,874,176	\$ 5,521,997
Adjustments:				
Depreciation	15,920,765	8,074,637	5,688,796	1,623,802
Changes in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable	497,219	(1,630,915)	(946,242)	(366,656)
Net pension asset	(31,116)	(86,899)	(47,601)	(16,326)
Net OPEB asset	(754,761)	(1,898,148)	(954,105)	(317,976)
Deferred outflows - pension	846,193	929,564	538,698	195,787
Deferred outflows - OPEB	835,709	1,455,162	710,939	217,215
Due from other funds	-	105,542	-	-
Due from other governments	41,470	72,486	-	-
Prepayments	(43,611)	(61,697)	(10,292)	-
Special assessments receivable	-	188,075	55,078	24,959
Materials and supplies inventory	(51,791)	(115,544)	-	-
Inventory held for resale	-	-	-	-
Accounts payable	179,303	383,514	(366,760)	(115,084)
Contracts payable	(301,583)	(475,081)	785,657	246,526
Retainage payable	119,266	65,515	(613,886)	835
Accrued wages and benefits	66,273	177,070	139,206	23,763
Due to other funds	(181,898)	(112,166)	(160,679)	(46,761)
Net pension liability	(4,788,942)	(5,847,280)	(2,686,221)	(849,566)
Net OPEB liability	(6,587,611)	(15,229,863)	(7,406,739)	(2,436,733)
Deferred inflows - pension	1,701,260	2,354,452	1,030,810	325,584
Deferred inflows - OPEB	1,300,654	3,705,860	1,753,392	586,854
Due to other governments	(92,749)	(297,389)	(69,455)	29,046
Compensated absences payable	(121,640)	61,395	52,654	526
Utility deposits	-	15,195	-	-
Claims payable	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 3,384,420</u>	<u>\$ 13,068,550</u>	<u>\$ 10,367,426</u>	<u>\$ 4,647,792</u>

Non-cash transactions:

During 2021, the Dayton International Airport received \$5,743,764 in capital grants, which were recognized as receivables in 2020. Receivables in the amount of \$3,374,431 have been recorded for capital grants in 2021 for the Dayton International Airport.

At December 31, 2021, the Dayton International Airport, Water, Sewer and Storm Water enterprise funds purchased \$782,921, \$2,165,074, \$1,995,841, and \$589,790 respectively, in capital assets on account. 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.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

	Business-type Activities Enterprise Funds Total		Governmental Activities - Internal Service Funds
\$	34,463,248	\$	(17,457)
	31,308,000		75,998
	(2,446,594)		10,059
	(181,942)		(16,881)
	(3,924,990)		(382,442)
	2,510,242		(214,708)
	3,219,025		217,034
	105,542		-
	113,956		4,976
	(115,600)		(1,066)
	268,112		-
	(167,335)		-
	-		9,067
	80,973		67,100
	255,519		21,152
	(428,270)		-
	406,312		(296)
	(501,504)		-
	(14,172,009)		(833,511)
	(31,660,946)		(3,048,386)
	5,412,106		458,449
	7,346,760		744,307
	(430,547)		4,883
	(7,065)		10,968
	15,195		-
	-		(534,494)
<u>\$</u>	<u>31,468,188</u>	<u>\$</u>	<u>(3,425,248)</u>

**CITY OF DAYTON
MONTGOMERY COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Custodial
Assets:	
Equity in pooled cash and investments	\$ 3,979,180
Cash with fiscal agent	898,856
Investments	1,266,294
Receivables (net of allowances for uncollectibles):	
Special assessments.	13,959,769
Income taxes	100,141
Total assets	20,204,240
Liabilities:	
Accounts payable	159,407
Due to other governments	32,040
Due to others	180,195
Total liabilities	371,642
Net position:	
Restricted for individuals, organizations and other governments .	19,832,598
Total net position	\$ 19,832,598

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, 2021

	Custodial
Additions:	
From local sources:	
Amounts received as fiscal agent	\$ 1,142,280
Licenses, permits and fees for other governments	67,655
Fines and forfeitures for other governments	3,873,095
Income tax collection for other governments	209,697
Special assessments collections for other governments	1,343,973
Earnings on investments	21,543
Fair value adjustment	(21,880)
	6,636,363
Total additions	6,636,363
Deductions:	
Distributions to the State of Ohio	534,233
Distributions as fiscal agent	2,875,420
Distributions to individuals	508,445
Income tax distributions to other governments	56,164
Special assessment distributions to other governments	3,463,984
Other custodial fund disbursements	56,857
	7,495,103
Total deductions	7,495,103
Net change in fiduciary net position	(858,740)
Net position beginning of year	20,691,338
Net position end of year	\$ 19,832,598

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, 2021

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.

The City is associated with the following twelve 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 2021. Financial information can be obtained from Brian O. Martin, Executive Director, at 10 N. Ludlow Street Suite 700, Dayton, Ohio 45402.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 2021. Financial information can be obtained from Michelle Fitzgibbon, 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 \$139,601 in revenues through the JEDD in 2021. Financial information can be obtained from Clay McCord, Treasurer, at 2700 Lyons Road, Miamisburg, Ohio 45342.

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, Township Administrator, 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 \$8,739 in revenues through the JEDD in 2021.

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 2021. 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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 2021. 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.

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 2021, the City contributed \$20,314 to HAZMAT. Financial information can be obtained from Gary Rettig, 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. During 2021, the City contributed \$56,611 to the operations of MCOEM. 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. During 2021, the City contributed \$437,865 to the operations of the Council. Financial information can be obtained from Jay Weiskircher, MVCC Executive Director, 1195 Alex Bell Road, Centerville, Ohio 45459.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 \$3,151,668 to Preschool Promise during 2021. Financial information can be obtained from Robyn Lightcap, Executive Director, 4801 Springfield Street, Dayton, Ohio 45431. Robyn.Lightcap@preschoolpromise.org.

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, 101 W. Third Street, Dayton, Ohio 45402.

Montgomery County Convention Facilities Authority - Montgomery County Convention Facilities Authority (MCCFA) is jointly governed organization that was established on November 19, 2019 under Chapter 351 of the Ohio Revised code (ORC). A memorandum of understanding was agreed upon to transfer and operate the City owned Dayton Convention Center. MCCFA is governed by a eleven (11) member Board of Directors of whom three (3) are appointed by the Mayor of the City of Dayton, and exercises all powers granted to it under ORC Chapter 351. The MCCFA is a unique government body that assumed ownership of the Dayton Convention Center on April 1, 2021, with a mission to restore/revitalize the heartbeat of our hospitality community. The Authority has the responsibility of funding improvements and services for the Dayton Convention Center that will allow the Convention and Visitors Bureau (CVB) to attract more national and regional events that drive revenue and economic growth back into Montgomery County and the City of Dayton. Key elements of their mission is hospitality focused, progressive and collaborative, welcoming and interactive. A collaborative sales approach with hotel partners, CVB and community stakeholders that will attract segments of business such as; Leisure, Group Tours, Association, Corporate, Government SMERF (Society, Military, Educational, Religious and Fraternal) and Sporting events, will cause hotel compression and pent up demand, benefiting suburban hotels and increase visitor spending.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

The City will continue collecting a 3% lodging excise tax and will transfer 100% of all money collected according to the tax (less any administrative amounts retained by the City to administer the tax) to the MCCFA quarterly.

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.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

Local fiscal recovery fund - To account for monies received from the federal government as part of the American Rescue Plan Act of 2021. This Act provides relief to address the continued impact of the COVID-19 pandemic.

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 basic financial statements.

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.

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. These funds are nonmajor funds whose activity has been aggregated and presented in a single column in the basic financial statements.

- 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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, and storm water 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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, 2021, but which were levied to finance 2022 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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 2021.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 2021, 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, 2021. Non-participating investment contracts, such as non-negotiable certificates of deposit, are reported at cost.

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 2021, 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 \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 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 2021 was \$1,633,166 in the general fund, which includes \$1,238,744 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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.

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>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities 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, 2021, 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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 basic financial statements 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.

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, net pension asset, net OPEB asset, 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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

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.

X. Unearned Revenue

The City defers revenue recognition in connection with resources that have been received, but not earned. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For 2021, the City has implemented GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period."

GASB Statement No. 89 establishes accounting requirements for interest cost incurred before the end of a construction period. GASB Statement No. 89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. GASB Statement No. 89 also reiterates that financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The implementation of GASB Statement No. 89 did not have an effect on the financial statements of the City.

For 2021, the City has applied GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance" to GASB Statement Nos. 91, 92 and 93, which were originally due to be implemented in 2021 and to GASB Statement No. 87, which was 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 pronouncements are postponed by one year and the City has elected delaying implementation until the fiscal year ended December 31, 2022:

- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

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*

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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;
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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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 \$21,225 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 \$32,350 held by the Dayton Foundation for donations related to Golf operations and the Rails to Trails program. In addition, there was \$5 held by Huntington Bank related to the State Infrastructure Bank bonds.

C. Deposits with Financial Institutions

At December 31, 2021, the carrying amount of all City deposits was \$12,476,296. As of December 31, 2021, \$22,989,721 of the City’s bank balance of \$23,639,354 was exposed to custodial risk as discussed below, while \$649,633 was covered by the FDIC.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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 2021, 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.

D. Investments

As of December 31, 2021, the City had the following investments and maturities:

Measurement/ <u>Investment type</u>	<u>Investment Maturities</u>					
	<u>Measurement Amount</u>	<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>	<u>Greater than 24 months</u>
<i>Fair Value:</i>						
FFCB	\$ 68,773,141	\$ 5,934,688	\$ -	\$ 8,045,935	\$ 8,213,143	\$ 46,579,375
FHLB	54,586,242	-	2,049,381	1,226,232	991,130	50,319,499
FHLMC	57,161,657	-	-	8,483,140	11,160,957	37,517,560
FNMA	30,251,301	2,008,240	1,511,325	2,016,420	3,985,160	20,730,156
FAMCA	6,751,560	-	-	4,014,810	2,736,750	-
U.S. Treasury Notes	83,959,546	-	2,915,962	12,022,593	20,285,594	48,735,397
Municipal Bond	4,662,804	-	349,475	-	3,445,913	867,416
Negotiable CDs	4,751,824	495,913	250,780	1,756,213	-	2,248,918
Commercial Paper	50,526,904	32,436,278	18,090,626	-	-	-
Corporate Notes	7,972,760	-	-	4,011,240	-	3,961,520
<i>Amortized Cost:</i>						
Bond funds						
Money Market	1,266,294	1,266,294	-	-	-	-
U.S. Government						
Money Market	11,053,117	11,053,117	-	-	-	-
STAR Ohio	82,902,429	82,902,429	-	-	-	-
Total	<u>\$ 464,619,579</u>	<u>\$ 136,096,959</u>	<u>\$ 25,167,549</u>	<u>\$ 41,576,583</u>	<u>\$ 50,818,647</u>	<u>\$ 210,959,841</u>

The weighted average maturity of investments is 1.90 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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.

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, 2021:

<u>Investment type</u>	<u>Measurement Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FFCB	\$ 68,773,141	14.80
Commercial Paper	50,526,904	10.87
Corporate Notes	7,972,760	1.72
FAMCA	6,751,560	1.45
FHLB	54,586,242	11.75
FHLMC	57,161,657	12.30
FNMA	30,251,301	6.51
UST	83,959,546	18.07
Municipal Bond	4,662,804	1.00
Negotiable CDs	4,751,824	1.02
<i>Amortized Cost:</i>		
Bond Fund Money Market	1,266,294	0.27
US Government Money Market	11,053,117	2.38
STAR Ohio	82,902,429	17.84
Total	<u>\$ 464,619,579</u>	<u>100.00</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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, 2021:

Cash and investments per note

Carrying amount of deposits	\$ 12,476,296
Investments	452,474,979
Investments - Cash with fiscal agent	12,144,600
Cash on hand	21,225
Cash in segregated accounts	203,703
Cash with fiscal agent	<u>32,350</u>
Total	\$ <u>477,353,153</u>

Cash and investments per statement of net position

Governmental activities	\$ 264,660,475
Business type activities	206,548,348
Custodial funds	<u>6,144,330</u>
Total	\$ <u>477,353,153</u>

NOTE 5 - INTERFUND TRANSACTIONS

A. Due from/to other funds consisted of the following at December 31, 2021, as reported on the fund statements:

	Due from		
<u>Due to</u>	<u>Sewer</u>	<u>Enterprise</u>	<u>Total</u>
Water	<u>\$ 3,115,920</u>	<u>\$ 681,888</u>	<u>\$ 3,797,808</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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

B. Interfund transfers for the year ended December 31, 2021, consisted of the following, as reported on the fund statements:

<u>Transfer from</u>	Transfer to				<u>Total</u>
	<u>Debt Service</u>	<u>Local Fiscal Recovery</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental</u>	
General	\$ 633,400	\$25,165,700	\$ 23,313,700	\$ 171,614	\$ 49,284,414
Capital Improvement	<u>302,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,800</u>
Total	<u>\$ 936,200</u>	<u>\$25,165,700</u>	<u>\$ 23,313,700</u>	<u>\$ 171,614</u>	<u>\$ 49,587,214</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. The \$171,614 transfer to the miscellaneous grants fund (a nonmajor governmental fund) was to fund the City’s share of projects funded through State and Federal grants. The \$302,800 transfer from the capital improvement fund to the debt service fund was for principal payments on outstanding debt.

Transfers between governmental funds are eliminated on the government-wide financial statements.

C. Advances to/from other funds for the year ended December 31, 2021, 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	\$ 776,000
Capital Improvements	General fund	500,000
Worker's Compensation	General fund	<u>6,280,000</u>
Total		<u>\$ 7,556,000</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 \$6,280,000 advance from worker’s compensation fund to the general fund was for manuscript bonds related to the Arcade development funds. The \$500,000 advance between the General Fund and the Capital Improvements fund was for ED/GE (Economic Development/Government Equity) Projects. Advances between governmental funds are eliminated on the government-wide financial statements.

The City also has \$1,802,080 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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. 2021 public utility property taxes became a lien at December 31, 2020, are levied after October 1, 2021, and are collected in 2022 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, 2021 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 2021 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.

The full tax rate for all City operations for the year ended December 31, 2021 was \$10.00 per \$1,000 of assessed value. The assessed values of real and public utility property for tax year 2021 are as follows:

Real property

Residential/agricultural	\$ 1,020,131,260
Commercial/industrial	466,112,090

Public utility

Real	1,815,440
Personal	136,309,670

Total assessed value	<u><u>\$ 1,624,368,460</u></u>
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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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 7 - INCOME TAX – (Continued)

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 2021, as reported in the governmental fund financial statements on the modified accrual basis of accounting, was \$146,380,742.

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 \$1,735,177 in 2021 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.

NOTE 9 - TAX ABATEMENTS

As of December 31, 2021, 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 2021, the City’s property tax revenues were reduced as a result of these agreements as follows:

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 - TAX ABATEMENTS – (Continued)

<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, 2021, 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, 2021, as well as intended to finance 2021 operations.

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

Governmental activities:

Property and other local taxes	\$ 22,747,552
Municipal income taxes	23,032,788
Accounts	5,481,239
Payments in lieu of taxes	1,573,853
Special assessments	650,958
Accrued interest	273,975
Due from other governments	19,039,192
Loans	25,620,365

Business-type activities:

Accounts	18,814,063
Special assessments	1,238,840
Accrued interest	203,749
Due from other governments	3,317,831
Loans	407,759

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).

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, the amount owed to the City was \$23,782,906. 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 \$9,480,000 for this loan and considers \$14,302,906 uncollectible. However, the Port Authority remains liable for the entire balance of the loan, including the portion in default.

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 \$265,792 in loan payments during 2021, and did not make any new loans during 2021. 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	407,759
Hawthorne School	681,584
Phoenix Redevelopment	2,272,699
Tech Town	1,600,000
Tech Town 2	550,000
Total	<u>\$ 16,512,042</u>

C Other Loans Receivable

The City has economic development loans with Tangram Flex for \$36,082. A receivable is recorded in the general fund for this loan. 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, 2021

NOTE 12 - CAPITAL ASSETS

A. Capital asset activity for the governmental activities for the year ended December 31, 2021 were as follows in the chart below.

	<u>Balance</u> <u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/21</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 54,622,909	\$ -	\$ -	\$ 54,622,909
Construction in progress	10,017,986	21,928,314	(24,717,437)	7,228,863
Right-of-ways	14,007,402	-	-	14,007,402
Total capital assets, not being depreciated	<u>78,648,297</u>	<u>21,928,314</u>	<u>(24,717,437)</u>	<u>75,859,174</u>
<i>Capital assets, being depreciated:</i>				
Building improvements	173,227,784	1,934,119	(16,420,822)	158,741,081
Improvements other than buildings	68,775,297	3,903,908	(787,226)	71,891,979
Equipment	21,857,477	465,139	(1,060,069)	21,262,547
Software	1,271,884	-	-	1,271,884
Vehicles	50,653,949	3,212,210	(659,846)	53,206,313
Infrastructure	398,795,988	14,565,770	-	413,361,758
Total capital assets, being depreciated	<u>714,582,379</u>	<u>24,081,146</u>	<u>(18,927,963)</u>	<u>719,735,562</u>
<i>Less: accumulated depreciation</i>				
Building improvements	(92,674,792)	(3,159,514)	10,449,020	(85,385,286)
Improvements other than buildings	(44,504,433)	(1,278,923)	686,930	(45,096,426)
Equipment	(18,450,876)	(677,693)	948,445	(18,180,124)
Software	(1,010,345)	(95,758)	-	(1,106,103)
Vehicles	(32,589,267)	(2,796,803)	599,147	(34,786,923)
Infrastructure	(132,150,965)	(8,630,285)	-	(140,781,250)
Total accumulated depreciation	<u>(321,380,678)</u>	<u>(16,638,976)</u>	<u>12,683,542</u>	<u>(325,336,112)</u>
Total capital assets being depreciated, net	<u>393,201,701</u>	<u>7,442,170</u>	<u>(6,244,421)</u>	<u>394,399,450</u>
Governmental activities capital assets, net	<u>\$ 471,849,998</u>	<u>\$ 29,370,484</u>	<u>\$ (30,961,858)</u>	<u>\$ 470,258,624</u>

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

<u>Governmental activities:</u>	
Downtown	\$ 98,610
Youth, education and human services	1,750
Community development and neighborhoods	634,525
Economic development	639,803
Leadership and quality of life	12,376,334
Corporate responsibility	496,814
Public safety and justice	2,391,140
Total depreciation expense - governmental activities	<u>\$ 16,638,976</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - CAPITAL ASSETS - (Continued)

B. Capital asset activity for the business-type activities for the year ended December 31, 2021, were as follows:

	Balance			Balance
	<u>12/31/20</u>	<u>Additions</u>	<u>Deductions</u>	<u>12/31/21</u>
Business-type activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 41,263,768	\$ -	\$ (2,101,717)	\$ 39,162,051
Construction in progress	<u>36,140,266</u>	<u>40,677,902</u>	<u>(46,689,158)</u>	<u>30,129,010</u>
Total capital assets, not being depreciated	<u>77,404,034</u>	<u>40,677,902</u>	<u>(48,790,875)</u>	<u>69,291,061</u>
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	284,376,692	1,515,715	-	285,892,407
Improvements other than buildings	854,749,905	37,716,220	-	892,466,125
Equipment	23,928,077	2,224,284	(18,346)	26,134,015
Software	1,572,352	-	-	1,572,352
Vehicles	<u>40,993,442</u>	<u>6,048,721</u>	<u>(292,862)</u>	<u>46,749,301</u>
Total capital assets, being depreciated	<u>1,205,620,468</u>	<u>47,504,940</u>	<u>(311,208)</u>	<u>1,252,814,200</u>
<i>Less: accumulated depreciation</i>				
Buildings and improvements	(123,798,093)	(6,614,830)	-	(130,412,923)
Improvements other than buildings	(514,201,203)	(20,876,353)	-	(535,077,556)
Equipment	(17,404,758)	(1,290,393)	16,248	(18,678,903)
Software	(1,268,041)	(165,154)	-	(1,433,195)
Vehicles	<u>(24,721,437)</u>	<u>(2,361,270)</u>	<u>283,272</u>	<u>(26,799,435)</u>
Total accumulated depreciation	<u>(681,393,532)</u>	<u>(31,308,000)</u>	<u>299,520</u>	<u>(712,402,012)</u>
Total capital assets being depreciated, net	<u>524,226,936</u>	<u>16,196,940</u>	<u>(11,688)</u>	<u>540,412,188</u>
Business-type activities capital assets, net	<u>\$ 601,630,970</u>	<u>\$ 56,874,842</u>	<u>\$ (48,802,563)</u>	<u>\$ 609,703,249</u>

Depreciation expense was charged to the enterprise funds as follows:

Business-type Activities:	
Dayton International Airport	\$ 15,920,765
Water	8,074,637
Sewer	5,688,796
Storm water	<u>1,623,802</u>
Total depreciation expense - business-type activities	<u>\$ 31,308,000</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 12 - CAPITAL ASSETS - (Continued)

- C. Outstanding contractual commitments related to construction in progress for the year ended December 31, 2021, was as follows:

Governmental activities	\$	1,482,476
Water		9,250,698
Sewer		32,658,150
Dayton International Airport		7,087,082
Nonmajor enterprise funds		<u>6,386</u>
Total outstanding contractual commitments	\$	<u><u>50,484,792</u></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, 2021, are as follows:

<u>Year Ending</u> <u>December 31,</u>		<u>Minimum</u> <u>Lease Payments</u>
2022	\$	274,191
2023		<u>136,052</u>
Totals	\$	<u><u>410,243</u></u>

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021, are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Minimum</u> <u>Lease Payments</u>
2022	\$ 384,102
2023	219,209
2024	132,048
2025	119,186
2026	108,985
2027 - 2031	428,461
2032 - 2036	461,752
2037 - 2041	549,664
2042 - 2046	654,313
2047 - 2051	778,887
2052 - 2056	927,177
2057 - 2061	1,103,701
2062 - 2066	1,313,832
2067 - 2071	1,563,971
2072 - 2076	1,861,732
2077 - 2081	2,216,184
2082 - 2086	2,638,120
2087 - 2091	1,637,580
2092 - 2096	514,622
2097 - 2099	<u>354,559</u>
Totals	<u>\$ 17,968,085</u>

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS

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

	Issue	Maturity	Interest	Original	Balance			Balance	Amounts
	Date	Date	Rate (%)	Issue	12/31/20	Increase	Decrease	12/31/21	Due in
<i>Governmental activities:</i>	<u>Date</u>	<u>Date</u>	<u>Rate (%)</u>	<u>Amount</u>	<u>12/31/20</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/21</u>	<u>One Year</u>
General obligation bonds:									
Various Purpose GO Bonds	12/15/16	12/01/36	2.0 - 5.0	12,210,000	8,320,000	-	(790,000)	7,530,000	805,000
Energy conservation bonds	06/11/11	12/01/25	4.98	1,615,000	615,000	-	(120,000)	495,000	120,000
Various purpose bonds	09/09/14	12/01/34	1.25 - 4.0	5,700,000	3,725,000	-	(355,000)	3,370,000	370,000
Various purpose bonds	11/13/18	12/01/38	2.5-4.0	10,705,000	9,120,000	-	(845,000)	8,275,000	860,000
Various purpose bonds	11/12/20	12/1/2032	1.0-4.0	25,625,000	25,625,000	-	(1,890,000)	23,735,000	1,870,000
Total general obligation bonds					47,405,000	-	(4,000,000)	43,405,000	4,025,000
Revenue bonds:									
Economic development	09/22/10	12/1/31	2.0 - 4.125	2,500,000	1,525,000	-	(115,000)	1,410,000	1,745,000
2020 Economic development refunding	11/12/20	12/1/28	.04 - 1.8	14,225,000	14,225,000	-	(1,725,000)	12,500,000	120,000
Economic development	11/13/18	12/01/38	3.75 - 5.0	3,700,000	3,455,000	-	(135,000)	3,320,000	140,000
Total revenue bonds					19,205,000	-	(1,975,000)	17,230,000	2,005,000

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CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

	Issue	Maturity	Original Issue	Balance			Balance	Amounts
<i>Governmental activities:</i>	<u>Date</u>	<u>Date</u>	<u>Amount</u>	<u>12/31/20</u>	<u>Increase</u>	<u>Decrease</u>	<u>12/31/21</u>	<u>Due in</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	323,895	\$ 237,516	\$ -	\$ (21,592)	\$ 215,924	\$ 21,592
Ohio Public Works								
Commission loan	7/1/2016	7/1/2031	133,189	102,111	-	(8,879)	93,232	8,879
Ohio Public Works								
Commission loan	7/1/2016	7/1/2031	642,814	492,824	-	(42,855)	449,969	42,855
Ohio Public Works								
Commission loan	7/1/2019	7/1/2035	366,855	354,627	-	(24,457)	330,170	24,457
Ohio Public Works								
Commission loan	7/1/2019	7/1/2035	372,300	359,890	-	(24,820)	335,070	24,820
Ohio Public Works								
Commission loan	1/1/2021	1/1/1936	251,438	-	251,438	(8,381)	243,057	16,763
Total Ohio Public Works Commission loans				<u>1,546,968</u>	<u>251,438</u>	<u>(130,984)</u>	<u>1,667,422</u>	<u>139,366</u>
Other long-term obligations:								
<u>Direct Borrowings:</u>								
Ohio Department of								
Development loan	04/01/10	04/21/25	2,860,000	1,489,311	-	(290,693)	1,198,618	304,055
State Infrastructure								
Bank loan	12/4/2014	11/15/2036	2,500,000	2,169,058	-	(107,418)	2,061,640	110,664
State Infrastructure								
Bank bonds	12/4/14	11/15/2036	3,540,000	2,865,000	-	(150,000)	2,715,000	150,000
Net pension liability				206,578,905	1,369,466	(18,692,517)	189,255,854	-
Net OPEB liability				65,076,509	1,470,729	(44,096,522)	22,450,716	-
Judgments				14,103	604,320	(94,716)	523,707	523,707
Claims				6,700,623	24,362,085	(24,896,579)	6,166,129	3,842,654
Compensated absences				13,141,495	10,952,599	(10,145,383)	13,948,711	8,486,309
Total other long-term obligations				<u>298,035,004</u>	<u>38,759,199</u>	<u>(98,473,828)</u>	<u>238,320,375</u>	<u>13,417,389</u>
Total governmental activities				<u>\$ 366,191,972</u>	<u>\$ 39,010,637</u>	<u>\$ (104,579,812)</u>	<u>300,622,797</u>	<u>\$ 19,586,755</u>
Add: unamortized bond premiums and discounts							3,463,410	
Total on statement of net position							<u>\$ 304,086,207</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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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, 2021 is \$16,435,000.

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 4.73 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 \$13,189,756. Principal and interest paid for the current year on the revenue bonds were \$1,725,000 and \$157,647. General fund nontax revenues for the current year were \$39,779,437.

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 .44 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2010 revenue bonds is \$1,741,777. Principal and interest paid for the current year was \$115,000 and \$60,272. General fund nontax revenues for the current year were \$39,779,437.

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 .70 percent of general fund nontax revenues. The total principal and interest remaining to be paid on the Series 2018 revenue bonds is \$4,755,988. Principal and interest paid for the current year was \$135,000 and \$141,850. General fund nontax revenues for the current year were \$39,779,437.

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, 2021, is \$13,065,000.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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, 2021, is \$840,000.

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 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.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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, 2021, the City’s total debt margin was \$129,449,722 and the unvoted debt margin was \$48,231,299.

The following is a schedule of future principal and interest payments to retire the long-term obligations outstanding at December 31, 2021 for the governmental activities:

Year Ending December 31,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	3,345,000	1,032,763	4,377,763	2,095,000	237,535	2,332,535
2027 - 2031	12,255,000	3,449,363	15,704,363	5,365,000	652,988	6,017,988
2032 - 2036	8,020,000	1,466,335	9,486,335	1,120,000	260,888	1,380,888
2037 - 2040	4,150,000	303,100	4,453,100	520,000	31,400	551,400
Totals	\$ 43,405,000	\$ 11,617,331	\$ 55,022,331	\$ 17,230,000	\$ 2,457,521	\$ 19,687,521

Year Ending December 31,	Ohio Public Works Commission Loans			Ohio Department of Development Loan		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 139,366	\$ -	\$ 139,366	\$ 304,055	\$ 29,617	\$ 333,672
2023	139,365	-	139,365	313,305	19,600	332,905
2024	139,366	-	139,366	322,834	9,296	332,130
2025	139,365	-	139,365	258,424	744	259,168
2026	139,365	-	139,365	-	-	-
2027 - 2031	696,827	-	696,827	-	-	-
2032 - 2036	273,768	-	273,768	-	-	-
Totals	\$ 1,667,422	\$ -	\$ 1,667,422	\$ 1,198,618	\$ 59,257	\$ 1,257,875

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	State Infrastructure Bank Bonds			State Infrastructure Bank Loan		
	Principal	Interest	Total	Principal	Interest	Total
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	160,000	72,632	232,632	124,663	47,027	171,690
2027 - 2031	885,000	281,286	1,166,286	682,164	176,286	858,450
2032 - 2036	<u>1,050,000</u>	<u>110,753</u>	<u>1,160,753</u>	<u>791,679</u>	<u>66,771</u>	<u>858,450</u>
Totals	<u>\$ 2,715,000</u>	<u>\$ 801,886</u>	<u>\$ 3,516,886</u>	<u>\$ 2,061,640</u>	<u>\$ 513,710</u>	<u>\$ 2,575,350</u>

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

<i>Business-type activities:</i>	Issue Date	Maturity Date	Interest Rate (%)	Original	Balance 12/31/20	Increase	Decrease	Balance 12/31/21	Amounts
				Issue Amount					Due in One Year
General obligation bonds:									
Dayton International Airport									
refunding bonds	12/3/2015	12/1/2029	1.0 to 4.0	8,045,000	\$ 6,435,000	\$ -	\$ (610,000)	\$ 5,825,000	\$ 635,000
Wellfield	12/15/2016	12/1/2036	2.0 to 5.0	5,900,000	4,745,000	-	(225,000)	4,520,000	225,000
2020 Bonds - Storm	11/12/2020	12/1/2040	1.0 to 4.0	3,000,000	3,000,000	-	(145,000)	2,855,000	155,000
2020 Bonds - Water	11/12/2020	12/1/2040	1.0 to 4.0	7,245,000	7,245,000	-	(705,000)	6,540,000	515,000
2020 Bonds - Sewer	11/12/2020	12/1/2040	1.0 to 4.0	7,390,000	<u>7,390,000</u>	-	<u>(715,000)</u>	<u>6,675,000</u>	<u>530,000</u>
Total general obligation bonds					<u>28,815,000</u>	-	<u>(2,400,000)</u>	<u>26,415,000</u>	<u>2,060,000</u>
Revenue bonds:									
Water	12/3/2015	12/1/2035	1.0 to 4.0	15,090,000	12,150,000	-	(645,000)	11,505,000	655,000
Sewer	12/3/2015	12/1/2035	1.0 to 4.0	15,770,000	12,700,000	-	(670,000)	12,030,000	685,000
Dayton International Airport	12/30/2015	12/1/2035	3.0 to 5.0	21,545,000	17,540,000	-	(915,000)	16,625,000	935,000
Dayton International Airport	9/9/2014	12/01/2032	2.30 to 5.00	26,950,000	19,865,000	-	(1,290,000)	18,575,000	1,345,000
Dayton International Airport	12/15/2016	12/1/2041	3.0 to 5.0	33,050,000	30,085,000	-	(910,000)	29,175,000	940,000
Water	11/13/18	12/01/38	3.0 to 5.0	16,430,000	15,325,000	-	(600,000)	14,725,000	625,000
Sewer	10/30/20	12/1/40	3.0 to 4.0	16,380,000	<u>16,380,000</u>	-	<u>(530,000)</u>	<u>15,850,000</u>	<u>585,000</u>
Total revenue bonds					<u>124,045,000</u>	-	<u>(5,560,000)</u>	<u>118,485,000</u>	<u>5,770,000</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	3,330,117	6,773,796	(1,464,512)	8,639,401	1,044,725
Ohio public works									
Commission loan	07/01/1997	01/01/2020	0.00	1,000,000	25,000	-	(25,000)	-	-
JOBS Ohio loan	09/01/2016	04/01/2037	2.0 to 3.0	5,000,000	4,314,636	-	(71,392)	4,243,244	217,445
Compensated absences payable					3,789,145	2,261,163	(2,268,228)	3,782,080	2,246,210
Net pension liability					49,189,057	-	(14,172,009)	35,017,048	-
Net OPEB liability					<u>32,001,699</u>	-	<u>(31,660,946)</u>	<u>340,753</u>	-
Total other long-term obligations					<u>92,649,654</u>	<u>9,034,959</u>	<u>(49,662,087)</u>	<u>52,022,526</u>	<u>3,508,380</u>
Total business-type activities					<u>\$ 245,509,654</u>	<u>\$ 9,034,959</u>	<u>\$ (57,622,087)</u>	<u>196,922,526</u>	<u>\$ 11,338,380</u>
Add: unamortized bond premiums and discounts								<u>8,548,429</u>	
Total on statement of net position								<u>\$ 205,470,955</u>	

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

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.

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 \$32,277,264. Principal and interest paid for the current year and total customer net revenues were \$2,308,187 and \$28,734,155, 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 \$31,715,062. Principal and interest paid for the current year and total customer net revenues were \$2,261,578 and \$18,276,844, respectively.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 is \$19,930,000.

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 48.50 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 \$75,517,847. Principal and interest paid for the current year and total customer net revenues were \$5,977,837 and \$12,325,764, 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, 2021, the City had outstanding borrowings of \$8,639,401 amount, \$6,773,796 was disbursed during 2021. 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 8.41 percent of net revenues. The total principal and interest remaining to be paid on the loans is \$8,679,812. Principal and interest paid for the current year were \$1,536,238 and customer net revenues were \$18,276,844.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 for the business-type activities.

Year Ending December 31,	Revenue Bonds			General Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	6,655,000	3,884,856	10,539,856	2,255,000	691,300	2,946,300
2027 - 2031	37,810,000	14,915,072	52,725,072	10,895,000	2,089,800	12,984,800
2032 - 2036	33,360,000	7,054,251	40,414,251	4,000,000	441,512	4,441,512
2037 - 2041	<u>16,390,000</u>	<u>1,877,950</u>	<u>18,267,950</u>	<u>695,000</u>	<u>53,100</u>	<u>748,100</u>
Totals	<u>\$ 118,485,000</u>	<u>\$ 45,653,238</u>	<u>\$ 164,138,238</u>	<u>\$ 26,415,000</u>	<u>\$ 6,714,878</u>	<u>\$ 33,129,878</u>

Year Ending December 31,	OWDA Loan		
	Principal	Interest	Total
2022	\$ 1,044,725	\$ 33,185	\$ 1,077,910
2023	<u>320,102</u>	<u>7,226</u>	<u>327,328</u>
Totals	<u>\$ 1,364,827</u>	<u>\$ 40,411</u>	<u>\$ 1,405,238</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Year Ending December 31,	JOBS Ohio		
	Principal	Interest	Total
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	237,903	64,695	302,598
2027 - 2031	1,241,864	336,294	1,578,158
2032 - 2036	1,438,804	176,342	1,615,146
2037 - 2038	424,780	9,087	433,867
Totals	<u>\$ 4,243,244</u>	<u>\$ 891,172</u>	<u>\$ 5,134,416</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 2021, 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, 2021

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, 2021, there were \$521,300 in outstanding claims and judgments pending that are reported as a component of claimants payable in the general fund. Claims activity for 2021 and 2020 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>
2021	\$ 11,364	\$ 604,930	\$ (94,994)	\$ 521,300
2020	4,997	278,112	(271,745)	11,364

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 \$3,218,329 reported at December 31, 2021, 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 \$3,218,329 claims liability, \$894,854 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 \$2,323,475. 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, 2021

NOTE 15 - RISK MANAGEMENT - (Continued)

Changes in the funds' claims liability amount in 2021 and 2020 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>
2021	\$ 3,334,023	\$ 2,496,326	\$ (2,612,020)	\$ 3,218,329
2020	3,230,679	2,476,478	(2,373,134)	3,334,023

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 \$2,947,800 for the claims payable liability.

Changes in the claims payable liability in 2021 and 2020 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>
2021	\$ 3,366,600	\$ 23,759,689	\$ (24,178,489)	\$ 2,947,800
2020	3,475,300	22,523,445	(22,632,145)	3,366,600

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, Fire, Clerical, Blue Collar, and Building Trade Personnel under union contract. It is given on the basis of time and one-half for actual hours worked. Employees who have accumulated the maximum of compensatory time hours are paid overtime as overtime hours are worked.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 - OTHER EMPLOYEE BENEFITS - (Continued)

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.

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/Asset

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/asset 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension/OPEB liability/asset on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB 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.

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 Annual 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, 2021

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. 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. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

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
2021 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2021 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, 2021

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 \$10,739,071 for 2021. Of this amount, \$928,504 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 Annual Comprehensive 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.

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.00% of the member's base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member's base pension benefit where the percentage is the lesser of 3.00% or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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>
2021 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
2021 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 \$11,120,500 for 2021. Of this amount, \$1,130,274 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 OPERS was measured as of December 31, 2020, 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, 2020, and was determined by rolling forward the total pension liability as of January 1, 2020, to December 31, 2020. 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	0.55017700%	0.51798500%	0.48546700%	2.18245380%	
Proportion of the net pension liability/asset current measurement date	<u>0.52424400%</u>	<u>0.49427000%</u>	<u>0.46339400%</u>	<u>2.15112000%</u>	
Change in proportionate share	<u>-0.02593300%</u>	<u>-0.02371500%</u>	<u>-0.02207300%</u>	<u>-0.03133380%</u>	
Proportionate share of the net pension liability	\$ 77,629,122	\$ -	\$ -	\$ 146,643,780	\$ 224,272,902
Proportionate share of the net pension asset	-	(1,426,777)	(84,472)	-	(1,511,249)
Pension expense	(2,294,120)	33,638	(60,588)	10,949,743	8,628,673

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

At December 31, 2021, 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	\$ -	\$ -	\$ 58,037	\$ 6,130,207	\$ 6,188,244
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-
Changes of assumptions	-	89,104	2,411	2,459,288	2,550,803
Changes in employer's proportionate percentage/difference between employer contributions subsequent to the measurement date	263,176	-	-	2,294,359	2,557,535
Total deferred outflows of resources	<u>\$ 10,416,849</u>	<u>\$ 402,239</u>	<u>\$ 332,711</u>	<u>\$ 22,004,354</u>	<u>\$ 33,156,153</u>
Deferred inflows of resources					
Differences between expected and actual experience	\$ 3,247,290	\$ 269,177	\$ -	\$ 5,712,800	\$ 9,229,267
Net difference between projected and actual earnings on pension plan investments	30,257,564	212,187	9,232	7,113,189	37,592,172
Changes of assumptions	-	-	-	-	-
Changes in employer's proportionate percentage/difference between employer contributions	4,434,132	-	-	3,787,156	8,221,288
Total deferred inflows of resources	<u>\$ 37,938,986</u>	<u>\$ 481,364</u>	<u>\$ 9,232</u>	<u>\$ 16,613,145</u>	<u>\$ 55,042,727</u>

\$21,859,571 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, 2022.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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
2022	\$ (15,743,495)	\$ (102,159)	\$ 6,462	\$ (816,165)	\$ (16,655,357)
2023	(5,471,621)	(64,884)	7,858	2,726,602	(2,802,045)
2024	(12,334,008)	(113,819)	5,721	(6,670,843)	(19,112,949)
2025	(4,126,686)	(52,957)	6,988	(1,046,860)	(5,219,515)
2026	-	(22,690)	7,304	77,975	62,589
Thereafter	-	(35,751)	16,883	-	(18,868)
Total	<u>\$ (37,675,810)</u>	<u>\$ (392,260)</u>	<u>\$ 51,216</u>	<u>\$ (5,729,291)</u>	<u>\$ (43,746,145)</u>

Actuarial Assumptions - OPERS

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

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2020, 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, 2020, are presented below.

Wage inflation	3.25%
Future salary increases, including inflation	3.25% to 10.75% including wage inflation
COLA or ad hoc COLA	Pre 1/7/2013 retirees: 3.00%, simple Post 1/7/2013 retirees: 0.50%, simple through 2021, 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 2020, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 1.40% simple through 2020 then 2.15% simple to 0.50% simple through 2021 then 2.15% simple.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

During 2020, 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 11.70% for 2020.

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, 2020, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed income	25.00 %	1.32 %
Domestic equities	21.00	5.64
Real estate	10.00	5.39
Private equity	12.00	10.42
International equities	23.00	7.36
Other investments	9.00	4.75
Total	<u>100.00 %</u>	<u>5.43 %</u>

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, 2020 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:

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net pension liability (asset):			
Traditional Pension Plan	\$ 148,077,960	\$ 77,629,122	\$ 19,051,027
Combined Plan	(993,483)	(1,426,777)	(1,749,716)
Member-Directed Plan	(74,143)	(84,472)	(92,679)

Actuarial Assumptions - OP&F

OP&F's total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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, 2021, are presented below.

Valuation date	1/1/20 with actuarial liabilities rolled forward to 12/31/20
Actuarial cost method	Entry age normal (level percent of payroll)
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	2.20% per year simple

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%.

<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 Buck 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%

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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, 2020 are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return **</u>
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	<u>125.00 %</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 1.25 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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 17 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	\$ 204,146,928	\$ 146,643,780	\$ 98,519,454

NOTE 18 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 17 for a description of the net OPEB liability/asset.

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. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

Medicare-eligible retirees who choose to become re-employed or survivors who become employed in an OPERS-covered position are prohibited from participating in an HRA. For this group of retirees, OPERS sponsors secondary coverage through a professionally managed self-insured program. Retirees who enroll in this plan are provided with a monthly allowance to offset a portion of the monthly premium. Medicare-eligible spouses and dependents can also enroll in this plan as long as the retiree is enrolled.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS.

The health care 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 separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS will discontinue the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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 with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Current retirees eligible (or who become eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements will change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. 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' Annual Comprehensive Financial Report 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 2021, 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. For 2021, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. 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 2021 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 \$108,905 for 2021. Of this amount, \$9,416 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.

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

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.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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 2021, 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 \$265,496 for 2021. Of this amount, \$26,985 is reported as due to other governments.

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

The net OPEB liability/asset and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2019, rolled forward to the measurement date of December 31, 2020, 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, 2020, and was determined by rolling forward the total OPEB liability as of January 1, 2020, to December 31, 2020. 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, 2021

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	0.54675100%	2.18245380%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.52102500%</u>	<u>2.15112000%</u>	
Change in proportionate share	<u>-0.02572600%</u>	<u>-0.03133380%</u>	
Proportionate share of the net OPEB liability	\$ -	\$ 22,791,469	\$ 22,791,469
Proportionate share of the net OPEB asset	(9,282,478)	-	(9,282,478)
OPEB expense	(58,401,673)	2,129,419	(56,272,254)

At December 31, 2021, 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	\$ -	\$ -	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes of assumptions	4,563,370	12,591,042	17,154,412
Changes in employer's proportionate percentage/ difference between employer contributions	378,201	712,287	1,090,488
Contributions subsequent to the measurement date	108,905	265,496	374,401
Total deferred outflows of resources	<u>\$ 5,050,476</u>	<u>\$ 13,568,825</u>	<u>\$ 18,619,301</u>

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 8,377,382	\$ 3,759,371	\$ 12,136,753
Net difference between projected and actual earnings on OPEB plan investments	4,943,977	846,973	5,790,950
Changes of assumptions	15,040,394	3,633,385	18,673,779
Changes in employer's proportionate percentage/ difference between employer contributions	3,003,592	622,204	3,625,796
Total deferred inflows of resources	<u>\$ 31,365,345</u>	<u>\$ 8,861,933</u>	<u>\$ 40,227,278</u>

\$374,401 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, 2022.

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:			
2022	\$ (14,204,435)	\$ 927,205	\$ (13,277,230)
2023	(9,488,335)	1,127,770	(8,360,565)
2024	(2,148,450)	811,568	(1,336,882)
2025	(582,554)	920,753	338,199
2026	-	348,942	348,942
Thereafter	-	305,158	305,158
Total	<u>\$ (26,423,774)</u>	<u>\$ 4,441,396</u>	<u>\$ (21,982,378)</u>

Actuarial Assumptions - OPERS

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

Projections of 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, 2019, rolled forward to the measurement date of December 31, 2020.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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	6.00%
Prior Measurement date	3.16%
Investment Rate of Return	
Current measurement date	6.00%
Prior Measurement date	6.00%
Municipal Bond Rate	
Current measurement date	2.00%
Prior Measurement date	2.75%
Health Care Cost Trend Rate	
Current measurement date	8.50% initial, 3.50% ultimate in 2035
Prior Measurement date	10.50%, initial 3.50%, ultimate in 2030
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.

During 2020, 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 contribution 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 10.50% for 2020.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2020, 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	34.00 %	1.07 %
Domestic Equities	25.00	5.64
Real Estate Investment Trust	7.00	6.48
International Equities	25.00	7.36
Other investments	9.00	4.02
Total	<u>100.00 %</u>	<u>4.43 %</u>

Discount Rate - A single discount rate of 6.00% was used to measure the total OPEB liability on the measurement date of December 31, 2020. 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) a 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 the actuarial assumed rate of return on the health care investment portfolio of 6.00% and a municipal bond rate of 2.00%. 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 the year 2120. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2120, the duration of the projection period through which projected health care payments are fully funded.

Change in Benefit Terms - On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation which are reported by the City at December 31, 2021. These changes significantly decreased the total OPEB liability for the measurement date December 31, 2020.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate - The following table presents the proportionate share of the net OPEB asset calculated using the single discount rate of 6.00%, 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 (5.00%) or one-percentage-point higher (7.00%) 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 asset	\$ 2,308,141	\$ 9,282,478	\$ 15,015,941

Sensitivity of the City's Proportionate Share of the Net OPEB Asset 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 asset. The following table presents the net OPEB asset calculated using the assumed trend rates, and the expected net OPEB asset 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 2021 is 8.50%. 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 asset	\$ 9,508,706	\$ 9,282,478	\$ 9,029,363

Actuarial Assumptions - OP&F

OP&F's total OPEB liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020, 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.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Valuation Date	January 1, 2020, with actuarial liabilities rolled forward to December 31, 2020
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Investment Rate of Return	8.00%
Projected Salary Increases	3.75% to 10.50%
Payroll Growth	3.25%
Single discount rate:	
Current measurement date	2.96%
Prior measurement date	3.56%
Cost of Living Adjustments	2.20% simple per year

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.

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.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

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, 2020, are summarized below:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return **
Cash and Cash Equivalents	- %	0.00 %
Domestic Equity	21.00	4.10
Non-US Equity	14.00	4.80
Private Markets	8.00	6.40
Core Fixed Income *	23.00	0.90
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation		
Linked Bonds *	17.00	0.70
Midstream Energy Infrastructure	5.00	5.60
Real Assets	8.00	5.80
Gold	5.00	1.90
Private Real Estate	12.00	5.30
Total	125.00 %	

Note: assumptions are geometric.

* levered 2.5x

** 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 1.25 times due to the application of leverage in certain fixed income asset classes.

Discount Rate - For 2020, the total OPEB liability was calculated using the discount rate of 2.96%. For 2019, the total OPEB liability was calculated using the discount rate of 3.56%. 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 2.12% at December 31, 2020 and 2.75% at December 31, 2019, was blended with the long-term rate of 8.00%, which resulted in a blended discount rate of 2.96% for 2020 and 3.56% for 2019. 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.

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 2.96%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.96%), or one percentage point higher (3.96%) than the current rate.

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 18 - DEFINED BENEFIT OPEB PLANS - (Continued)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$ 28,419,657	\$ 22,791,469	\$ 18,148,870

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 and the local fiscal recovery fund for the year ended December 31, 2021, on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance

	<u>General</u>	<u>Local Fiscal Recovery</u>
Budget basis	\$ 1,886,335	\$ 66,714,408
Net adjustment for revenues	1,913,015	(43,443,145)
Net adjustment for expenditures	(5,980,170)	751,563
Net adjustment for other sources/uses	29,999	-
Adjustment for encumbrances	13,025,049	999,617
GAAP basis	<u>\$ 10,874,228</u>	<u>\$ 25,022,443</u>

CITY OF DAYTON, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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	Local Fiscal Recovery Fund	Debt Service Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepays	\$ 521,758	\$ -	\$ -	\$ 31,467	\$ 191,840	\$ 745,065
Materials and supplies inventory	22,256	-	-	-	854,911	877,167
Advances to other funds	776,000	-	-	-	-	776,000
Perpetual care	-	-	-	-	102,228	102,228
Loans receivable	13,186,082	-	-	-	-	13,186,082
Unclaimed monies	857,171	-	-	-	-	857,171
Total nonspendable	15,363,267	-	-	31,467	1,148,979	16,543,713
Restricted:						
Street and highway programs	-	-	-	-	3,938,097	3,938,097
Special projects	-	-	-	-	17,942,436	17,942,436
Housing and urban development	-	-	-	-	2,041,298	2,041,298
Debt service	-	-	25,808,501	-	-	25,808,501
Capital projects	-	-	-	6,164,048	-	6,164,048
Fire escrow	1,405,379	-	-	-	-	1,405,379
Other purposes	-	-	-	-	1,915,632	1,915,632
Permanent fund	-	-	-	-	84,508	84,508
Total restricted	1,405,379	-	25,808,501	6,164,048	25,921,971	59,299,899
Committed:						
Capital projects	-	-	-	18,595,418	-	18,595,418
Dayton Recovery Plan	-	25,022,443	-	-	-	25,022,443
Community development	429,745	-	-	-	-	429,745
Economic development	14,470	-	-	-	-	14,470
Leadership and quality of life	1,679,603	-	-	-	-	1,679,603
Corporate responsibility	635,645	-	-	-	-	635,645
Public safety	1,343,051	-	-	-	-	1,343,051
Special assessments	-	-	476,268	-	-	476,268
Total committed	4,102,514	25,022,443	476,268	18,595,418	-	48,196,643
Assigned:						
Economic development	20,166	-	-	-	-	20,166
Corporate responsibility	66,242	-	-	-	-	66,242
Special payroll	2,420,295	-	-	-	-	2,420,295
Termination pay	643,634	-	-	-	-	643,634
Unemployment	796,951	-	-	-	-	796,951
Other purposes	585,248	-	-	-	-	585,248
Police professional development	41,270	-	-	-	-	41,270
Sunrise Bomberger Center	249,993	-	-	-	-	249,993
Community policing council (CIRGV)	57,512	-	-	-	-	57,512
Mediation center	318,688	-	-	-	-	318,688
Professional development	293,592	-	-	-	-	293,592
Nationwide settlement	141,789	-	-	-	-	141,789
Executive savings	599,104	-	-	-	-	599,104
Judgments	1,739,865	-	-	-	-	1,739,865
Development	9,459,167	-	-	-	-	9,459,167
Real estate development	301,695	-	-	-	-	301,695
Subsequent year appropriations	18,893,676	-	-	-	-	18,893,676
Preschool promise	2,632,159	-	-	-	-	2,632,159
Public safety photo enforcement	2,136,861	-	-	-	-	2,136,861
Community golf and recreation	379,269	-	-	-	-	379,269
Urban renewal	53,520	-	-	-	-	53,520
Capital projects	-	-	-	23,417,915	-	23,417,915
Total assigned	41,830,696	-	-	23,417,915	-	65,248,611
Unassigned	23,488,527	-	-	-	-	23,488,527
Total fund balances	\$ 86,190,383	\$ 25,022,443	\$ 26,284,769	\$ 48,208,848	\$ 27,070,950	\$ 212,777,393

CITY OF DAYTON, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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</u> <u>Encumbrances</u>
General fund	\$ 9,206,460
Local fiscal recovery fund	750,612
Debt service	18,215
Capital improvement	5,661,671
Nonmajor governmental	<u>17,842,635</u>
Total	<u>\$ 33,479,593</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, 2021 to December 31, 2021, 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.

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. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During 2021, the City received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

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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 EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
City's proportion of the net pension liability	0.524244%	0.550177%	0.563207%	0.571533%
City's proportionate share of the net pension liability	\$ 77,629,122	\$ 108,746,216	\$ 154,250,979	\$ 89,662,448
City's covered payroll	\$ 73,835,129	\$ 77,640,136	\$ 74,225,779	\$ 73,469,231
City's proportionate share of the net pension liability as a percentage of its covered payroll	105.14%	140.06%	207.81%	122.04%
Plan fiduciary net position as a percentage of the total pension liability	86.88%	82.17%	74.70%	84.66%
<i>Combined Plan:</i>				
City's proportion of the net pension asset	0.494270%	0.517985%	0.551450%	0.569155%
City's proportionate share of the net pension asset	\$ 1,426,777	\$ 1,080,123	\$ 616,644	\$ 774,804
City's covered payroll	\$ 2,178,250	\$ 2,263,643	\$ 2,358,507	\$ 2,330,962
City's proportionate share of the net pension asset as a percentage of its covered payroll	65.50%	47.72%	26.15%	33.24%
Plan fiduciary net position as a percentage of the total pension asset	157.67%	145.28%	126.64%	137.28%
<i>Member Directed Plan:</i>				
City's proportion of the net pension asset	0.463394%	0.485467%	0.507999%	0.507183%
City's proportionate share of the net pension asset	\$ 84,472	\$ 18,350	\$ 11,575	\$ 17,701
City's covered payroll	\$ 2,783,080	\$ 2,885,760	\$ 2,899,690	\$ 2,767,440
City's proportionate share of the net pension asset as a percentage of its covered payroll	3.04%	0.64%	0.40%	0.64%
Plan fiduciary net position as a percentage of the total pension asset	188.21%	118.84%	113.42%	124.46%

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.

	2017	2016	2015	2014
	0.555800%	0.567394%	0.560246%	0.560246%
\$	126,212,728	\$ 98,279,795	\$ 67,571,930	\$ 66,045,704
\$	71,961,283	\$ 72,324,850	\$ 67,411,033	\$ 66,466,608
	175.39%	135.89%	100.24%	99.37%
	77.25%	81.08%	86.45%	86.36%
	0.533340%	0.506860%	0.475603%	0.475603%
\$	296,841	\$ 246,649	\$ 183,119	\$ 49,906
\$	2,073,725	\$ 1,645,667	\$ 1,738,508	\$ 1,438,292
	14.31%	14.99%	10.53%	3.47%
	116.55%	116.90%	114.83%	104.56%
	0.481132%	0.424314%	n/a	n/a
\$	2,004	\$ 1,622	n/a	n/a
\$	2,484,105	\$ 2,984,958	n/a	n/a
	0.08%	0.05%	n/a	n/a
	103.40%	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 EIGHT YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net pension liability	2.15112000%	2.18245380%	2.17932200%	2.17672700%
City's proportionate share of the net pension liability	\$ 146,643,780	\$ 147,021,746	\$ 177,890,261	\$ 133,595,564
City's covered payroll	\$ 53,743,137	\$ 52,739,394	\$ 49,732,902	\$ 47,884,272
City's proportionate share of the net pension liability as a percentage of its covered payroll	272.86%	278.77%	357.69%	279.00%
Plan fiduciary net position as a percentage of the total pension liability	70.65%	69.89%	63.07%	70.91%

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	2.16452900%	2.20264200%	2.41510400%	2.24151040%
\$	137,099,085	\$ 141,697,531	\$ 116,119,585	\$ 109,168,588
\$	46,850,076	\$ 46,805,467	\$ 42,914,752	\$ 43,695,379
	292.63%	302.74%	270.58%	249.84%
	68.36%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Traditional Plan:</i>				
Contractually required contribution	\$ 10,153,673	\$ 10,336,925	\$ 10,869,619	\$ 10,391,609
Contributions in relation to the contractually required contribution	<u>(10,153,673)</u>	<u>(10,336,925)</u>	<u>(10,869,619)</u>	<u>(10,391,609)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 72,526,236	\$ 73,835,179	\$ 77,640,136	\$ 74,225,779
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Combined Plan:</i>				
Contractually required contribution	\$ 313,135	\$ 304,955	\$ 316,910	\$ 330,191
Contributions in relation to the contractually required contribution	<u>(313,135)</u>	<u>(304,955)</u>	<u>(316,910)</u>	<u>(330,191)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,236,679	\$ 2,178,250	\$ 2,263,643	\$ 2,358,507
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%
<i>Member Directed Plan:</i>				
Contractually required contribution	\$ 272,263	\$ 278,308	\$ 288,576	\$ 289,969
Contributions in relation to the contractually required contribution	<u>(272,263)</u>	<u>(278,308)</u>	<u>(288,576)</u>	<u>(289,969)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 2,722,630	\$ 2,783,080	\$ 2,885,760	\$ 2,899,690
Contributions as a percentage of covered payroll	10.00%	10.00%	10.00%	10.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 9,551,000	\$ 8,635,354	\$ 8,678,982	\$ 8,089,324	\$ 8,640,659	\$ 6,878,420
<u>(9,551,000)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 73,469,231	\$ 71,961,283	\$ 72,324,850	\$ 67,411,033	\$ 66,466,608	\$ 68,784,200
13.00%	12.00%	12.00%	12.00%	13.00%	10.00%
\$ 303,025	\$ 248,847	\$ 197,480	\$ 208,621	\$ 186,978	\$ 98,164
<u>(303,025)</u>	<u>(248,847)</u>	<u>(197,480)</u>	<u>(208,621)</u>	<u>(186,978)</u>	<u>(98,164)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 2,330,962	\$ 2,073,725	\$ 1,645,667	\$ 1,738,508	\$ 1,438,292	\$ 1,234,767
13.00%	12.00%	12.00%	12.00%	13.00%	7.95%
\$ 276,744	\$ 235,990	\$ 283,571			
<u>(276,744)</u>	<u>(235,990)</u>	<u>(283,571)</u>			
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
\$ 2,767,440	\$ 2,484,105	\$ 2,984,958			
10.00%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 5,732,947	\$ 5,679,933	\$ 5,627,059	\$ 5,295,638
Contributions in relation to the contractually required contribution	<u>(5,732,947)</u>	<u>(5,679,933)</u>	<u>(5,627,059)</u>	<u>(5,295,638)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 30,173,405	\$ 29,894,384	\$ 29,616,100	\$ 27,871,779
Contributions as a percentage of covered payroll	19.00%	19.00%	19.00%	19.00%
<i>Fire:</i>				
Contractually required contribution	\$ 5,387,553	\$ 5,604,457	\$ 5,433,974	\$ 5,137,364
Contributions in relation to the contractually required contribution	<u>(5,387,553)</u>	<u>(5,604,457)</u>	<u>(5,433,974)</u>	<u>(5,137,364)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 22,925,757	\$ 23,848,753	\$ 23,123,294	\$ 21,861,123
Contributions as a percentage of covered payroll	23.50%	23.50%	23.50%	23.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 5,068,477	\$ 4,938,796	\$ 4,997,877	\$ 4,599,130	\$ 3,876,616	\$ 3,123,636
<u>(5,068,477)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,676,195	\$ 25,993,663	\$ 26,304,616	\$ 24,205,947	\$ 24,406,816	\$ 24,499,106
19.00%	19.00%	19.00%	19.00%	15.88%	12.75%
\$ 4,983,898	\$ 4,901,257	\$ 4,817,700	\$ 4,396,569	\$ 3,931,652	\$ 3,466,063
<u>(4,983,898)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,208,077	\$ 20,856,413	\$ 20,500,852	\$ 18,708,804	\$ 19,288,563	\$ 20,093,119
23.50%	23.50%	23.50%	23.50%	20.38%	17.25%

CITY OF DAYTON, OHIO

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability/asset	0.521025%	0.546751%	0.560745%	0.569300%	0.551043%
City's proportionate share of the net OPEB liability/(asset)	\$ (9,282,478)	\$ 75,520,518	\$ 73,107,912	\$ 61,821,787	\$ 55,657,232
City's covered payroll	\$ 78,796,459	\$ 82,789,539	\$ 79,483,976	\$ 78,567,633	\$ 76,519,113
City's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-11.78%	91.22%	91.98%	78.69%	72.74%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	115.57%	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 FIVE YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability	2.15112000%	2.18245380%	2.17932200%	2.17672700%	2.16452900%
City's proportionate share of the net OPEB liability	\$ 22,791,469	\$ 21,557,690	\$ 19,846,070	\$ 123,330,304	\$ 102,745,324
City's covered payroll	\$ 53,743,137	\$ 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	42.41%	40.88%	39.91%	257.56%	219.31%
Plan fiduciary net position as a percentage of the total OPEB liability	45.42%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 108,905	\$ 111,323	\$ 115,431	\$ 115,989
Contributions in relation to the contractually required contribution	<u>(108,905)</u>	<u>(111,323)</u>	<u>(115,431)</u>	<u>(115,989)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 77,485,545	\$ 78,796,509	\$ 82,789,539	\$ 79,483,976
Contributions as a percentage of covered payroll	0.14%	0.14%	0.14%	0.15%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 868,701	\$ 1,592,485	\$ 1,479,410	\$ 1,407,023	\$ 630,293	\$ 2,826,071
<u>(868,701)</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 78,567,633	\$ 76,519,113	\$ 76,955,475	\$ 69,149,541	\$ 67,904,900	\$ 70,018,967
1.11%	2.08%	1.92%	2.03%	0.93%	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<i>Police:</i>				
Contractually required contribution	\$ 150,867	\$ 149,472	\$ 148,081	\$ 139,359
Contributions in relation to the contractually required contribution	<u>(150,867)</u>	<u>(149,472)</u>	<u>(148,081)</u>	<u>(139,359)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 30,173,405	\$ 29,894,384	\$ 29,616,100	\$ 27,871,779
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%
<i>Fire:</i>				
Contractually required contribution	\$ 114,629	\$ 119,244	\$ 115,616	\$ 109,306
Contributions in relation to the contractually required contribution	<u>(114,629)</u>	<u>(119,244)</u>	<u>(115,616)</u>	<u>(109,306)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 22,925,757	\$ 23,848,753	\$ 23,123,294	\$ 21,861,123
Contributions as a percentage of covered payroll	0.50%	0.50%	0.50%	0.50%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 133,381	\$ 129,968	\$ 131,523	\$ 121,030	\$ 883,527	\$ 1,653,689
<u>(133,381)</u>	<u>(129,968)</u>	<u>(131,523)</u>	<u>(121,030)</u>	<u>(883,527)</u>	<u>(1,653,689)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 26,676,195	\$ 25,993,663	\$ 26,304,616	\$ 24,205,947	\$ 24,406,816	\$ 24,499,106
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%
\$ 106,040	\$ 104,282	\$ 102,504	\$ 93,544	\$ 698,246	\$ 1,356,286
<u>(106,040)</u>	<u>(104,282)</u>	<u>(102,504)</u>	<u>(93,544)</u>	<u>(698,246)</u>	<u>(1,356,286)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 21,208,077	\$ 20,856,413	\$ 20,500,852	\$ 18,708,804	\$ 19,288,563	\$ 20,093,119
0.50%	0.50%	0.50%	0.50%	3.62%	6.75%

CITY OF DAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2021

PENSION

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

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.
- There were no changes in assumptions for 2021.

OHIO POLICE AND FIRE (OP&F) PENSION FUND

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for 2014-2021.

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.
- There were no changes in assumptions for 2020.
- There were no changes in assumptions for 2021.

(Continued)

CITY OF DAYTON, OHIO

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

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.
- For 2021, the following were the most significant changes in benefit terms since the prior measurement date: the Board approved several changes to the health care plan offered to Medicare and non-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 non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in the December 31, 2020 measurement date health care valuation. These changes significantly decreased the total OPEB liability for the measurement date December 31, 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 10.50%, initial/3.25%, ultimate in 2029 up to 10.50%, initial/3.50% ultimate in 2030.
- For 2021, 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 3.16% up to 6.00%, (b) the municipal bond rate was decreased from 2.75% up to 2.00% and (c) the health care cost trend rate was decreased from 10.00%, initial/3.50%, ultimate in 2030 down to 8.50%, initial/3.50% ultimate in 2035.

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 from the amounts reported for 2020.
- There were no changes in benefit terms from the amounts reported for 2021.

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%.
- 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%.
- For 2021, 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 3.56% down to 2.96%.



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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Municipal income taxes	\$ 127,800,700	\$ 143,202,000	\$ 145,756,560	\$ 2,554,560
Property and other taxes	5,982,800	6,456,600	6,578,186	121,586
State shared taxes	7,108,500	7,897,000	8,050,477	153,477
Charges for services	25,633,100	27,296,900	27,764,773	467,873
Licenses and permits	2,008,000	2,885,800	2,984,143	98,343
Fines and forfeitures	921,500	3,587,400	3,832,460	245,060
Intergovernmental	3,904,000	4,319,700	4,421,632	101,932
Special assessments	210,000	410,000	518,092	108,092
Investment income	2,348,100	2,403,100	1,627,769	(775,331)
Other	2,578,000	3,060,500	3,405,525	345,025
Total revenues	178,494,700	201,519,000	204,939,617	3,420,617
Expenditures:				
General operating:				
General government:				
Clerk of commission	1,255,400	1,168,500	1,105,770	62,730
Civil service board	1,384,900	1,616,500	1,508,941	107,559
Human relations council	870,000	991,700	811,015	180,685
City manager's office	1,321,900	1,611,700	1,572,142	39,558
Office of public affairs	155,000	188,400	174,134	14,266
Department of planning & community development	1,198,000	1,319,500	1,260,596	58,904
Clerk of courts	7,120,100	7,149,800	6,801,066	348,734
Municipal court	3,740,300	3,724,500	3,609,962	114,538
Department of economic development	4,672,900	4,889,000	4,747,249	141,751
Department of procurement, management and budget	1,889,100	2,016,700	1,916,512	100,188
Department of water	104,000	110,300	109,364	936
Department of law	2,621,900	2,668,000	2,517,909	150,091
Department of finance	4,007,300	4,060,800	3,872,094	188,706
Department of human resources	6,860,000	6,425,900	6,279,581	146,319
Department of information technology	940,300	1,131,700	1,091,653	40,047
Department of police	52,982,500	56,448,139	55,708,971	739,168
Department of fire	40,267,800	13,022,661	12,425,110	597,551
Department of public works	29,162,800	29,756,500	28,732,078	1,024,422
Department of recreation and youth services	3,595,900	3,555,700	3,236,963	318,737
Non-departmental	2,076,300	2,078,500	750,131	1,328,369
Special projects	16,494,400	18,656,800	15,507,628	3,149,172
Total expenditures	182,720,800	162,591,300	153,738,869	8,852,431
Excess (deficiency) of revenues over (under) expenditures	(4,226,100)	38,927,700	51,200,748	12,273,048
Other financing uses:				
Transfers (out)	(4,910,600)	(49,545,000)	(49,314,413)	230,587
Total other financing (uses)	(4,910,600)	(49,545,000)	(49,314,413)	230,587
Net change in fund balances	(9,136,700)	(10,617,300)	1,886,335	12,503,635
Fund balance at beginning of year	71,523,306	71,523,306	71,523,306	-
Prior year encumbrances appropriated	7,268,855	7,268,855	7,268,855	-
Balance sheet adjustments	1,005,799	1,005,799	1,005,799	-
Fund balance at end of year	\$ 70,661,260	\$ 69,180,660	\$ 81,684,295	\$ 12,503,635

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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in pooled cash and investments	\$ 23,375,613	\$ 186,694	\$ 23,562,307
Receivables:			
Accounts	486,371	-	486,371
Accrued interest	15,144	95	15,239
Due from other governments	9,512,669	-	9,512,669
Loans receivable	2,272,699	-	2,272,699
Materials and supplies inventory	854,911	-	854,911
Prepayments	<u>191,840</u>	<u>-</u>	<u>191,840</u>
 Total assets	 <u>\$ 36,709,247</u>	 <u>\$ 186,789</u>	 <u>\$ 36,896,036</u>
Liabilities:			
Accounts payable	\$ 109,913	\$ -	\$ 109,913
Contracts payable	76,894	-	76,894
Accrued wages and benefits payable	111,860	-	111,860
Retainage payable	5,877	-	5,877
Advances from other funds	776,000	-	776,000
Due to other governments	<u>77,531</u>	<u>-</u>	<u>77,531</u>
 Total liabilities	 <u>1,158,075</u>	 <u>-</u>	 <u>1,158,075</u>
Deferred inflows of resources:			
Accrued interest not available	8,465	53	8,518
Miscellaneous revenue not available	458,593	-	458,593
Intergovernmental revenue not available	<u>8,199,900</u>	<u>-</u>	<u>8,199,900</u>
 Total deferred inflows of resources	 <u>8,666,958</u>	 <u>53</u>	 <u>8,667,011</u>
Fund Balances:			
Nonspendable	1,046,751	102,228	1,148,979
Restricted	<u>25,837,463</u>	<u>84,508</u>	<u>25,921,971</u>
Total fund balances	<u>26,884,214</u>	<u>186,736</u>	<u>27,070,950</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 36,709,247</u>	 <u>\$ 186,789</u>	 <u>\$ 36,896,036</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:			
State shared taxes.	\$ 7,563,208	\$ -	\$ 7,563,208
Charges for services.	830,362	-	830,362
Licenses and permits	38,358	-	38,358
Fines and forfeitures	229,335	-	229,335
Intergovernmental.	10,199,888	-	10,199,888
Special assessments	173,460	-	173,460
Investment income	52,375	-	52,375
Decrease in fair value of investments.	(169,549)	(591)	(170,140)
Other	1,934,878	614	1,935,492
Total revenues	20,852,315	23	20,852,338
Expenditures:			
Current:			
General government:			
Downtown.	960	-	960
Community development and neighborhoods.	6,438,566	-	6,438,566
Economic development	1,427,975	-	1,427,975
Leadership and quality of life	10,869,417	-	10,869,417
Corporate responsibility.	532,800	-	532,800
Public safety and justice.	9,152,184	-	9,152,184
Total expenditures.	28,421,902	-	28,421,902
Excess (deficiency) of revenues over (under) expenditures.	(7,569,587)	23	(7,569,564)
Other financing sources:			
Transfers in	171,614	-	171,614
Total other financing sources	171,614	-	171,614
Net change in fund balances	(7,397,973)	23	(7,397,950)
Fund balances at beginning of year	34,282,187	186,713	34,468,900
Fund balances at end of year	\$ 26,884,214	\$ 186,736	\$ 27,070,950

CITY OF DAYTON, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Assets:			
Equity in pooled cash and investments	\$ 2,206,171	\$ 706,667	\$ 17,925,699
Receivables:			
Accounts	199,381	-	274,277
Accrued interest	-	-	12,899
Due from other governments	3,130,009	250,374	41,465
Loans receivable	-	-	-
Materials and supplies inventory	826,387	-	28,524
Prepayments	-	-	-
Total assets	<u>\$ 6,361,948</u>	<u>\$ 957,041</u>	<u>\$ 18,282,864</u>
Liabilities:			
Accounts payable	\$ 55,081	\$ 24,166	\$ 11,947
Contracts payable	-	-	16,694
Accrued wages and benefits payable	76,046	298	12,235
Retainage payable	-	-	-
Advances from other funds	-	-	-
Due to other governments	21,792	3	16,075
Total liabilities	<u>152,919</u>	<u>24,467</u>	<u>56,951</u>
Deferred inflows of resources:			
Accrued interest not available	-	-	7,210
Miscellaneous revenue not available	197,975	-	247,743
Intergovernmental revenue not available	2,015,708	163,436	-
Total deferred inflows of resources	<u>2,213,683</u>	<u>163,436</u>	<u>254,953</u>
Fund Balances:			
Nonspendable	826,387	-	28,524
Restricted	3,168,959	769,138	17,942,436
Total fund balances	<u>3,995,346</u>	<u>769,138</u>	<u>17,970,960</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,361,948</u>	<u>\$ 957,041</u>	<u>\$ 18,282,864</u>

HUD Programs	Miscellaneous Grants	Total
\$ 635,461	\$ 1,901,615	\$ 23,375,613
12,713	-	486,371
-	2,245	15,144
2,973,958	3,116,863	9,512,669
2,272,699	-	2,272,699
-	-	854,911
184,036	7,804	191,840
<u>\$ 6,078,867</u>	<u>\$ 5,028,527</u>	<u>\$ 36,709,247</u>
\$ 18,204	\$ 515	\$ 109,913
44,106	16,094	76,894
12,973	10,308	111,860
5,877	-	5,877
776,000	-	776,000
10,540	29,121	77,531
<u>867,700</u>	<u>56,038</u>	<u>1,158,075</u>
-	1,255	8,465
12,875	-	458,593
2,972,958	3,047,798	8,199,900
<u>2,985,833</u>	<u>3,049,053</u>	<u>8,666,958</u>
184,036	7,804	1,046,751
2,041,298	1,915,632	25,837,463
<u>2,225,334</u>	<u>1,923,436</u>	<u>26,884,214</u>
<u>\$ 6,078,867</u>	<u>\$ 5,028,527</u>	<u>\$ 36,709,247</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, 2021

	<u>Street</u>	<u>Highway Maintenance</u>	<u>Other Special Revenue</u>
Revenues:			
State shared taxes	\$ 7,038,335	\$ 524,873	\$ -
Charges for services	18,397	-	546,314
Licenses and permits	-	-	38,358
Fines and forfeitures	-	-	23,712
Intergovernmental	-	-	564,941
Special assessments	-	-	163,702
Investment income	-	-	37,033
Decrease in fair value of investments	-	-	(148,394)
Other	132,728	-	1,564,666
Total revenues	<u>7,189,460</u>	<u>524,873</u>	<u>2,790,332</u>
Expenditures:			
Current:			
General government:			
Downtown	-	-	-
Community development and neighborhoods	530	-	133,896
Economic development	-	-	835,931
Leadership and quality of life	5,876,102	390,911	1,021,437
Corporate responsibility	-	-	270,786
Public safety and justice	-	-	778,451
Total expenditures	<u>5,876,632</u>	<u>390,911</u>	<u>3,040,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,312,828</u>	<u>133,962</u>	<u>(250,169)</u>
Other financing sources:			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,312,828	133,962	(250,169)
Fund balances at beginning of year	<u>2,682,518</u>	<u>635,176</u>	<u>18,221,129</u>
Fund balances at end of year	<u>\$ 3,995,346</u>	<u>\$ 769,138</u>	<u>\$ 17,970,960</u>

HUD Programs	Miscellaneous Grants	Total
\$ -	\$ -	\$ 7,563,208
25,879	239,772	830,362
-	-	38,358
-	205,623	229,335
8,176,495	1,458,452	10,199,888
9,758	-	173,460
-	15,342	52,375
-	(21,155)	(169,549)
60,747	176,737	1,934,878
<u>8,272,879</u>	<u>2,074,771</u>	<u>20,852,315</u>
-	960	960
6,171,689	132,451	6,438,566
-	592,044	1,427,975
1,844,119	1,736,848	10,869,417
-	262,014	532,800
194,745	8,178,988	9,152,184
<u>8,210,553</u>	<u>10,903,305</u>	<u>28,421,902</u>
<u>62,326</u>	<u>(8,828,534)</u>	<u>(7,569,587)</u>
-	171,614	171,614
-	171,614	171,614
62,326	(8,656,920)	(7,397,973)
2,163,008	10,580,356	34,282,187
<u>\$ 2,225,334</u>	<u>\$ 1,923,436</u>	<u>\$ 26,884,214</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, 2021

	<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:				
State shared taxes	\$ 5,850,000	\$ 6,680,000	\$ 6,970,072	\$ 290,072
Charges for services	-	-	18,362	18,362
Other	142,000	183,600	230,742	47,142
Total revenues.	<u>5,992,000</u>	<u>6,863,600</u>	<u>7,219,176</u>	<u>355,576</u>
Expenditures:				
Department of public works	6,292,000	6,503,500	5,843,621	659,879
Total expenditures.	<u>6,292,000</u>	<u>6,503,500</u>	<u>5,843,621</u>	<u>659,879</u>
Net change in fund balance	(300,000)	360,100	1,375,555	1,015,455
Fund balance at beginning of year.	963,180	963,180	963,180	-
Prior year encumbrances appropriated.	252,452	252,452	252,452	-
Fund balance at end of year.	<u>\$ 915,632</u>	<u>\$ 1,575,732</u>	<u>\$ 2,591,187</u>	<u>\$ 1,015,455</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, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
State shared taxes	\$ 540,000	\$ 540,000	\$ 519,959	\$ (20,041)
Other	10,000	10,000	-	(10,000)
Total revenues.	<u>550,000</u>	<u>550,000</u>	<u>519,959</u>	<u>(30,041)</u>
Expenditures:				
Department of public works	550,000	550,000	447,903	102,097
Total expenditures.	<u>550,000</u>	<u>550,000</u>	<u>447,903</u>	<u>102,097</u>
Net change in fund balance	-	-	72,056	72,056
Fund balance at beginning of year.	565,541	565,541	565,541	-
Prior year encumbrances appropriated.	69,046	69,046	69,046	-
Fund balance at end of year.	<u>\$ 634,587</u>	<u>\$ 634,587</u>	<u>\$ 706,643</u>	<u>\$ 72,056</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 450,560	\$ 666,300	\$ 546,314	\$ (119,986)
Fines and forfeitures	20,000	20,000	23,712	3,712
Special assessments	-	-	163,702	163,702
Other	232,000	1,555,000	2,007,972	452,972
Total revenues	<u>702,560</u>	<u>2,241,300</u>	<u>2,741,700</u>	<u>500,400</u>
Expenditures:				
Various departments	<u>7,991,700</u>	<u>7,468,700</u>	<u>3,980,352</u>	<u>3,488,348</u>
Total expenditures	<u>7,991,700</u>	<u>7,468,700</u>	<u>3,980,352</u>	<u>3,488,348</u>
Net change in fund balance	(7,289,140)	(5,227,400)	(1,238,652)	3,988,748
Fund balance at beginning of year	18,915,895	18,915,895	18,915,895	-
Prior year encumbrances appropriated	<u>562,360</u>	<u>562,360</u>	<u>562,360</u>	<u>-</u>
Fund balance at end of year	<u>\$ 12,189,115</u>	<u>\$ 14,250,855</u>	<u>\$ 18,239,603</u>	<u>\$ 3,988,748</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, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	\$ 9,352,700	\$ 12,408,600	\$ 1,693,705	\$ (10,714,895)
Fines and forfeitures	193,500	221,000	205,623	(15,377)
Charges for services	977,800	604,700	239,772	(364,928)
Other	3,941,500	5,031,300	192,294	(4,839,006)
Total revenues.	14,465,500	18,265,600	2,331,394	(15,934,206)
Expenditures:				
Other grants	23,983,100	26,285,100	18,856,618	7,428,482
Total expenditures.	23,983,100	26,285,100	18,856,618	7,428,482
Excess (deficiency) of revenues over (under) expenditures	(9,517,600)	(8,019,500)	(16,525,224)	(8,505,724)
Other financing sources:				
Transfers in	122,500	402,200	171,614	(230,586)
Total other financing sources	122,500	402,200	171,614	(230,586)
Net change in fund balances	(9,395,100)	(7,617,300)	(16,353,610)	(8,736,310)
Fund balance at beginning of year.	10,831,948	10,831,948	10,831,948	-
Prior year encumbrances appropriated.	7,254,540	7,254,540	7,254,540	-
Balance Sheet Adjustments	167,392	167,392	167,392	-
Fund balance at end of year	\$ 8,858,780	\$ 10,636,580	\$ 1,900,270	\$ (8,736,310)

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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ -	\$ -	\$ 309	\$ 309
Total revenues.	-	-	309	309
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)	309	50,309
Fund balance at beginning of year.	<u>251,775</u>	<u>251,775</u>	<u>251,775</u>	<u>-</u>
Fund balance at end of year	<u>\$ 201,775</u>	<u>\$ 201,775</u>	<u>\$ 252,084</u>	<u>\$ 50,309</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, 2021

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
Revenues:				
Property and other taxes.	\$ 6,945,500	\$ 6,945,500	\$ 7,929,252	\$ 983,752
Intergovernmental.	937,800	937,800	995,447	57,647
Other	262,700	262,700	775,759	513,059
Total revenues.	<u>8,146,000</u>	<u>8,146,000</u>	<u>9,700,458</u>	<u>1,554,458</u>
Expenditures:				
Department of finance.	11,150,800	11,150,800	9,397,576	1,753,224
Total expenditures.	<u>11,150,800</u>	<u>11,150,800</u>	<u>9,397,576</u>	<u>1,753,224</u>
Excess of expenditures over revenues	<u>(3,004,800)</u>	<u>(3,004,800)</u>	<u>302,882</u>	<u>3,307,682</u>
Other financing sources:				
Transfers in	936,200	1,027,700	936,200	(91,500)
Total other financing sources	<u>936,200</u>	<u>1,027,700</u>	<u>936,200</u>	<u>(91,500)</u>
Net change in fund balance	(2,068,600)	(1,977,100)	1,239,082	3,216,182
Fund balance at beginning of year.	31,381,145	31,381,145	31,381,145	-
Prior year encumbrances appropriated.	18,215	18,215	18,215	-
Fund balance at end of year	<u>\$ 29,330,760</u>	<u>\$ 29,422,260</u>	<u>\$ 32,638,442</u>	<u>\$ 3,216,182</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, 2021

	<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.	\$ 1,456,859	\$ 193,061	\$ 349,617	\$ 14,184,023
Receivables:				
Accounts.	119	6,599	-	-
Accrued interest	-	-	-	-
Due from other governments.	6,558	21,055	-	-
Inventory held for resale	192,340	309,379	-	-
Prepayments	3,149	-	-	-
Advances to other funds	-	-	-	-
Total current assets.	<u>1,659,025</u>	<u>530,094</u>	<u>349,617</u>	<u>14,184,023</u>
Noncurrent assets:				
Net pension asset	33,282	9,570	1,139	3,670
Net OPEB asset	204,429	58,784	6,996	22,543
Capital assets:				
Land	-	75,000	-	-
Depreciable capital assets, net	300,705	602,918	-	-
Total noncurrent assets.	<u>538,416</u>	<u>746,272</u>	<u>8,135</u>	<u>26,213</u>
Total assets.	<u>2,197,441</u>	<u>1,276,366</u>	<u>357,752</u>	<u>14,210,236</u>
Deferred outflows of resources:				
Asset retirement obligation	2,070,000	-	-	-
Pension	239,801	621,707	8,206	59,299
OPEB	102,898	232,649	3,521	31,497
Total deferred outflows of resources	<u>2,412,699</u>	<u>854,356</u>	<u>11,727</u>	<u>90,796</u>
Total assets and deferred outflows of resources	<u>4,610,140</u>	<u>2,130,722</u>	<u>369,479</u>	<u>14,301,032</u>
Liabilities:				
Current liabilities:				
Accounts payable.	163,803	25,516	3,001	1,000
Contracts payable.	-	-	-	25,000
Accrued wages and benefits payable.	64,821	22,371	1,261	4,302
Due to other governments	21,631	6,878	736	2,230
Asset retirement obligations	2,070,000	-	-	-
Compensated absences payable - current.	95,407	43,224	3,727	11,571
Claims and judgments payable	-	-	-	2,947,800
Total current liabilities	<u>2,415,662</u>	<u>97,989</u>	<u>8,725</u>	<u>2,991,903</u>
Long-term liabilities:				
Compensated absences payable	65,236	29,555	2,548	7,913
Net OPEB liability	-	71,621	-	-
Net pension liability	1,709,634	952,425	58,504	188,528
Claims and judgements payable	-	-	-	-
Total long-term liabilities	<u>1,774,870</u>	<u>1,053,601</u>	<u>61,052</u>	<u>196,441</u>
Total liabilities	<u>4,190,532</u>	<u>1,151,590</u>	<u>69,777</u>	<u>3,188,344</u>
Deferred inflows of resources:				
OPEB.	793,956	373,455	48,831	70,001
Pension.	999,364	400,588	71,370	86,701
Total deferred inflows of resources.	<u>1,793,320</u>	<u>774,043</u>	<u>120,201</u>	<u>156,702</u>
Total liabilities and deferred inflows of resources	<u>5,983,852</u>	<u>1,925,633</u>	<u>189,978</u>	<u>3,345,046</u>
Net position:				
Net investment in capital assets	300,705	677,918	-	-
Unrestricted (deficit).	(1,674,417)	(472,829)	179,501	10,955,986
Total net position (deficit)	<u>\$ (1,373,712)</u>	<u>\$ 205,089</u>	<u>\$ 179,501</u>	<u>\$ 10,955,986</u>

Workers' Compensation	Plumbing Shop	Total
\$ 18,961,773	\$ 160,669	\$ 35,306,002
-	-	6,718
23,982	-	23,982
-	-	27,613
-	-	501,719
-	-	3,149
6,280,000	-	6,280,000
<u>25,265,755</u>	<u>160,669</u>	<u>42,149,183</u>
7,693	6,909	62,263
47,252	42,438	382,442
-	-	75,000
-	113,236	1,016,859
<u>54,945</u>	<u>162,583</u>	<u>1,536,564</u>
<u>25,320,700</u>	<u>323,252</u>	<u>43,685,747</u>
-	-	2,070,000
98,957	65,905	1,093,875
51,515	33,874	455,954
<u>150,472</u>	<u>99,779</u>	<u>3,619,829</u>
<u>25,471,172</u>	<u>423,031</u>	<u>47,305,576</u>
24,769	9,206	227,295
1,353	-	26,353
8,774	12,130	113,659
4,431	3,196	39,102
-	-	2,070,000
15,823	29,351	199,103
894,854	-	3,842,654
<u>950,004</u>	<u>53,883</u>	<u>6,518,166</u>
10,818	20,069	136,139
-	-	71,621
395,163	354,906	3,659,160
2,323,475	-	2,323,475
<u>2,729,456</u>	<u>374,975</u>	<u>6,190,395</u>
<u>3,679,460</u>	<u>428,858</u>	<u>12,708,561</u>
144,412	129,700	1,560,355
173,085	155,421	1,886,529
<u>317,497</u>	<u>285,121</u>	<u>3,446,884</u>
<u>3,996,957</u>	<u>713,979</u>	<u>16,155,445</u>
-	113,236	1,091,859
<u>21,474,215</u>	<u>(404,184)</u>	<u>30,058,272</u>
<u>\$ 21,474,215</u>	<u>\$ (290,948)</u>	<u>\$ 31,150,131</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Fleet Management</u>	<u>Fire Fleet Management</u>	<u>Stores and Reproduction</u>	<u>Health Insurance</u>
Operating revenues:				
Charges for services	\$ 7,080,858	\$ 1,411,252	\$ 147,026	\$ 23,622,245
Other operating revenues	57,890	1,603	395,416	-
Total operating revenues	<u>7,138,748</u>	<u>1,412,855</u>	<u>542,442</u>	<u>23,622,245</u>
Operating expenses:				
Personal services	1,829,999	665,114	59,622	344,133
Fringe benefits	(1,131,221)	(182,663)	(71,745)	(39,093)
Contract services	781,050	35,796	381,571	25,000
Materials and supplies	99,718	36,050	3,926	1,565
Cost of sales	3,834,315	412,384	26,022	-
Utilities	2,301	22,305	-	-
Claims expense	-	-	-	23,759,689
Depreciation	35,536	22,346	-	-
Other	15,567	2,921	7,620	116,620
Total operating expenses	<u>5,467,265</u>	<u>1,014,253</u>	<u>407,016</u>	<u>24,207,914</u>
Operating income (loss)	<u>1,671,483</u>	<u>398,602</u>	<u>135,426</u>	<u>(585,669)</u>
Nonoperating revenues (expenses):				
Interest income	-	-	-	-
Decrease in fair market value of investments	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	1,671,483	398,602	135,426	(585,669)
Net position (deficit) at beginning of year	<u>(3,045,195)</u>	<u>(193,513)</u>	<u>44,075</u>	<u>11,541,655</u>
Net position (deficit) at end of year	<u>\$ (1,373,712)</u>	<u>\$ 205,089</u>	<u>\$ 179,501</u>	<u>\$ 10,955,986</u>

Workers' Compensation	Plumbing Shop	Total
\$ 1,986,784	\$ 501,486	\$ 34,749,651
-	-	454,909
<u>1,986,784</u>	<u>501,486</u>	<u>35,204,560</u>
430,367	303,407	3,632,642
(159,702)	(150,195)	(1,734,619)
786,817	1,964	2,012,198
94,778	133,388	369,425
-	-	4,272,721
-	-	24,606
2,496,326	-	26,256,015
-	18,116	75,998
<u>170,303</u>	<u>-</u>	<u>313,031</u>
<u>3,818,889</u>	<u>306,680</u>	<u>35,222,017</u>
<u>(1,832,105)</u>	<u>194,806</u>	<u>(17,457)</u>
291,173	-	291,173
<u>(236,198)</u>	<u>-</u>	<u>(236,198)</u>
<u>54,975</u>	<u>-</u>	<u>54,975</u>
(1,777,130)	194,806	37,518
<u>23,251,345</u>	<u>(485,754)</u>	<u>31,112,613</u>
<u>\$ 21,474,215</u>	<u>\$ (290,948)</u>	<u>\$ 31,150,131</u>

CITY OF DAYTON, OHIO

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<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 . . .	\$ 7,079,674	\$ 1,427,471	\$ 147,026	\$ 23,622,245
Cash received from other operations	57,890	1,603	395,416	-
Cash payments for personal services	(1,841,871)	(650,398)	(58,613)	(342,339)
Cash payments for fringe benefits.	(721,713)	(235,758)	(28,476)	(97,865)
Cash payments for contractual services	(808,941)	(64,478)	(381,909)	-
Cash payments for materials and supplies	(144,290)	(30,234)	(1,990)	(1,565)
Cash payments for cost of goods sold	(3,688,994)	(396,060)	(26,022)	-
Cash payments for utilities.	(1,797)	(22,612)	-	-
Cash payments for claims.	-	-	-	(24,178,489)
Cash payments for other expenses	(14,767)	(2,921)	(7,620)	(115,620)
Net cash provided by (used in) operating activities. .	<u>(84,809)</u>	<u>26,613</u>	<u>37,812</u>	<u>(1,113,633)</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	-	(89,932)	-	-
Net cash used in capital and related financing activities	<u>-</u>	<u>(89,932)</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. . . .	(84,809)	(63,319)	37,812	(1,113,633)
Cash and cash equivalents				
at beginning of year.	1,541,668	256,380	311,805	15,297,656
Cash and cash equivalents at end of year	<u>\$ 1,456,859</u>	<u>\$ 193,061</u>	<u>\$ 349,617</u>	<u>\$ 14,184,023</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,671,483	\$ 398,602	\$ 135,426	\$ (585,669)
Adjustments:				
Depreciation	35,536	22,346	-	-
Changes in assets, deferred inflows, liabilities and deferred outflows:				
Net pension asset.	(7,517)	(2,752)	224	(1,608)
Net OPEB asset.	(204,429)	(58,784)	(6,996)	(22,543)
Deferred outflows for OPEB.	183,107	(9,808)	11,700	(8,757)
Deferred outflows for pension.	156,696	(366,688)	13,901	(25,653)
Accounts receivable.	612	9,447	-	-
Due from other governments.	(1,796)	6,772	-	-
Prepayments.	(1,066)	-	-	-
Inventory held for resale.	(7,257)	16,324	-	-
Accounts payable.	81,981	(21,478)	1,598	1,000
Contracts payable.	-	(1,695)	-	25,000
Accrued wages and benefits.	(5,189)	3,756	357	1,870
Due to other governments.	2,017	1,802	(279)	695
Net pension liability.	(841,074)	277,501	(76,471)	(15,560)
Net OPEB liability.	(1,771,379)	(397,091)	(93,736)	(141,732)
Deferred inflows - pension.	233,525	41,333	24,371	31,065
Deferred inflows - OPEB.	398,385	93,763	26,891	46,505
Compensated absences payable.	(8,444)	13,263	826	554
Claims payable.	-	-	-	(418,800)
Net cash provided by (used in) operating activities . . .	<u>\$ (84,809)</u>	<u>\$ 26,613</u>	<u>\$ 37,812</u>	<u>\$ (1,113,633)</u>

	Workers' Compensation	Plumbing Shop	Total
\$	1,986,784	\$ 501,486	\$ 34,764,686
	-	-	454,909
	(425,596)	(302,589)	(3,621,406)
	(138,361)	(115,531)	(1,337,704)
	(769,004)	(4,435)	(2,028,767)
	(94,778)	(146,884)	(419,741)
	-	-	(4,111,076)
	-	-	(24,409)
	(2,612,020)	-	(26,790,509)
	(170,303)	-	(311,231)
	<u>(2,223,278)</u>	<u>(67,953)</u>	<u>(3,425,248)</u>
	<u>1,460,000</u>	<u>-</u>	<u>1,460,000</u>
	<u>1,460,000</u>	<u>-</u>	<u>1,460,000</u>
	<u>-</u>	<u>-</u>	<u>(89,932)</u>
	<u>-</u>	<u>-</u>	<u>(89,932)</u>
	<u>63,480</u>	<u>-</u>	<u>63,480</u>
	<u>63,480</u>	<u>-</u>	<u>63,480</u>
	<u>(699,798)</u>	<u>(67,953)</u>	<u>(1,991,700)</u>
	<u>19,661,571</u>	<u>228,622</u>	<u>37,297,702</u>
\$	<u><u>18,961,773</u></u>	<u><u>160,669</u></u>	<u><u>35,306,002</u></u>

\$	(1,832,105)	\$ 194,806	\$ (17,457)
	-	18,116	75,998
	(3,002)	(2,226)	(16,881)
	(47,252)	(42,438)	(382,442)
	2,529	38,263	217,034
	(26,727)	33,763	(214,708)
	-	-	10,059
	-	-	4,976
	-	-	(1,066)
	-	-	9,067
	19,966	(15,967)	67,100
	(2,153)	-	21,152
	863	(1,953)	(296)
	938	(290)	4,883
	(69,239)	(108,668)	(833,511)
	(322,511)	(321,937)	(3,048,386)
	72,770	55,385	458,449
	96,083	82,680	744,307
	2,256	2,513	10,968
	<u>(115,694)</u>	<u>-</u>	<u>(534,494)</u>
\$	<u><u>(2,223,278)</u></u>	<u><u>(67,953)</u></u>	<u><u>(3,425,248)</u></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, 2021

	<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	\$ -	\$ -	\$ 1,140,819	\$ 74,006
Cash with fiscal agent	898,856	-	-	-
Investments	-	1,266,294	-	-
Receivables:				
Special assessments	-	-	-	-
Income taxes	-	-	95,096	-
Total assets	<u>\$ 898,856</u>	<u>\$ 1,266,294</u>	<u>\$ 1,235,915</u>	<u>\$ 74,006</u>
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 154,352	\$ -
Due to other governments	32,040	-	-	-
Due to other funds	180,195	-	-	-
Total liabilities	<u>212,235</u>	<u>-</u>	<u>154,352</u>	<u>-</u>
Net Position:				
Restricted for individuals, organizations and other governments .	<u>686,621</u>	<u>1,266,294</u>	<u>1,081,563</u>	<u>74,006</u>
Total net position	<u>\$ 686,621</u>	<u>\$ 1,266,294</u>	<u>\$ 1,081,563</u>	<u>\$ 74,006</u>

Butler Township Dayton JEDD	Special Improvement District	Engery Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ 84,758	\$ -	\$ 12,124	\$ 2,667,473	\$ 3,979,180
-	-	-	-	898,856
-	-	-	-	1,266,294
-	6,810,126	7,149,643	-	13,959,769
5,045	-	-	-	100,141
<u>\$ 89,803</u>	<u>\$ 6,810,126</u>	<u>\$ 7,161,767</u>	<u>\$ 2,667,473</u>	<u>\$ 20,204,240</u>
\$ 5,055	\$ -	\$ -	\$ -	\$ 159,407
-	-	-	-	32,040
-	-	-	-	180,195
<u>5,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371,642</u>
<u>84,748</u>	<u>6,810,126</u>	<u>7,161,767</u>	<u>2,667,473</u>	<u>19,832,598</u>
<u>\$ 84,748</u>	<u>\$ 6,810,126</u>	<u>\$ 7,161,767</u>	<u>\$ 2,667,473</u>	<u>\$ 19,832,598</u>

CITY OF DAYTON, OHIO
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Municipal Court	Executive Severance	Miami Township Dayton JEDD
Additions:			
Amounts received as fiscal agent \$	-	\$ 202,477	\$ -
Licenses, permits and fees for other governments	-	-	-
Fines and forfeitures for other governments	3,873,095	-	-
Income tax collection for other governments	-	-	201,413
Special assessments collections for other governments	-	-	-
Earnings on investments	-	21,543	-
Fair value adjustment	-	(21,880)	-
Total additions	3,873,095	202,140	201,413
Deductions:			
<i>Current:</i>			
Distributions to the State of Ohio	534,233	-	-
Distributions as fiscal agent	2,875,420	-	-
Distributions to individuals	-	165,709	-
Income tax distributions to other governments	-	-	51,867
Special assessment distributions to other governments	-	-	-
Other custodial fund disbursements	-	13,264	-
Total deductions	3,409,653	178,973	51,867
Net change in fiduciary net position	463,442	23,167	149,546
Net position at beginning of year	223,179	1,243,127	932,017
Net position at end of year	\$ 686,621	\$ 1,266,294	\$ 1,081,563

Building Permit Surcharge	Butler Township Dayton JEDD	Special Improvement District	Energy Special Improvement District	Police Property Room Deposits	Total Custodial Funds
\$ -	\$ -	\$ -	\$ -	\$ 939,803	\$ 1,142,280
67,655	-	-	-	-	67,655
-	-	-	-	-	3,873,095
-	8,284	-	-	-	209,697
-	-	-	1,343,973	-	1,343,973
-	-	-	-	-	21,543
-	-	-	-	-	(21,880)
<u>67,655</u>	<u>8,284</u>	<u>-</u>	<u>1,343,973</u>	<u>939,803</u>	<u>6,636,363</u>
-	-	-	-	-	534,233
-	-	-	-	-	2,875,420
-	-	-	-	342,736	508,445
-	4,297	-	-	-	56,164
-	-	1,600,000	1,863,984	-	3,463,984
<u>43,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,857</u>
<u>43,593</u>	<u>4,297</u>	<u>1,600,000</u>	<u>1,863,984</u>	<u>342,736</u>	<u>7,495,103</u>
24,062	3,987	(1,600,000)	(520,011)	597,067	(858,740)
49,944	80,761	8,410,126	7,681,778	2,070,406	20,691,338
<u>\$ 74,006</u>	<u>\$ 84,748</u>	<u>\$ 6,810,126</u>	<u>\$ 7,161,767</u>	<u>\$ 2,667,473</u>	<u>\$ 19,832,598</u>

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Statistical

STATISTICAL

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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 Annual Comprehensive 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.

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CITY OF DAYTON, OHIO

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2012 (1)	2013	2014 (2)	2015
Governmental activities				
Net investment in capital assets	\$ 370,313,674	\$ 375,002,891	\$ 380,538,467	\$ 378,194,645
Restricted	71,969,027	63,085,637	60,235,431	63,381,287
Unrestricted	58,329,858	71,855,215	(29,254,490)	(28,570,356)
Total governmental activities net position	<u>\$ 500,612,559</u>	<u>\$ 509,943,743</u>	<u>\$ 411,519,408</u>	<u>\$ 413,005,576</u>
Business-type activities				
Net investment in capital assets	\$ 401,528,337	\$ 407,888,085	\$ 420,343,386	\$ 451,108,014
Restricted	-	-	-	-
Unrestricted	190,338,004	191,931,048	161,812,038	149,357,573
Total business-type activities net position	<u>\$ 591,866,341</u>	<u>\$ 599,819,133</u>	<u>\$ 582,155,424</u>	<u>\$ 600,465,587</u>
Primary government				
Net investment in capital assets	\$ 771,842,011	\$ 782,890,976	\$ 800,881,853	\$ 829,302,659
Restricted	71,969,027	63,085,637	60,235,431	63,381,287
Unrestricted	248,667,862	263,786,263	132,557,548	120,787,217
Total primary government net assets/position	<u>\$ 1,092,478,900</u>	<u>\$ 1,109,762,876</u>	<u>\$ 993,674,832</u>	<u>\$ 1,013,471,163</u>

(1) Amounts have been restated from prior year's CAFR.

(2) 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

	2016 (1)	2017	2018	2019	2020	2021
\$	372,458,561	\$ 398,432,088	\$ 395,757,572	\$ 401,873,312	\$ 405,787,507	\$ 421,586,784
	57,403,783	46,244,345	38,778,126	45,569,063	76,866,903	76,598,587
	(29,568,811)	(55,083,379)	(189,850,322)	(114,059,783)	(124,725,645)	(58,065,897)
\$	<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>	<u>\$ 440,119,474</u>
\$	461,538,909	\$ 481,494,371	\$ 462,984,698	\$ 457,088,828	\$ 427,503,269	\$ 460,888,412
	9,514,757	9,737,907	11,039,351	12,324,022	12,170,942	33,465,120
	145,505,912	122,254,672	94,581,275	91,104,171	122,758,990	110,048,573
\$	<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>	<u>\$ 604,402,105</u>
\$	833,997,470	\$ 879,926,459	\$ 858,742,270	\$ 858,962,140	\$ 833,290,776	\$ 882,475,196
	66,918,540	55,982,252	49,817,477	57,893,085	89,037,845	110,063,707
	115,937,101	67,171,293	(95,269,047)	(22,955,612)	(1,966,655)	51,982,676
\$	<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>	<u>\$ 1,044,521,579</u>

CITY OF DAYTON, OHIO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
Downtown	\$ 3,894,895	\$ 3,596,856	\$ 3,973,957	\$ 3,796,899
Youth, education and human services	1,058,361	2,904,850	3,499,722	550,914
Community development and neighbors	31,880,468	27,516,705	22,225,850	23,517,538
Economic development	9,492,689	15,682,768	13,940,292	15,401,684
Leadership and quality of life	35,672,811	42,108,488	42,943,946	46,597,492
Corporate responsibility	15,225,815	16,027,649	14,189,753	15,284,297
Public safety and justice	93,120,303	93,221,162	90,511,356	97,757,003
Bond issuance costs	693,878	-	195,142	-
Interest and fiscal charges	2,767,292	2,958,434	2,608,301	2,942,225
Total governmental activities expenses	<u>193,806,512</u>	<u>204,016,912</u>	<u>194,088,319</u>	<u>205,848,052</u>
Business type activities:				
Dayton International Airport	36,571,471	40,954,651	41,476,361	42,627,742
Water	44,084,645	46,445,617	46,245,372	45,493,204
Sewer	29,765,334	31,515,981	29,448,754	28,009,025
Golf (1)	3,123,360	2,956,261	2,957,656	3,026,642
Storm Water	4,997,022	5,312,757	5,480,442	5,662,740
Total business-type activities expenses	<u>118,541,832</u>	<u>127,185,267</u>	<u>125,608,585</u>	<u>124,819,353</u>
Total primary government expenses	<u>\$ 312,348,344</u>	<u>\$ 331,202,179</u>	<u>\$ 319,696,904</u>	<u>\$ 330,667,405</u>
Program Revenues				
Governmental activities:				
Charges for services:				
Downtown	\$ 531,072	\$ 571,365	\$ 572,477	\$ 659,723
Youth, education and human services	11,032	17,205	7,965	27,903
Community development and neighbors	2,547,442	3,456,330	3,017,823	2,675,576
Economic development	2,445,796	3,446,864	6,401,968	2,769,150
Leadership and quality of life	5,001,134	6,942,907	13,688,808	5,811,184
Corporate responsibility	2,518,064	2,667,492	2,850,358	2,834,131
Public safety and justice	23,624,400	21,385,906	25,704,452	20,823,804
Interest and fiscal charges	-	-	158,829	168,771
Operating grants and contributions	34,438,364	24,584,286	25,909,216	21,715,944
Capital grants and contributions	12,626,114	11,761,088	7,184,234	8,771,868
Total governmental activities program revenue	<u>83,743,418</u>	<u>74,833,443</u>	<u>85,496,130</u>	<u>66,258,054</u>
Business type activities:				
Charges for services:				
Dayton International Airport	24,508,791	24,723,701	26,454,375	24,974,019
Water	45,700,719	44,291,334	47,702,941	47,377,507
Sewer	33,115,458	30,245,346	32,034,019	33,960,790
Golf (1)	3,123,224	2,997,480	2,874,737	2,923,295
Storm Water	7,383,856	7,345,250	7,330,340	7,432,885
Operating grants and contributions	-	-	-	-
Capital grants and contributions	10,436,869	13,857,011	7,939,351	14,318,883
Total business-type activities program revenue	<u>124,268,917</u>	<u>123,460,122</u>	<u>124,335,763</u>	<u>130,987,379</u>
Total primary government program revenue	<u>\$ 208,012,335</u>	<u>\$ 198,293,565</u>	<u>\$ 209,831,893</u>	<u>\$ 197,245,433</u>

	2016	2017	2018	2019	2020	2021
\$	3,653,125	\$ 3,204,951	\$ 3,248,268	\$ 2,726,408	\$ 2,128,879	\$ 560,443
	120,375	219,529	3,619	54,866	4,014	28,886
	20,766,486	20,646,893	25,798,079	25,254,863	22,154,456	15,369,506
	10,273,961	26,135,222	10,043,435	8,674,622	11,237,840	8,118,338
	43,181,443	43,843,557	50,250,202	49,329,265	60,544,385	40,717,452
	16,482,483	18,800,773	19,535,052	20,580,700	19,467,597	12,141,683
	107,505,250	110,670,677	124,347,547	38,043,371	125,260,086	109,349,041
	-	-	-	-	-	-
	3,074,675	2,845,159	2,860,206	2,981,938	2,694,531	2,183,217
	<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>	<u>188,468,566</u>
	39,640,671	45,920,196	68,544,041	43,623,230	40,744,537	31,775,566
	49,944,784	56,194,400	55,222,198	65,547,601	57,012,675	39,923,711
	30,326,605	32,211,627	33,486,248	38,112,769	33,613,614	25,547,369
	2,991,868	3,114,227	3,192,165	3,508,726	585,719	-
	5,700,888	7,110,595	7,633,423	8,595,536	7,770,296	3,487,403
	<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>100,734,049</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>	<u>289,202,615</u>
\$	625,740	\$ 472,445	\$ 425,925	\$ 397,109	\$ 266,479	\$ 128,476
	18,846	15,681	7,987	8,736	7,935	11,315
	2,394,632	2,210,260	2,299,222	2,905,272	2,758,521	3,249,846
	2,237,230	2,821,264	1,706,782	1,696,878	2,641,536	1,713,595
	7,049,529	5,968,710	7,571,863	12,126,655	9,647,147	7,720,438
	2,738,963	2,558,164	2,739,745	2,746,217	2,866,338	3,932,288
	18,653,411	17,943,019	20,355,926	21,739,918	23,164,177	22,346,697
	-	-	-	-	-	-
	15,921,133	14,355,175	17,511,214	13,610,856	39,311,609	43,953,799
	13,275,111	12,766,815	6,064,308	4,755,050	10,370,526	5,151,276
	<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>	<u>88,207,730</u>
	26,086,061	27,065,242	23,842,686	24,446,146	14,326,887	18,720,432
	49,912,404	48,891,167	51,561,435	50,886,932	51,143,602	54,546,618
	32,309,554	33,845,779	32,627,154	32,593,511	34,921,059	35,964,030
	2,780,282	2,746,574	2,733,253	3,043,272	730,063	-
	7,359,366	7,534,843	7,781,552	7,700,065	8,223,565	8,703,178
	-	-	-	-	7,906,697	6,204,905
	13,605,971	6,176,726	13,758,080	10,379,327	10,484,424	7,591,007
	<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>131,730,170</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>	<u>219,937,900</u>

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CITY OF DAYTON, OHIO

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(CONTINUED)
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (Expense)/Revenue				
Governmental activities	\$ (110,063,094)	\$ (129,183,469)	\$ (108,592,189)	\$ (139,589,998)
Business-type activities	5,727,085	(3,725,145)	(1,272,822)	6,168,026
Total primary government net expense	<u>\$ (104,336,009)</u>	<u>\$ (132,908,614)</u>	<u>\$ (109,865,011)</u>	<u>\$ (133,421,972)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$ 10,055,324	\$ 14,355,108	\$ 12,918,102	\$ 12,155,647
Income taxes	100,336,653	101,967,172	103,721,834	107,633,425
Payments in lieu of taxes	1,076,054	1,406,710	1,771,683	1,599,086
Grants and entitlements	14,833,540	15,376,160	15,529,135	14,236,917
Investment earnings	1,931,883	1,241,997	1,722,766	1,852,285
Miscellaneous	3,848,415	4,167,506	3,453,599	3,598,806
Special item	-	-	-	-
Transfers	354,169	-	(360,000)	-
Total governmental activities general revenues	<u>132,436,038</u>	<u>138,514,653</u>	<u>138,757,119</u>	<u>141,076,166</u>
Business type activities:				
Investment earnings	557,911	113,372	485,592	535,994
Miscellaneous	10,757,208	11,564,565	12,044,998	11,606,143
Special item	-	-	-	-
Transfers	(354,169)	-	360,000	-
Total business-type activities	<u>10,960,950</u>	<u>11,677,937</u>	<u>12,890,590</u>	<u>12,142,137</u>
Total primary government	<u>\$ 143,396,988</u>	<u>\$ 150,192,590</u>	<u>\$ 151,647,709</u>	<u>\$ 153,218,303</u>
Changes in Net Position				
Governmental activities	\$ 22,372,944	\$ 9,331,184	\$ 30,164,930	\$ 1,486,168
Business-type activities	16,688,035	7,952,792	11,617,768	18,310,163
Total primary government	<u>\$ 39,060,979</u>	<u>\$ 17,283,976</u>	<u>\$ 41,782,698</u>	<u>\$ 19,796,331</u>

(1) The City closed the Golf enterprise fund in 2020 and transferred operations to the general fund.

Source: City of Dayton financial records

	2016	2017	2018	2019	2020	2021
\$	(142,143,203)	\$ (167,255,228)	\$ (177,403,436)	\$ (87,659,342)	\$ (152,457,520)	\$ (100,260,836)
	3,448,822	(18,290,714)	(35,773,915)	(30,338,609)	(11,990,544)	30,996,121
\$	<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>	<u>\$ (69,264,715)</u>
\$	12,530,977	\$ 9,749,960	\$ 12,108,678	\$ 12,690,158	\$ 13,989,145	\$ 14,240,066
	109,275,331	125,253,442	128,707,187	134,065,969	133,827,851	147,325,533
	1,639,517	1,997,895	1,816,290	1,473,194	2,046,235	1,735,177
	14,475,022	13,618,351	12,253,756	14,796,558	12,900,243	14,736,982
	2,258,330	2,118,284	3,247,089	5,007,325	2,932,744	(229,581)
	3,399,230	4,334,317	4,916,381	5,093,872	8,547,703	4,623,368
	-	-	-	-	2,809,772	-
	(501,000)	(517,500)	(641,200)	(296,400)	(50,000)	-
	<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>	<u>182,431,545</u>
	863,088	1,552,267	2,979,857	5,084,705	2,501,826	(1,396,863)
	12,535,999	13,148,319	14,653,243	16,869,201	14,164,670	12,369,646
	-	-	-	-	(2,809,772)	-
	501,000	517,500	641,200	296,400	50,000	-
	<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>10,972,783</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>	<u>\$ 193,404,328</u>
\$	934,204	\$ (10,700,479)	\$ (14,995,255)	\$ 85,171,334	\$ 24,546,173	\$ 82,170,709
	17,348,909	(3,072,628)	(17,499,615)	(8,088,303)	1,916,180	41,968,904
\$	<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>	<u>\$ 124,139,613</u>

CITY OF DAYTON, OHIO

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 10,166,112	\$ 10,556,945	\$ 11,113,881	\$ 10,582,684
Restricted	-	-	-	-
Committed	2,952,023	1,877,155	1,985,533	2,551,240
Assigned	17,106,981	22,147,568	21,268,158	20,365,988
Unassigned	31,114,283	26,287,308	27,221,281	28,939,568
Total general fund	<u>\$ 61,339,399</u>	<u>\$ 60,868,976</u>	<u>\$ 61,588,853</u>	<u>\$ 62,439,480</u>
Other Special Revenue				
Nonspendable	\$ -	\$ -	\$ 500	\$ 3,163
Restricted	5,971,337	5,678,456	5,420,505	5,782,016
Committed	-	-	-	-
Total other special revenue	<u>\$ 5,971,337</u>	<u>\$ 5,678,456</u>	<u>\$ 5,421,005</u>	<u>\$ 5,785,179</u>
Debt Service Fund				
Restricted	\$ 28,369,891	\$ 26,962,021	\$ 26,915,684	\$ 27,686,642
Committed	331,130	407,021	419,906	408,494
Total debt service fund	<u>\$ 28,701,021</u>	<u>\$ 27,369,042</u>	<u>\$ 27,335,590</u>	<u>\$ 28,095,136</u>
Capital Improvement Fund				
Nonspendable	\$ -	\$ 6,563	\$ -	\$ -
Restricted	10,424,439	8,427,005	15,704,146	9,434,711
Committed	8,436,236	9,591,625	8,310,682	7,302,188
Assigned	6,790,703	8,885,969	8,203,654	10,779,323
Total capital improvement fund	<u>\$ 25,651,378</u>	<u>\$ 26,911,162</u>	<u>\$ 32,218,482</u>	<u>\$ 27,516,222</u>
Other governmental Funds				
Nonspendable	\$ 103,727	\$ 102,228	\$ 102,228	\$ 102,228
Restricted	10,856,667	8,104,755	11,755,537	8,216,413
Unreserved (deficit), reported in: Special revenue funds	-	-	-	(209,996)
Total other governmental funds	<u>\$ 10,960,394</u>	<u>\$ 8,206,983</u>	<u>\$ 11,857,765</u>	<u>\$ 8,108,645</u>
Total Fund Balances, Governmental Funds	<u>\$ 132,623,529</u>	<u>\$ 129,034,619</u>	<u>\$ 138,421,695</u>	<u>\$ 131,944,662</u>

Source: City of Dayton financial records

	2016	2017	2018	2019	2020	2021
\$	11,130,189	\$ 4,204,941	\$ 4,117,426	\$ 16,099,839	\$ 15,387,882	\$ 15,363,267
	-	-	-	1,513,207	1,398,122	1,405,379
	1,765,917	2,796,237	1,586,680	2,125,347	1,647,920	4,102,514
	26,532,688	22,539,046	13,181,363	24,131,684	25,470,674	41,830,696
	23,499,869	32,724,803	47,225,412	33,406,326	31,411,557	23,488,527
\$	<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>	<u>\$ 86,190,383</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	-	-	-	-	-	25,022,443
\$	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,022,443</u>
\$	28,459,284	\$ 28,241,475	\$ 26,744,173	\$ 24,407,460	\$ 24,761,009	\$ 25,808,501
	416,466	422,416	443,573	452,758	457,950	476,268
\$	<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>	<u>\$ 26,284,769</u>
\$	-	\$ -	\$ 97,664	\$ 114,327	\$ 26,242	\$ 31,467
	17,575,596	5,126,467	7,714,094	924,888	11,051,244	6,164,048
	7,875,468	7,284,916	9,701,058	10,158,119	7,849,429	18,595,418
	6,301,554	7,070,596	8,469,143	8,983,360	15,199,275	23,417,915
\$	<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>	<u>\$ 48,208,848</u>
\$	914,376	\$ 756,993	\$ 1,343,739	\$ 1,348,573	\$ 1,549,326	\$ 1,148,979
	13,151,325	13,468,783	11,666,032	18,431,205	32,919,574	25,921,971
	-	-	-	-	-	-
\$	<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>\$ 27,070,950</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>	<u>\$ 212,777,393</u>

CITY OF DAYTON, OHIO
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2012	2013	2014	2015
Revenues				
Taxes	\$ 128,586,427	\$ 131,413,081	\$ 132,423,102	\$ 134,876,542
Charges for services	27,256,576	26,855,263	27,395,234	28,978,808
Licenses and permits	1,616,712	1,458,434	1,381,915	1,549,259
Fines and forfeits	5,926,766	4,217,985	3,815,470	2,737,317
Intergovernmental	45,662,634	38,037,763	31,756,758	27,257,994
Special assessments	297,589	344,211	754,970	2,778,402
Payments in lieu of taxes	873,495	1,195,609	1,590,825	1,757,149
Investment income	1,858,064	1,497,795	1,639,315	1,675,558
Increase (decrease) in fair value of investments	80,325	(240,888)	32,885	(16,440)
Other	6,282,291	9,830,450	5,528,609	5,878,638
Total revenues	<u>218,440,879</u>	<u>214,609,703</u>	<u>206,319,083</u>	<u>207,473,227</u>
Expenditures				
Current:				
Downtown	3,346,771	3,139,384	3,183,464	3,500,198
Youth, education and human services	2,518,658	2,902,251	708,900	493,757
Community development and neighborhoods	31,889,756	28,406,652	22,550,030	23,458,563
Economic development	9,529,602	15,142,478	13,346,277	14,864,797
Leadership and quality life	28,678,675	32,029,419	32,784,866	36,273,704
Corporate responsibility	13,901,301	15,163,461	15,486,893	14,800,055
Public safety and justice	94,598,883	95,650,844	95,477,660	94,684,266
Capital outlay	16,942,861	14,798,332	16,329,574	15,878,315
Debt service:				
Principal retirement	9,918,875	8,446,175	7,708,143	7,062,185
Interest and fiscal charges	2,785,143	3,164,241	2,843,361	3,052,165
Bond issuance costs	693,878	-	195,142	-
Total expenditures	<u>214,804,403</u>	<u>218,843,237</u>	<u>210,614,310</u>	<u>214,068,005</u>
Excess(deficiency) of revenues over expenditures	3,636,476	(4,233,534)	(4,295,227)	(6,594,778)
Other Financing Sources (Uses)				
Transfers in	8,590,551	6,838,592	6,076,041	9,500,959
Transfers out	(8,168,518)	(6,750,939)	(6,318,132)	(9,383,214)
Bonds issued	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>6,047,304</u>	<u>644,624</u>	<u>13,682,303</u>	<u>117,745</u>
Net change in fund balance	<u>\$ 9,683,780</u>	<u>\$ (3,588,910)</u>	<u>\$ 9,387,076</u>	<u>\$ (6,477,033)</u>
Capital expenditures	\$ 21,668,262	\$ 16,716,779	\$ 19,494,767	\$ 15,725,633
Debt service as a percentage of noncapital expenditures	6.58%	5.74%	5.52%	5.10%

Source: City of Dayton financial records

	2016	2017	2018	2019	2020	2021
\$	134,469,794	\$ 149,848,719	\$ 153,774,390	\$ 161,579,677	\$ 161,012,016	\$ 176,110,210
	28,108,799	26,429,834	26,759,391	27,771,388	27,496,031	29,511,502
	1,580,745	1,781,833	2,960,263	3,048,391	2,288,432	3,022,276
	1,383,357	900,272	3,669,384	2,795,582	1,979,932	4,208,969
	34,659,554	30,456,805	20,504,272	19,293,774	38,088,195	51,784,930
	3,016,394	2,971,185	3,433,417	3,502,218	3,147,171	709,870
	1,687,149	2,919,537	1,816,290	1,473,194	2,046,235	1,735,177
	2,636,156	2,451,887	2,943,134	3,223,585	2,492,105	1,802,988
	(470,837)	(486,307)	59,611	1,301,183	741,994	(2,206,730)
	5,807,497	6,885,769	7,711,233	12,311,516	17,215,672	6,876,444
	<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>	<u>273,555,636</u>
	3,468,162	2,842,200	2,733,701	2,493,895	1,679,149	609,816
	104,913	94,338	51,264	54,865	49,999	53,647
	21,967,449	21,003,433	24,152,389	22,009,086	20,446,273	20,944,475
	9,646,066	17,984,798	9,063,098	7,411,662	12,840,968	9,273,883
	36,858,771	36,259,335	39,832,359	43,342,457	47,512,651	39,875,908
	15,410,341	15,838,901	17,924,225	17,174,472	17,531,017	17,780,001
	98,253,686	101,559,290	105,696,870	111,002,549	118,410,502	115,272,534
	20,836,262	30,667,930	19,169,413	15,242,068	20,873,490	17,037,586
	8,583,778	7,422,744	7,601,277	7,842,451	6,242,680	6,654,095
	2,844,231	3,072,686	2,840,393	3,269,857	2,477,806	2,657,940
	323,854	-	191,897	-	241,655	-
	<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>	<u>230,159,885</u>
	(5,418,905)	(12,586,121)	(5,625,501)	6,457,146	8,201,593	43,395,751
	5,504,550	9,699,537	12,491,885	9,083,011	13,745,794	49,587,214
	(5,892,656)	(10,099,475)	(13,012,845)	(9,259,303)	(13,795,794)	(49,587,214)
	12,210,000	-	14,405,000	-	39,850,000	-
	1,099,888	-	-	-	739,155	251,438
	(2,876,310)	-	(1,211,639)	-	(23,863,009)	-
	1,051,503	-	606,784	-	2,155,372	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>11,096,975</u>	<u>(399,938)</u>	<u>13,279,185</u>	<u>(176,292)</u>	<u>18,831,518</u>	<u>251,438</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>	<u>\$ 43,647,189</u>
\$	29,324,228	\$ 31,630,721	\$ 21,227,738	\$ 21,789,083	\$ 28,930,054	\$ 21,202,091
	6.05%	5.12%	5.02%	5.34%	3.98%	4.46%

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
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
2021	123,807,815	84.64%	22,473,559	15.36%	146,281,374	5,011,497	3.43%	17,462,062	11.94%	146,281,374

**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)
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%
2021	145,756,560	145,756,560	8.99%	146,380,742	146,380,742	9.65%

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>								
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%
2021	16,243,799	14,876,827	91.58%	1,223,775	16,100,602	99.12%	11,028,476	67.89%

(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>					
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
2021	2022	1,486,243,350	4,246,409,571	138,125,110	355,254,987

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	
\$ 1,527,043,290	\$ 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%
1,624,368,460	10.00	4,601,664,558	35.30%

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>					
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
2021	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	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
10.00	80.05	23.14	3.09

CITY OF DAYTON, OHIO

**PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Fiscal Year 2021			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	\$ 101,120,330	1	6.23%	\$ 74,589,670	1	4.88%
Vectren Energy Delivery	36,059,150	2	2.22%	10,576,700	2	0.69%
Caresource	8,902,730	3	0.55%			
Premier Health Partners (1)	7,625,310	4	0.47%	5,041,000	5	0.33%
GLP Capital LP	6,790,980	5	0.42%			
Dayton Hotel II LLC	5,255,550	6	0.32%			
Jaycee Towers LP	5,250,010	7	0.32%			
Arkham Tower LLC	4,271,940	8	0.26%			
KND real Estate 29 LLC	4,183,650	9	0.26%	5,646,100	3	0.37%
RLR Investments LLC	3,880,820	10	0.24%			
Marriott International				5,238,110	4	0.34%
DUCRU SPE LLC				4,734,550	6	0.31%
Titan Loan Investment Fund LP				4,022,480	7	0.26%
Cloud Park Apartment				3,845,320	8	0.25%
Cargill, Inc				3,374,680	9	0.22%
Woodman Park Apartment				3,173,540	10	0.21%
Total	\$ 183,340,470		11.30%	\$ 120,242,150		7.86%

(1) Formally Good Samaritan Hospital

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>
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%
2021	6,501,840	4,588,062	70.57%	1,059,470	5,647,530	86.86%

(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
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
2021	46,751,609	17,346,801	-	1,198,618	-	1,667,422	2,061,640	2,715,000

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 2017-2021 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
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
30,153,844	123,294,585	8,639,401	-	-	4,243,244	238,072,164			

CITY OF DAYTON, OHIO

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Value (2)	\$ 1,527,043,290	\$ 1,545,990,210	\$ 1,420,769,660	\$ 1,419,103,270
Legal debt margin:				
Debt limitation - 10.5% of Assessed Value	160,339,545	162,328,972	149,180,814	149,005,843
Total Voted and Unvoted Debt Outstanding	169,996,937	157,522,164	159,621,062	201,500,505
Less: Exempt Debt				
Airport General Obligation Bonds and Notes	(9,750,000)	(9,375,000)	(8,990,000)	(10,016,545)
Airport Revenue Bonds (1)	(33,265,591)	(32,090,000)	(30,232,678)	(52,051,403)
Water Revenue Bonds (1)	-	-	-	(15,720,663)
Sewer Revenue Bonds (1)	-	-	-	(16,428,679)
Water General Obligation Bonds (3)	(15,300,000)	(14,520,000)	(13,630,000)	(12,705,000)
Sewer General Obligation Bonds (3)	(15,600,000)	(14,805,000)	(13,905,000)	(12,970,000)
Storm Water General Obligation Bonds (3)	-	-	-	-
Special Assessment Bonds and Notes	(63,100)	(23,200)	-	-
Economic Development Bonds	(32,235,000)	(30,305,000)	(28,285,000)	(26,200,000)
Total Exempt Debt	<u>(106,213,691)</u>	<u>(101,118,200)</u>	<u>(95,042,678)</u>	<u>(146,092,290)</u>
Total Debt Applicable to Limitation - Within 10.5% Limitations	63,783,246	56,403,964	64,578,384	55,408,215
Less: Amount Available in Debt Service Fund to pay debt applicable to limitation	<u>(10,776,956)</u>	<u>(10,184,042)</u>	<u>(10,965,590)</u>	<u>(12,580,136)</u>
Net Debt Within 10.5% Limitation	<u>53,006,290</u>	<u>46,219,922</u>	<u>53,612,794</u>	<u>42,828,079</u>
Overall Debt Margin Within 10.5% Limitations	<u>\$ 107,333,255</u>	<u>\$ 116,109,050</u>	<u>\$ 95,568,020</u>	<u>\$ 106,177,764</u>
Unvoted Debt Limitation - 5.5% of Assessed Valuation	\$ 83,987,381	\$ 85,029,462	\$ 78,142,331	\$ 78,050,680
Debt Within 5.5% Limitations	63,783,246	56,403,964	64,578,384	55,408,215
Less Amount Available in Debt Service Fund	(10,776,956)	(10,184,042)	(10,965,590)	(12,580,136)
Net Debt Within 5.5% Limitation	<u>53,006,290</u>	<u>46,219,922</u>	<u>53,612,794</u>	<u>42,828,079</u>
Unvoted Debt Margin Within 5.5% Limitation	<u>\$ 30,981,091</u>	<u>\$ 38,809,540</u>	<u>\$ 24,529,537</u>	<u>\$ 35,222,601</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) Airport, Water, Storm Water and Sewer general obligation bonds are exempt debt.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 1,422,658,280	\$ 1,432,805,280	\$ 1,439,720,000	\$ 1,469,630,470	\$ 1,611,392,880	\$ 1,624,368,460
149,379,119	150,444,554	151,170,600	154,311,199	169,196,252	170,558,688
241,115,601	226,096,070	240,847,212	224,868,162	247,978,894	238,072,164
(9,404,368)	(8,782,191)	(8,135,014)	(7,497,837)	(6,855,660)	(6,198,483)
(80,822,459)	(79,361,332)	(77,650,932)	(72,484,469)	(69,348,476)	(66,092,480)
(15,133,998)	(14,542,333)	(31,139,407)	(29,928,391)	(28,652,375)	(27,336,359)
(15,815,607)	(15,197,536)	(14,554,464)	(13,886,392)	(31,179,460)	(29,865,746)
(17,640,000)	(16,655,000)	(15,640,000)	(14,590,000)	(13,564,750)	(12,555,683)
(11,980,000)	(11,260,000)	(10,515,000)	(9,735,000)	(9,358,515)	(8,544,678)
-	-	-	-	(3,000,000)	(2,855,000)
-	-	-	-	-	-
<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>(17,230,000)</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>	<u>(170,678,429)</u>
66,264,169	58,452,678	59,967,395	56,011,073	66,814,658	67,393,735
<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>(26,284,769)</u>
52,008,419	43,473,787	45,484,649	31,150,855	41,595,699	41,108,966
<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>	<u>\$ 129,449,722</u>
\$ 78,246,205	\$ 78,804,290	\$ 79,184,600	\$ 80,829,676	\$ 88,626,608	\$ 89,340,265
66,264,169	58,452,678	59,967,395	56,011,073	66,814,658	67,393,735
(14,255,750)	(14,978,891)	(14,482,746)	(24,860,218)	(25,218,959)	(26,284,769)
52,008,419	43,473,787	45,484,649	31,150,855	41,595,699	41,108,966
<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>	<u>\$ 48,231,299</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**

<u>Fiscal Year</u>	<u>Population (3)</u>	<u>Assessed value (2)</u>	<u>Gross general bonded debt (1)</u>	<u>Less: Amounts available in Debt Service Fund (4)</u>	<u>Net general bonded debt (1)</u>	<u>Ratio of net general bonded debt to assessed value</u>	<u>Net general bonded debt per capita</u>
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
2021	137,644	1,624,368,460	76,905,453	16,328,501	60,576,952	3.73%	440

(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 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>
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%
2021	6,654,095	2,657,940	-	9,312,035	230,159,885	4.05%

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2021

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, 2021.

Political subdivision of State of Ohio	2021 Debt Outstanding (1)	Percentage applicable to Dayton	Amount applicable to Dayton
Direct			
City of Dayton	\$ 71,741,090	100.00%	\$ 71,741,090
Total Direct Debt	<u>71,741,090</u>		<u>71,741,090</u>
Overlapping			
Dayton Metro Library District	130,309,986	19.47%	24,941,331
Dayton City School District	100,690,000	84.73%	85,203,878
Miami Valley Career Center	122,885,340	2.23%	2,740,343
Vandalia Butler City School District	40,189,016	3.51%	1,028,839
Mad River Local School District	3,160,000	23.42%	745,128
Huber Heights City School District	59,735,000	11.20%	6,660,453
Trotwood-Madison City School District	19,065,000	3.96%	711,125
Fairborn City School District	94,101,391	3.36%	3,246,498
Northridge Local School District	12,350,000	30.98%	3,943,355
Greene County Career Center	50,575,000	0.49%	262,990
Total Overlapping Debt	<u>633,060,733</u>		<u>129,483,940</u>
Total Direct and Overlapping Debt	<u>\$ 704,801,823</u>		<u>\$ 201,225,030</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	
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
2021	18,276,844	1,005,692	71,726	1,077,418	16.96

(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 value adjustment.

Source: City of Dayton financial records

CITY OF DAYTON, OHIO

WATER ENTERPRISE REVENUE BOND COVERAGE
WATER REVENUE BONDS
LAST SIX 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
2021	30,901,628	1,245,000	1,063,187	2,308,187	13.39

(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 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 SIX 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
2021	20,506,073	1,200,000	1,061,578	2,261,578	9.07

(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 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

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	
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
2021	12,579,333	3,115,000	2,862,837	5,977,837	2.10

(1) Net Revenue Available for Debt Service is computed by adding operating income (loss) for the reporting period to depreciation expense, fair value adjustment and interest revenue. Also included in this calculation is the portion of Passenger Facility Charges (PFC) 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>
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
2021	56 (+/-)	1,077,297	7,829

<u>Year</u>	<u>Active Gas Meters (3)</u>	<u>Vehicle Registrations (4)</u>
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
2021	61,002	124,333

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
2021	56.7

Source: Division of Planning City of Dayton

CITY OF DAYTON, OHIO

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2021			Fiscal Year 2012		
	Employees	Rank	Percentage of Total Dayton Labor Force	Employees	Rank	Percentage of Total Dayton Labor Force
Kettering Health Network (2)	13,984	1	23.66%			
Premier Health Partners (1)	12,597	2	21.31%	5,800	1	9.74%
Montgomery County	4,272	3	7.23%	3,600	4	6.04%
Childrens Medical Hospital	3,620	4	6.13%			
CareSource	3,100	5	5.25%			
University of Dayton	2,870	6	4.86%	2,800	6	4.70%
Sinclair Community College	2,359	7	3.99%	2,500	8	4.20%
Veterans Administration	2,300	8	3.89%			
City of Dayton	1,877	9	3.18%	2,600	7	4.37%
BEHR Dayton Thermal	1,444	10	2.44%	2,000	10	3.36%
Dayton Public Schools				3,750	2	6.30%
Delphi Automotive Systems Corporation				3,700	3	6.21%
Good Samaritan Hospital				3,100	5	5.21%
AT&T				2,400	9	4.03%
Total	48,423		81.93%	32,250		54.16%

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
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%
2021	250,188	5.60%	58,000	7.10%	5,746,000	5.40%	5.80%

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
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
2021	52,637	82.39%	-	41,618	65.14%	56,483	88.41%	63,887

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	2012	2013	2014	2015
Total	378.1	376.4	372.0	379.1
Goods-Producing Industries	52.6	52.7	50.7	52.0
Natural Resources, Mining and Construction	11.4	11.4	11.7	12.0
Manufacturing	41.2	41.3	39.0	40.0
Service-Providing Industries	325.5	323.7	321.3	327.1
Trade, Transportation, and Utilities	64.6	64.9	64.4	65.8
Information	8.9	8.7	8.5	8.4
Financial Activities	17.3	17.3	17.3	17.6
Professional and Business Services	48.7	47.5	48.6	50.1
Educational and Health Services	70.2	69.8	70.2	71.0
Leisure and Hospitality	37.1	36.9	37.2	37.8
Other Services	14.7	15.1	14.0	13.8
Government	64.0	63.5	61.1	62.6

(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

2016	2017	2018	2019	2020	2021	Percentage of Total 2021 employment
384.5	389.0	390.0	395.4	373.7	381.3	n/a
53.6	54.7	56.1	57.8	54.6	54.9	14.4%
12.4	12.6	13.1	13.5	13.8	14.2	3.7%
41.2	42.1	43.0	44.3	40.8	40.7	10.7%
330.9	334.3	333.9	337.6	319.1	326.4	85.6%
65.3	65.5	66.3	66.6	67.2	67.3	17.7%
8.5	8.3	8.2	7.5	6.8	6.6	1.7%
17.9	18.1	18.1	18.2	17.8	17.4	4.6%
51.0	50.8	52.4	51.5	49.8	52.7	13.8%
72.5	74.4	74.1	77.9	72.1	69.6	18.3%
38.8	40.3	39.1	39.2	32.9	38.3	10.0%
14.0	14.4	13.8	13.9	12.7	13.3	3.5%
62.9	62.5	61.9	62.8	59.8	61.2	16.1%

CITY OF DAYTON, OHIO

**FULL TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Downtown	14	15	15	15	17	18	18	11	4	1
Youth, education and human services	1	1	1	-	1	1	1	1	1	1
Community development and neighbors	134	130	128	141	126	132	128	122	104	116
Economic development	26	30	32	7	33	40	31	28	30	23
Leadership and quality of life	178	171	303	214	147	141	144	138	122	233
Corporate responsibility	134	137	133	169	136	135	137	143	157	155
Public safety and justice	866	868	864	838	826	849	856	865	842	843
Business-type activities:										
Dayton International Airport	138	140	144	143	141	138	136	125	91	92
Water	218	232	164	246	373	375	375	355	316	193
Sewer	109	113	70	119	97	100	100	133	125	116
Golf (1)	15	14	14	14	12	12	13	11	4	-
Storm Sewer	89	83	66	41	36	39	33	31	27	51
Total Full-Time Equivalent (FTE)	1,922	1,934	1,934	1,947	1,945	1,980	1,972	1,963	1,823	1,824

Source: City of Dayton ITS and Management & Budget

(1) The City closed the Golf Enterprise fund during 2020 and moved the activity to the Leadership and Quality of Life Governmental Activities.

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>
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
2021	12,028	11,469	31,777	55,274	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, 2021

<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
Total approximate area of Montgomery County	<u>464</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)
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
2021	593	440,295,080

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 2012</u>
2012	153	\$ 13,518,608	\$ 88,357	-16.44%	n/a
2013	44	3,459,005	78,614	-11.03%	-11.03%
2014	7	629,989	89,998	14.48%	1.86%
2015	63	8,518,038	135,674	50.75%	53.55%
2016	37	4,280,000	115,676	-14.74%	30.92%
2017	4	445,000	111,250	-3.83%	25.91%
2018	7	1,560,000	222,857	100.32%	152.22%
2019	1	230,000	230,000	3.21%	160.31%
2020	4	532,000	133,000	-42.17%	50.53%
2021	14	4,203,108	300,222	125.73%	239.78%

Source: Census Bureau

CITY OF DAYTON, OHIO

**OPERATING INDICATORS AND CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Service										
Highways and Streets										
Streets (miles)	1,718	1,718	1,718	1,719	1,719	1,719	1,719	1,719	1,408	1,408
Streetlights	20,391	20,427	19,720	19,720	19,976	19,976	19,976	19,976	19,976	19,976
Traffic Signals	313	314	320	316	316	319	319	319	319	314
Computerized Signals	275	314	320	316	316	319	319	319	319	314
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	7	7	3	3	5	5
Number of Employees	413	409	405	410	397	419	417	419	418	421
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	308	314	318	327	318	322	320	325	316	316
City Fleet (public safety)										
Fire	108	84	88	91	88	97	90	92	97	92
Police	314	304	289	291	290	271	246	246	280	273
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	39	25	19	37	35	35	35
Total Facilities *	180	181	170	162	187	129	129	113	113	113
Parks	60	60	60	60	63	63	37	35	46	44
Swimming Pools	4	4	4	4	4	4	4	4	3	3
Tennis Courts	63	63	50	41	41	9	9	9	9	9
Community Centers	3	3	3	3	-	-	-	-	3	3
Athletic Complexes	2	2	2	2	2	3	3	3	5	5
Specialized Facilities	-	1	1	1	1	1	1	1	-	-
Shelter Houses	37	37	36	37	62	35	34	35	35	35
Golf Courses	3	3	3	3	3	3	3	3	1	1
Spray Park Facilities	7	7	7	7	7	7	7	6	6	6
Recreation Centers	-	-	3	3	3	3	3	3	3	3
Cultural Centers	1	1	1	1	1	1	1	1	1	-
Water										
Water Mains (miles)	806.61	807.03	807.03	807.26	847.65	852.51	852.51	857.47	859.81	859.81
Maximum Daily Capacity (millions of gallons)	44.30	41.00	42.00	43.20	43.20	43.20	43.20	38.80	39.80	39.80
Sewer										
Sanitary Sewers (miles)	603.27	603.40	603.40	730.00	730.00	740.46	740.60	739.98	721.67	721.67
Storm Sewers (miles)	403.67	403.67	403.67	576.60	576.60	576.89	576.89	576.94	577.74	577.74
Maximum Daily Capacity (millions of gallons)	29.80	28.69	28.33	28.33	28.33	28.33	28.33	28.00	28.00	28.00

Source: Various Departments, City of Dayton

* 2012-2016 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 Annual Comprehensive Financial Report, Fiscal Year Ended December 31, 2021

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Shelley Dickstein	City Manager
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DAYTON

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.

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